

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

(Geneva, 8 – 10 July 2019)

Item 1 – Opening and administrative matters

1. This was the second of three Independent Expert Oversight Advisory Committee (IEOAC) meetings planned for 2019. The agenda for this meeting is attached as Annex 1 and List of Participants as Annex 2.
2. In attendance throughout: Dr Jeya Wilson (Chair), Leonardo Pereira, Jayantilal Karia, Christof Maetze and Christopher Mihm.
3. The Chair confirmed a quorum with all members present and all declarations of interest or updates duly submitted. No conflicts of interest were recorded. The agenda for the 28th meeting, 8 -10 July 2019, was adopted.

Item 2 – WHO Overview Briefing

4. The Deputy Director General, Dr Zsuzsanna Jakab, provided a briefing to the Committee on the developments in WHO since the last IEOAC meeting in April 2019.
5. An update was provided on some of the outcomes of the Governing Bodies meetings, i.e. PBAC, WHA and EB, held in May 2019.
6. The DDG informed the Committee about the full implementation of the 90-day action plan for the new management that took office in March 2019. The action plan included three main lines of activities – the routine technical activities; the preparations and follow-up to the issues for the WHA; and the transformation agenda.
7. An update was also provided on the progress of the implementation of the 2018-19 programme budget, with the use of the internal monitoring tools and KPIs
8. Regarding transformation process, the Committee was informed that WHO is at the stage where the line management will fully take ownership of the elements of the transformation.
9. Finally, DDG informed the Committee about the forward-looking operational planning for the biennium 2020-2021. After the approval of the Programme Budget, the Organization is now at the stage of development of global goods and guidelines for the operational planning for the work plans. The aim is to develop more coherent, integrated and coordinated across all levels of the Organization.
10. The DDG also briefed the Committee about the task forces established for the transformational changes, which involve a large number of staff, to work on the different topics. These topics include – Delegation of Authority and new ways of working; Setting up agile networks for new ways of working, including technical as well as planning networks; Rotation and Mobility; HQ design for more uniformity in the structure and centralization of certain functions; Career development and career pathways.
11. The Committee notes the efforts made by WHO Senior Management to manage the change fatigue resulting from all of these new initiatives, through open and regular communication with the staff across all levels, carrying out concentrated conversations with the teams, monitoring of health trends in the workplace and carrying out regular pulse surveys. However, the Committee advises that Management to continue to

manage the risk of exhaustion, and it is important to continue to involve staff at all levels and present these initiatives in an integrated manner.

Item 3 – Update on the 2018-2019 Programme Budget

12. The Director of Planning Resource Coordination and Performance Monitoring provided a brief on the budget, resources and expenditure, as on 31 March 2019. The issue of inequitable distribution of funds across programmes was discussed. The Committee was informed that most under-funded programmes where donor funding is not forthcoming, receive flexible funds as part of the management decision making process. The Committee stressed the importance of undertaking strategic scenario planning at the senior management level and linked in with the enterprise risk.

Item 4 – Update on Investments

13. The Committee was briefed about the Treasury functions of WHO and provided an overview of the fund management process, the investment policy, details of externally and internally managed portfolios and the policy on optimizing returns.
14. Overall, the Committee finds that the investments of WHO are conservative and that there are differences in the way the investments are made with the SHI funds versus the WHO funds.
15. The Committee feels that WHO could investigate more aggressive investment strategies and also benchmark their investment returns with other UN Agencies¹.

Item 5 – Update on Staff Health Insurance (SHI)

16. The Comptroller briefed the Committee on the Staff Health Insurance Fund. The main concern of the Committee from its last meeting was about the projected date for a fully funded SHI liability. The Committee was informed that with a 4% increase per year in the SHI contribution up to 2020, and a 2% annual increase thereafter, the liability is expected to be fully funded by 2043. In addition to this, the Committee was also provided an overview of the various cost containment initiatives already implemented by WHO. In addition, the Committee took note of the work that has been started to identify the Organization's current SHI commitment and to propose full funding for that commitment but not necessarily the full future liability.
17. The Committee takes note of the progress made in this area. However, it encourages Management to continue updating the Committee on further developments. Furthermore, the Committee would like to receive in its future meeting, a cost analysis of the in-house management of the SHI versus third-party providers.

¹ Subsequent to the meeting WHO Treasury provided further details of the discussions concerning the risk tolerance for the investment of WHO funds that it has had with the Advisory Investment Committee (AIC) and with the other UN agency treasuries. These discussions have indicated to WHO Treasury that WHO's risk appetite and asset allocation are appropriate for a conservative UN agency whose prime investment policy objectives are capital preservation and liquidity. In view of this comment from the IEOAC regarding investment risk tolerance, WHO Treasury has proposed to revisit the investment risk discussion with the AIC and to ask the UN agency treasuries to update the investment benchmarking exercise for the short term (non ASHI) investments.

Item 6 – Status of Overdue Donor Reporting

18. The Committee received an overview of the process of recording of and tracking reporting due to donors through the review and signing of donor agreements, establishment of awards and status of donor reports. The Comptroller informed that most of the donor reports marked as overdue were due to the fact that although the reports were actually submitted to the donors, these were not entered in the WHO system as submitted.
19. The Committee noted that the number of overdue donor reports has reduced from 1,016 in December 2018, to 343 in June 2019.

Item 7 – Communications Update

20. The Committee met with the recently appointed Director of Communications, and a conversation was held on the importance of the centrality of communications and the need for adequate resources. As of now, the status of the Communications team appears dispersed and the Committee looks forward to having a more structured briefing on the Department, including getting information on the Communications Strategy.

Item 8 - Update on Internal Oversight Services (IOS)

21. The Director IOS provided an update on the status of 2019 internal audits. The Committee notes that there have been some changes to the audit schedule, and country audits (Syria and Indonesia) have been brought forward, over the previously planned HQ audits, since the structure and responsibilities of the HQ departments are undergoing transformation. The Committee was briefed about the WCO DRC operational audit – Ebola response, and about the inadequacy observed in the operations, and several issues with high level of residual risk were identified. The largest concern was that of a high level of cash transactions in the field, and its accounting and the use of Direct Implementation to disburse cash for activities. A disconnect between policies and action in the field, coupled with an unclear line of authority has been observed during the audit. The Committee is concerned about this situation and **recommends the use of better systems and technology to monitor, record and report on these transactions, and streamline the delegation of authority and responsibility of program managers, both on the technical and financial reporting of activities in the field.**
22. On the audit of the WHO Cybersecurity roadmap, the Committee noted that the progress on implementation of the roadmap is slow and that there is a lack of a risk-based approach on the management of information risks.
23. The Committee further notes that the status of ‘overdue open’ audit recommendations have increased from 4.2% in February 2019 to 10.2% in May 2019.
24. The Committee was briefed on the status of Investigation cases and noted that a total of 66 new cases have been received in 2019 to date, compared to 148 cases in 2018. Efforts are being made to enhance the staffing capacity in the IOS Department, but the workload on the existing team continues to be high.
25. The Committee continues to note with concern that the number of reported cases of fraud, harassment and sexual harassment is quite low, considering the size and complexity of WHO.
26. Finally, the Committee is pleased to note that since its last meeting, the process for hiring of external assistance for development of a blueprint for a best in class

investigation function, is moving forward. The Committee was briefed in detail about the selection process.

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

Item 9 – Compliance, Risk and Ethics (CRE)

28. An update was provided by the Director CRE on the activities in the area of compliance, risk management and ethics.
29. Under the area of risk management, the Committee was informed that a risk training has been developed, case studies and best practices on risk management have been published and linkages between risk management and operational planning have been strengthened. The risk management process has matured in that now the High-Level Committee for Management of the UN, where the heads of administration of all UN agencies meet and discuss the issues related to a corporate risk appetite, and risk maturity. This shows a very strong momentum across the United Nations, in the area of risk management.
30. The Committee was briefed about the functioning of the Risk Management Committee and the fact that it now requires a new Chairperson with the changes in responsibilities, resulting from the transformation process. The Committee thus recommends that the new Chairperson is appointed by the Management at a sufficiently high level, in light of the importance of the risk management responsibility of the Organization.
31. In the area of internal controls, the Committee was briefed on the actions that are being taken by the Director-General on working with the senior management to assess the effectiveness of risk management and the internal control environment of WHO.

Item 10 – Update on the Ombudsperson function

32. The Committee was provided with a briefing on the functions of the office of the Ombudsperson and the role it plays in informally resolving official conflicts amongst staff members.
33. The Committee appreciates the importance of the role of the Ombudsperson, especially in the transformation environment and advises management to expand or enlarge this role to support staff members in coping up with the changing environment of WHO, as it becomes a modern Organization.

Item 11 – Update on reorganization of the Emergencies Programme

34. The Committee was briefed on the revised structure of the Emergencies Programme. The Programme is now split into two Divisions – Preparedness and Response. Some of the] administrative functions that were earlier specific to and were being managed by WHE, like External Relations, Management and Administration and Resource Mobilization, have now been, at least, partially centralized. The Executive Director of the Programme briefed the Committee on the progress of the programme – about the improved reporting of the International Health Regulation (IHR) national capacity, conducting of regular simulation exercises to ensure that preparedness is optimal, coordination with other UN agencies etc. Overall the Committee is satisfied with the revised organizational approach. However, it also notes that in countries with protracted emergencies, there is a need to build trust in affected communities, which requires newer capacities in human resources. In the coming days, the organization should work towards this goal and the Committee would like to know more about this initiative in its future meetings.

Item 12 – Update on the MOPAN Assessment for WHO

35. The Committee was provided an update on the Multilateral Organisation Performance Assessment Network (MOPAN). It is both an organizational learning tool and an accountability tool. The WHO MOPAN assessment was very well received by the donor countries and was found useful. The Committee notes that as part of the MOPAN assessment, the accountability framework was also reviewed therefore, it emphasizes the importance of the link between the accountability framework and the success of the transformation.

Item 13 – Review of prior IEOAC recommendations

36. In all its meetings, the Committee continues to review the status of the prior recommendations made by it to the WHO Management. A status update will be reported to the PBAC/EB along with the IEOAC Annual Report in May 2020.

Item 14 – Self-Evaluation of the IEOAC and review of current TORs

37. The Committee started the process of a self-evaluation of its overall effectiveness in discharging its responsibility under the WHO Terms of Reference. Each member of the Committee completed a self-assessment checklist and the combined results and implementation of desired improvement/changes will be carried out in the future meetings of the Committee.

38. The Committee also held a session to review its Terms of Reference and compared the current terms with the recommendations of the draft report of the Joint Inspection Unit (JIU). This is still work in progress and the Committee will finalize the proposal for revised terms of reference for consideration by the PBAC/EB in its future meetings.

Item 15 - Formal mechanism to address recommendations from audits, evaluations and reviews

39. The DG’s representative for Evaluation and Organizational Learning, briefed the Committee on the work initiated by the Secretariat on consolidating the findings and recommendations identified during audits, evaluations and reviews; identifying a shortlist of recurring, systemic cross-cutting issues arising from the recommendations; and prioritization of these issues for further benchmarking with the key business owners. However, following the recent changes in management responsibilities, the oversight responsibility for this initiative will rest in the DG’s Office (Chef de Cabinet).

40. The Committee looks forward to receiving an update on this work and advises the Management to put in place a list of all open oversight recommendations in a consolidated way. This will serve as an effective management tool, to manage the totality of the inputs received through these recommendations.

Other Matters

41. The next meeting of the IEOAC in 2019 is scheduled from 7 to 11 October 2019 in Brazzaville, Congo (AFRO), and WHO Country Office in Rwanda.

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