

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

(Geneva, 26 – 28 July 2017)

Item 1 – Opening and administrative matters

- 1) This was the second of three IEOAC meetings planned for 2017, with the dates for the next meeting having been set for 24-26 October, 2017 and venue being EMRO, Cairo. The agenda for this meeting is attached as Annex 1 and List of Participants as Annex 2.
- 2) In attendance throughout : Bob Samels (Chair), Mukesh Arya, Steve Tinton, Jeya Wilson, and Leonardo Pereira.
- 3) The Chair confirmed a quorum with all members present and all declarations of interest or updates duly submitted (no conflicts of interest recorded). The agenda for the 22nd meeting was adopted.
- 4) The committee received a financial update from Comptroller and have noted the significant funding gaps across the organization. As reiterated earlier, the committee is concerned about the funding model of the organization with dependence on a few donors, impact of reduction in polio funding on other programme areas, and sustainable financing required for a robust WHE.

Item 2 – Update from Chief treasury in respect to WHO’s financial asset structure, investment policies and related treasury operations:

- 5) The Committee received a presentation on the organization’s current investment structure and the risks associated with it. The Committee was pleased to note the innovative and excellent management of treasury functions with limited resources, performing above benchmark, through intelligent outsourcing while managing risks. The Committee does not have any reservations or concerns.

Item 4 – Discussion with Director, Planning, Resource Coordination and Performance Monitoring about Value for Money concept (vfm)

- 6) The Committee received a briefing from Director PRP, about the work in progress in the area of developing a strategy and plan for Value for Money. The Committee observed that certain member states and donors are requesting the organization to explicitly demonstrate VfM in all its programmatic activities.
- 7) The committee welcomed the initiative, and advised the Secretariat to ensure the VfM review process measures the effectiveness of programmes from the perspective of value rather than cost. It cautioned against creating another administrative layer which could be perceived as a GMG (GPG or GMG?) driven initiative. It recommends the organization use existing mechanisms to ensure VfM concept gets

embedded in the current business processes and the initiative should be rolled out in waves starting with a small pilot project over a few programme areas.

Item 4 – Update on Internal Oversight Services (IOS)

- 8) The Director IOS provided an update on the recent developments in its area of work including HR update, status of 2017 work plan, status update on implementation of recommendations, process improvement initiative ‘Team Central’ and briefing on investigations.
- 9) The IEOAC reviewed the scope and the audit work plan for 2017 and considered the same to be focused and well-conceived. In discussion with the Director IOS it also reviewed the adequacy of resources available to carry out the IOS mandate independently and efficiently. Given the funding strain with respect to category 6 and the increased volume of investigation work within IOS, the Committee would like to be assured that IOS is adequately resourced in the coming biennium to ensure key risk areas are covered under audit plan.
- 10) Regarding postponement of audits due to lack of resources, the Committee recommended that the decision making process for the same should be formally documented by IOS clearly indicating whether the deferment would have any impact on the risk coverage.
- 11) The committee was pleased with the overall awareness and progress made in timely closure of internal audit recommendations – though there are some old items pertaining to 2012, 2013 and 2014, still open. It has asked IOS to prepare a detailed analysis of the same and report to the Committee in its next meeting.
- 12) In respect of Investigations, the Committee took note of the case prioritization model being developed and suggested that old cases should be reviewed to ensure those too fall in the ambit of this new tool.
- 13) The Committee also held a private session with the Director IOS.

Item 6 – Update on post-polio transition planning

- 14) The IEOAC received an update from Director Polio regarding progress and challenges in Polio transition planning at country level. The Committee noted that the transition team is reviewing all the activities currently being provided by the Polio Initiative and using the following three categories – (a) Functions needed to maintain eradication; (b) Functions that will no longer be needed and (c) Functions that need to be transferred to Non-Polio Efforts.

- 15) In order for the transition team to develop the country specific post-polio business plans, senior management must review and approve the activities identified in the three categories. . The approved business model needs to clearly define which activities can or cannot be continued as normative functions. while underlining the fact that going forward, WHO does not have the resources to maintain current level of support for these activities.
- 16) The Committee recognizes that withdrawal of Polio funding will impact the effective delivery of health care programmes particularly in poorer countries with vulnerable populations. The Committee encourages the secretariat to work closely with Member States, donors and partners to highlight the risks to global health and to identify alternative resources so as to maintain adequate health care programmes in these countries.

Item 7 – Update on Compliance, Risk Management and Ethics (CRE)

- 17) Director CRE provided an update in respect to several initiatives in place to measure compliance and performance at different levels of WHO such as the Accountability Compact and the development of an organization wide Accountability Plan. The Committee was also briefed on the corporate risk management, internal control framework and progress in the area of Ethics.
- 18) The IEOAC noted the results of the second iteration of risk management process. A detailed discussion followed about the top five Risk Areas and the 128 severe risks identified through this process which are currently being reviewed by the senior management for appropriate mitigation measures. The Committees recognizes the risk identification both from the bottom up and top down approach has been carried out by the secretariat, nevertheless it suggests a ‘better bridge’ should be built between the two approaches. The Committee recommends the “bridge” report should explain the linkage between the top risk areas and the severe risks which will strengthen the process of reconciliation of risk areas. The report should be provided to the IEOAC in the near future.
- 19) The Committee noted that as per their earlier recommendation, the organization has developed an Online tool for administering the Internal Control Framework Self-Assessment Checklists. The second iteration of self-assessment by the budget centers were completed with the help of this tool and the Committee received an update on the results of the consolidated report. The Committee is pleased with overall progress made in the roll out of Internal Control Framework and encourages the secretariat to continue with the momentum.

Item 8 – Update on Information Management and Technology (IMT)

- 20) Director IMT provided an update in the area of Information Management and Technology which included the key pillars of WHO IT Strategy, the Governance Structure around the Global IT Fund, other policy issues and implementation status of audit recommendations. The Committee was also provided with the Global IT Fund Board Governance charter, IT Procurement policy, Cloud Computing Policy and document A70/65 - Proposed Infrastructure Fund Report as background.
- 21) The Committee was impressed with the excellent presentation and a well-structured overview received from director IMT along with his senior staff. It appreciated the frank and open discussion and took note of the several initiatives in the areas of ERP, Emergencies, Infrastructure and the issues around funding and governance.
- 22) The Committee was pleased to note that the organization has implemented an appropriate Governance Structure for Information Technology. The IEOAC was informed that the DG has established a new IMT governance structure including an IT Governance Board, with representatives from all regions and HQ. The IEOAC urged senior management to ensure the Board provides corporate governance for a robust decision making process on the totality of IT spend and its priorities, with a stronger business driven strategy rather than ideas being proposed by IT. It is essential that the business strategy drives the IT business cases.

Item 9 – Update on Implementation of Procurement strategy

- 23) The Chief, Procurement Policy and Strategic Direction briefed the Committee on the current implementation status of the Procurement Policy across the organization. The IEOAC was satisfied to note that there exists a clear time-line with identified milestones to facilitate the roll out at all the levels of the organization. The IEOAC is encouraged by the new initiatives being put in place to streamline procurement functions both in daily activities and for emergencies.

Item 10 – Overview of WHO HQ modernization project:

- 24) As per the usual practice, for this session, several background documents such as Condensed summary of construction programmed, site phasing, Building A and B costs reports, project board report, and risk register of the project were shared with the Committee a few weeks before the meeting. The Committee was appreciative of the time given to review the all the background documents in detail. During the session, Director OSS provided a status update about the renovation project and also provided a virtual tour of the new building. The Committee was pleased to note that the project is on track and took note of the status update. It has no comments or concerns at this stage.

Item 11 – Briefing on FENSA as per resolution WHA69.10:

- 25) As mandated by the sixty ninth World Health Assembly, IEOAC has been monitoring the progress of FENSA implementations in each of its meeting so as to report to PBAC of Executive Board at each January session. It received a status update from the Director PNA in respect of progress made since the last meeting of IEOAC.

- 26) The committee was briefed about the progress made towards FENSA implementation since its last meeting. The Guide for Staff on engagement with non-State actors has been finalized and is currently being field tested. The briefing sessions on FENSA across all levels of the organization are continuing, training materials are being developed, change management planning is being undertaken, and both internal and external websites have been updated.

- 27) The Committee took note of the steps taken by the secretariat, however, it still remains concerned about the lack of a project plan for FENSA Implementation, with concrete deliverables and a timeline which has been approved by senior management. It has taken note of the challenges in the development and roll out of Global Engagement Management tool and is of the opinion that it requires intervention of the senior management because the tool is critical to improve grant management and roll out of FENSA across the organization. The Committee would continue to monitor the progress in this area and looks forward to reviewing the detailed implementation plan of FENSA in its next meeting in October.

Item 13 – Other matters

- 28) A very positive meeting was held with the Director General and other senior members from the secretariat. A wide range of topics were covered including the working of Global Policy Group, accountability compacts, internal control framework, enterprise risk management, sustainable financing and health emergencies. The DG explained his desire to allow more decision making at the country level but understands this must be done in a manner that maintains appropriate internal controls. The Committee looks forwards to further interactions with Dr. Tedros.

- 29) The IEOAC worked with the Secretary of the Committee to draft the provisional agenda for the October meeting scheduled from 24th to 26th October in EMRO.

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