

Report of the Sixteenth Meeting of the Independent Expert Oversight Advisory Committee (IEOAC) of the World Health Organization

(Geneva, 1 – 3 July 2015)

The meeting was the second of three IEOAC meetings planned for 2015. The agenda for this meeting is attached at [Annex 1](#) and the list of participants as [Annex 2](#).

In attendance throughout: Bob Samels (Chair), Steve Tinton, Farid Lahoud, Mukesh Arya.

Ms Mary NCube was unable to attend the meeting and conveyed her apologies.

Item 1 – Opening and administrative matters

- 1) The Chair confirmed a quorum with four members present and all declarations of interest or updates duly submitted (no conflicts of interest recorded). The agenda for the 16th meeting was adopted.
- 2) The Committee was informed about the selection process undertaken by the secretariat to replace two of the current members whose tenure would come to end in May 2016 and the decision of the EB to approve the appointment of Ms Jeya Wilson (South Africa and new Zealand) and Mr Leonardo P Gomes Pereira (Brazil) for a four year non-renewable term starting in May 2016.
- 3) The Committee also agreed to invite the two new members as ‘Observers’ in the March 2016 meeting so as to ease their induction.

Item 2 – Reporting on outcomes of Governing Bodies

- 4) Mr Lahoud attended the PBAC meeting in May 2015 in his capacity as the chair of IEOAC. He shared his views about the deliberations undertaken by the Member States regarding some of the observations and recommendations made by IEOAC.
- 5) The Secretariat also emphasized the importance and the credibility of IEOAC and pointed that its reports usually set the tone for discussions in governing body meetings. A case in point was the observation of the IEOAC that there is a “culture of tolerance for non-compliance” with rules and policies, which triggered a significant interest and discussions. It has contributed to ALL regional directors taking the floor at PBAC to comment upon compliance in their respective regions.

- 6) The Committee was pleased to note the focus on compliance with rules and policies and several new initiatives being undertaken by regional directors to bring improvements in this area.
- 7) It was also noted that while the Secretariat presents several reports to the Member States in areas such as external audit, internal oversight, compliance, risks, evaluations etc.; it is the IEOAC report which is an all-encompassing unique report bringing together all the critical elements of these numerous reports and make suggestions and recommendations linking the critical issues together.
- 8) In respect of IEOAC's suggestion about formalising the role of GPG, it was mentioned that that the Member States look at the role of GPG as an advisory body and not as the decision making body. The Committee reiterated that their suggestion of formalising the role of GPG was in the context of strengthening the role of Director General as the chief administration officer of the organization to ensure the accountability structure is applied in a consistent manner across the three levels of the organization. It noted that this point needs to be explained clearly to Member States.

Item 3 – Status of External Audit

- 9) The External Auditor (through VC from Rome) and representatives from the Finance Department joined the meeting for this item and the Committee received an update in respect of 2014 Management Letters and Operational Reviews.
- 10) The Committee also reviewed the Audit Plan for 2015, and noted the inclusion of 'Outbreak and Response Crisis Fund on Ebola' under performance audit. Since many independent review panels are already evaluating the organization's response to Ebola crisis in programmatic and technical terms the Committee wanted to understand if this work would be on the programmatic or financial controls. The External Auditors clarified that the work would be focused on financial controls and should be classified as a financial audit not a performance audit.
- 11) The IEOAC further suggested that the External Auditors coordinate with management in choosing the areas needing performance audit so as to optimise the use of their time and resources.
- 12) The IEOAC requested the External Auditors to identify five key areas of their focus which requires constant monitoring. These were - Internal Control Framework; IPSAS transitory process for recognition and valuation of fixed assets; Performance Management System in sync with Programme Management Objectives; ERP system – GSM, and Delegation of Authority and Accountability Framework - at all levels of the

organization. The Committee would like to get a briefing from the External Auditors at the April 2016 meeting on the result of their audit work in these areas.

13) The IEOAC also held a private session with external Auditors.

Item 4 – Update on Internal Oversight Services (IOS)

14) The Committee received a briefing from Director IOS on the recent developments in Internal Oversight Services including HR update, status of work 2014 plan, recommendations, main findings, status of implementation of recommendations and investigations. The Director IOS also updated the Committee about the preliminary findings under their Ebola audit.

15) The IEOAC was pleased to note the progress made in the recruitment process with several key positions expected to be filled up by the last quarter of this year, enhancing the capacity of the department.

16) IEOAC noted with satisfaction the progress made in the implementation of audit report recommendations and the closure of several audits since its last meeting. It was encouraged to note a significant reduction (from 14.6% to 5.2%) in case of ‘open’ recommendations from the previous year.

17) The Committee raised its concerns in respect of the draft findings of the IOS Ebola audit. It noted the apparent lack of tools, guidelines, standard operating procedures and systems to deal with outbreaks and emergencies. IOS noted that short term systems are developed to deal with individual emergencies on an adhoc basis rather than building on the existing mechanisms. Most importantly, an absence of clear line of command and contingency funding, makes it difficult for WHO to respond rapidly and efficiently to such public health emergencies, thus creating a substantial reputational risk for the organization.

18) The Committee reiterated its earlier observation that WHO needs to have an effective management structure with clearly defined roles, responsibility and authority of senior management at the three levels of the Organization. It suggests that the organization should use this opportunity to prepare a comprehensive package of lessons learnt taking into account the IOS findings, the observations and recommendations that may be made by external review panels on the Ebola crisis and prepare an integrated plan with clearly defined deliverables and indicators to be implemented for all future outbreaks and emergencies.

19) The Committee also held a private session with the Director IOS.

Item 5 – Update on Compliance, Risk Management and Ethics (CRE)

- 20) The Committee continues to follow the progress being made by CRE with a keen interest. It received an update of the risk validation process, analysis of top risks, status of risk policy, harmonization of compliance function, and code of ethics.
- 21) The Committee was informed about the increase in the overall response rate in the identification of risk process from 56% to 83% since the last report. It further noted with satisfaction that the risk validation process is on track. It looks forward to receiving the top down results of the risks validation in its October meeting.
- 22) The IEOAC had previously recommended to harmonise the compliance function under a central framework established by CRE consistently across all offices. In this respect, CRE is currently reviewing existing practices, scope of function, reporting lines and associated risks in all major offices. The Director of CRE was invited by AFRO to review the functions of its Compliance Unit which was housed under the RD's office and observed that it was performing more of an audit and investigation function. The Committee was pleased to note that upon CRE's recommendation, AFRO agreed to move the compliance unit under DAF's responsibility area to ensure the compliance units act as a "second line of defence". The Committee encouraged the CRE to undertake these reviews for the other regional offices in a time bound programme.
- 23) The Committee observed that there are several high significance initiatives running in parallel under the CRE area. It considers that to manage the expectation of this committee and the Executive Board, it is important that the CRE is adequately resourced and has the right delegation of authority. In its October meeting, the IEOAC would like to see a clear implementation plan with dedicated resources, timelines, reflecting all the initiatives currently ongoing under CRE, with concrete deliverables both for HQ and ROs.

Item 6 – Planning, Resource Coordination and Performance Monitoring

- 24) For this session, several background documents such as PB 2016-17, long and short form of Mid Term Review, financial management update, budget space allocation report, paper of financing dialogue etc. were shared with the Committee a few weeks before the meeting. During the session, Director PRP, briefed the committee on the operationalization of PB 16-17 and implementation and performance assessment of PB 14-15.

- 25) The Committee was quite appreciative of the excellent level of detail and financial information provided in the mid-term review report. However it encouraged the secretariat to strengthen the self-evaluation process in terms of matching the outcomes and outputs with financial resources. It considers the reconciliation of programmatic assessment with financial numbers a critical element of in-depth assessment of the organization's performance.
- 26) The Committee was informed about the 8% increase in base budget compared to current biennium by the WHA. This clearly reflects the confidence of Member States in WHO's ability to implement and deliver on its mandate. However since this is only an increase in budget, not matched with funding; the Committee observes that it again highlights the risk of WHO' continued dependence on voluntary contribution from a small number of donors.

Item 7 – Update on Evaluation and Organization Learning

- 27) The IEOAC received a briefing from the DG Representative for EOL with regard to the Interim Assessment of WHO's response to Ebola Crisis. The assessment has been done by a panel of outside independent experts, requested by EB and chaired by Barbara Stocking, former Chief Executive of Oxfam, UK, on all aspect of WHO's response in the Ebola outbreak. The interim assessment report focussed on three key areas – (i) International Health regulations (IHR) - how it worked in this Ebola outbreak; (ii) WHO's capacity in responding to health emergencies and (iii) WHO's role in coordination and partnership with other health and UN agencies. Notwithstanding, the strong criticism and enumeration of several failings in WHO's response to this crisis, the Panel still advocates for WHO to be the lead agency for global public health.
- 28) With numerous Review Panels evaluating and identifying "what went wrong" and making recommendations for future outbreaks and emergencies, the Committee is impressed with the detailed diagnosis undertaken by the organization in an open and a transparent manner. However it considers that it's time to move on from 'diagnosis phase' to 'implementation of recommendation phase' including reforms of the structures and management systems that will enable WHO to most effectively fulfil its mandate in this critically important aspect of the work.
- 29) The Committee welcomes the DG's commitment to work on reforms of WHO's work on emergencies including setting up of a contingency fund, establishment of an emergency structure, creating a global health emergency workforce and setting up a project team to oversee and provide guidance on the proposed reforms. The Committee reiterated its concerns about the need for greater clarity in roles and responsibilities at three levels of

organization and unless there is an alignment among major offices in terms of reform, it questions whether the organization will be able to deliver on its promises.

- 30) The world expects the WHO to take the lead on global health issues, however the current high level management structure needs to be examined to ensure it can meet the expectations placed upon it. The IEOAC has raised this issue in a number of areas such as Reform, Compliance, Mobility and Information Technology. Despite the efforts of an excellent workforce, future progress of the organization is at risk without examining its management structure between the three levels of the organization.

Item 8 – Briefing on GSM functionality from business perspective

- 31) This presentation and overview of GSM from the business perspective was well received by the Committee. The presentation explained the results based framework including the compliance and control functions; showed the linkage between programme budget, planned costs, funding resources and the final implementation for a specific budget centre; provided an overview of work plan management and end to end process for voluntary funds.

Item 9 – Update on major Information Technology Initiatives

- 32) The Committee received an update from the Director ITT, who shared his vision and mission about WHO's IT operations globally and apprised the Committee about some of the major initiatives underway and key challenges and issues being faced by the department
- 33) The IEOAC noted the progress being made in broad areas such as Shared Services, GSM Transformation Project and Emergency and Disaster Management System. As such Committee does not have any reservations or comments but reiterates its concern about the lack of an appropriate IT governance structure as it may impact the efficiency of IT department in the long run.

Item 10 – Introduction and discussion with Ombudsman

- 34) The IEOAC received a brief presentation from the Ombudsman in respect of his role in WHO as a facilitator of informal conflict resolution. The Committee appreciated the frank discussion and exchange of views with him.

Item 11 – Briefing in a Technical Area

35) Director, Knowledge, Ethics and Research, on behalf of ADG Health Systems and Innovation provided a technical presentation to the Committee on its work and approach. It's one of the largest technical cluster with seven departments and hosting two partnerships. The Committee received an update and discussed a number of issues, such as the top risks for the cluster, its financing structure and challenges, assessment of performance in terms of measurable indicators for goals and objectives etc.

Item 12 – Discussion with DDG and senior management

36) The IEOAC held a concluding session with DDG and other senior members from the secretariat to discuss the critical issues, concerns and recommendations as set out in this meeting report.

Item 13 – Other matters

37) The Committee also received a short update on the draft framework of engagement with Non State Actors.

38) The next meeting of IEOAC, scheduled from 20th to 22nd October 2015 is to be held at Brazzaville.
