

REPORT OF THE 37th MEETING OF THE INDEPENDENT EXPERT OVERSIGHT ADVISORY COMMITTEE, 6-8 APRIL 2022

FINANCIAL STATEMENTS FOR 2021, STATEMENT OF INTERNAL CONTROL AND STAFF HEALTH INSURANCE UNFUNDED STATUS

7. The Committee noted that the Financial Statements for the year 2021 were clear, transparent, comprehensive, with full and extensive disclosure, and were prepared and submitted in a timely manner. As required by the terms of reference, the IEOAC (i) reviewed the integrity of WHO's Financial Statements, including those of the Staff Health Insurance and (ii) established the appropriateness of the accounting policies, standards and disclosure practices, and any changes and risks in those policies. At its thirty-seventh meeting, the IEOAC received confirmation from management that there were no major changes in accounting policies or judgements in the preparation of the Financial Statements, in accordance with International Public Sector Accounting Standards (IPSAS).

8. The Committee noted, in particular, the decrease in revenues (from \$4,299 million to \$4,066 million) and an increase in expenses (from \$3,562 million to \$3,718 million), resulting in a lower overall surplus (from \$824 million to \$351 million). The Committee also noted a significant decrease in liabilities (from \$4,547 million to \$3,807 million), caused mainly by the decrease in non-current accrued staff-related costs (by \$474 million) related to the Staff Health Insurance costs and the decrease in the After Service Health Insurance (ASHI) liability. To put this in perspective, this change in the estimated liability of ASHI equal to \$466 million exceeded the total net surplus of \$351 million and was added to the Net Assets/Equity.

9. This decrease was, inter alia, the result of relatively minor changes in some actuarial assumptions that affected the overall liability, principally a marginal increase in the discount rate, to reflect current economic conditions, and a decrease in the estimated medical cost trend rate. The funding status of the ASHI liability went up to 51%. This was due to the decrease in the overall (actuarial) liability and a one-off contribution of \$50 million through a transfer of funds available from the Terminal Payment Fund to the Staff Health Insurance Fund. The Committee noted the high degree of sensitivity of this ASHI liability to the underlying actuarial assumptions. It therefore encourages the Secretariat to continue to closely monitor those assumptions because of the significant impact on the Financial Statements and taking into account the longer-term trends with regard to actual and expected inflation.

10. On the contribution side, the Committee noted that WHO remains vulnerable due to the low level of assessed contributions compared to the overall level of funding. The Committee further noted the high reliance on specific contributions (81%), implying a revenue risk because of their earmarked, often short-term and somehow unpredictable nature and due to the fact that these are mainly received from a limited number of high-value contributors.

11. The Committee noted the comprehensive Statement of Internal Control, which includes a reference to the most critical risks faced by the Organization. While the inclusion of these risks provides a comprehensive picture, the Secretariat may consider including an assessment of the overall compliance in the system of internal control, with an indication of those areas where the system of internal control is

vulnerable and where improvements can be made. It is also for consideration whether a separate Statement of Internal Control could be included in the Financial Statements of the Staff Health Insurance.

12. Since the accounts are compliant with IPSAS and considering that the External Auditor will be issuing an unmodified opinion on the 31 December 2021 Financial Statements of the WHO and Staff Health Insurance, **the Committee recommends the submission of the Financial Statements 2021 to the PBAC at its thirty-sixth meeting, and thereafter to the seventy-fifth World Health Assembly.**

13. **In view of the high sensitivity of the overall Staff Health Insurance liability, including the ASHI liability, to the actuarial assumptions being used, and the important impact on the Financial Statements, it is recommended that the Secretariat continue to monitor the evolution in the underlying assumptions being used by the actuary to calculate the liability, and agree on the use of different and appropriate assumptions to determine the funding status.**

EXTERNAL AUDIT

14. At its thirty-seventh meeting, the IEOAC reviewed the draft Long-Form Report of the Office of the Comptroller and Auditor General of India and received an oral report from the Director of External Audit during a private sitting. The IEOAC welcomed the unmodified opinion on the 2021 Consolidated Financial Statements and took note of the observations and recommendations made.

15. The Director of External Audit advised the Committee that he was satisfied with the overall control environment, although there were occasions where “shortcuts” occurred during implementation, as evidenced by his findings and contained in the report. The IEOAC shares the view of the External Auditor that further effort is required to reduce any recurrent control breakdowns.

16. The External Auditor confirmed progress on WHO’s transformation activities and highlighted areas where improvements were required. The IEOAC noted the interdependency of many initiatives and in particular the dependency on the implementation of the new Enterprise Resource Planning (ERP) system to complete delivery of a number of these initiatives.

17. The Committee satisfied itself as to the independence of the External Auditor’s function and was assured that, notwithstanding the challenges associated with the pandemic, full access of the External Auditor to required WHO information had been maintained. The Committee noted the reported coordination between the internal and external audit functions and was pleased with the proposal for reviewing distinct aspects of the new ERP development.

18. With regard to the recommendations of the External Auditor, **the Committee reiterates its recommendation from 2021 and urges senior management to continue tracking and addressing all external audit recommendations issued in a timely and continuous manner and to initiate corrective measures if required.**

COMPLIANCE, RISK MANAGEMENT AND ETHICS

19. **The Committee recommends that the Organization set up a regular loop-back mechanism to the established risk registers when an audit is either unsatisfactory or partially satisfactory with**

major improvements, or further to damaging results of an investigation. This is part of the learning process. If these matters were not part of the residual risk or mitigating actions, then it is important for the Organization's Risk Committee to analyse these instances and take appropriate actions, so that policies/procedures/controls can be amended, or the way risks are evaluated can be changed, or responsibilities assigned can be re-examined based on the findings of the audits and investigations.

20. The IEOAC benefited from a presentation on WHO's Framework of Engagement with Non-State Actors (FENSA). FENSA is a corporate enabling policy that facilitates and encourages WHO's engagement with non-state actors. It is important that the results of this due diligence process also inform the processes that the Organization will use based on risk categorization. Hence, based on the level of risk identified, the level of oversight exercised by WHO should change.

21. The WHO risk appetite statement generally aligns itself with the recommended best practice by the High-level Committee on Management of the UN system. However, it requires some more changes. **The Committee recommends in respect of the risk appetite statement that the Organization have a socialization plan with key stakeholders, which should then inform its operationalization. In addition, the IEOAC should be provided with the socialization plans.**

22. The IEOAC was informed that the corporate risk registers are being finalized. The Committee would welcome receiving this information as soon as it is available.

23. The Committee was pleased to learn that revised risk management and compliance strategies were under preparation and requested to be provided with them when ready.

PREVENTION OF SEXUAL EXPLOITATION AND ABUSE, AND HARASSMENT

24. As the Committee reported in its January report to the PBAC,¹ following the publication of the final report of the Independent Commission appointed to Investigate Allegations of Sexual Abuse and Exploitation during the response to the tenth Ebola virus disease epidemic in the provinces of North Kivu and Ituri in the Democratic Republic of the Congo, WHO senior management requested the support of the IEOAC for certain follow-up matters announced by the Director-General as part of the press briefing on 28 September 2021. The IEOAC agreed to and has provided such support in line with and respecting the Committee's mandate, terms of reference and independence requirements.

25. For example, WHO commissioned an audit by the external audit firm Price Waterhouse Coopers (PWC). The objective of the audit is to determine the effectiveness of the policies and methodologies that govern WHO's investigative case opening and closure procedures regarding sexual exploitation and abuse, sexual harassment and other abusive conduct allegations (SEAH).

26. Selected Committee members, including the Chair, provided feedback to WHO on the draft statement of work and contract solicitation and served on the panel with WHO officials that evaluated the submitted proposals. The IEOAC Chair has participated in regular and frequent meetings with PWC and WHO officials to monitor progress and identify any needed adjustments.

27. The audit began in earnest in February 2022. PWC is currently collecting documents, interviewing WHO personnel and assessing the effectiveness of WHO's processes. There were initially some start-up delays. However, the audit now appears to be fully on track. WHO and PWC expect that

¹ See document EBPBAC35/2.

the audit will be completed according to a revised timeline and a report provided to the Committee in June 2022. The Committee will continue its close monitoring and looks forward to receiving the preliminary report and subsequent final report for transmission to the Director-General.

28. The Committee has also continued its oversight over WHO management's response to the findings and recommendations of the Independent Commission. The Committee understands that WHO has had regular meetings with Member States to keep them informed of the plans and efforts under way. In brief, WHO has established a set of immediate and short-, medium- and long-term initiatives and associated milestones.

29. These initiatives are centred on advancing "three pillars":

- (1) Put victims and survivors at the heart of prevention of sexual exploitation and abuse;
- (2) Establish, create capacity for and enforce individual and managerial accountability; and
- (3) Reform WHO's culture, structures and capacity.

In general, WHO has reported progress across all three pillars.

30. As the Committee reported to PBAC in January and WHO's plans clearly demonstrate, "... it is fundamental to **cultivate a culture of trust at all levels of the Organization and above all in remote areas in the field where it is more difficult to implement an established process**".¹ As part of the effort at the local level, WHO has almost 150 staff who serve as SEAH focal points in country offices, who as a part time responsibility – in addition to their full-time responsibilities – focus on a range of SEAH issues in their offices. **The Committee reiterates its recommendations from the January report that "... line managers of focal points on the prevention of sexual exploitation and abuse should be made aware of the additional responsibilities of those focal points to ensure that the necessary time and resources are fully allocated to this task"**.²

31. Among the challenges WHO faces is ensuring that its delivery partners and contractors at all organizational levels adhere to the highest ethical standards. **The Committee recommends that WHO continue its efforts to implement processes to conduct appropriate background and due diligence checks for the employees of delivery partners and contractors.**

32. WHO fully appreciates that historically marginalized populations are often the most at risk for SEAH. These vulnerable populations also may lack the means and awareness of how to report SEAH. WHO is working with national governments and trusted locally based civil society organizations to create trust with at-risk populations and to establish multiple reporting channels and victim support services and build awareness of those channels and services. **The Committee endorses these efforts and recommends that WHO continue to explore augmented partnerships with other organizations in the UN system that have a field presence to share experiences and good practices in the area of SEAH.**

33. Organizations often use surveys of employees as one way to assess their culture/climate and if employees are actually experiencing intended changes in how they work. WHO's last culture/climate survey of staff was in 2017, which does not provide an adequate baseline to measure improvements from the current efforts. WHO had planned a two-year cycle of such surveys but has not followed that schedule.

¹ See document EBPBAC35/2, paragraph 19.

² See document EBPBAC35/2, paragraph 21.

34. **The Committee recommends first, that WHO survey its staff at all levels on SEAH-related topics and other issues concerning trust, communication, employee engagement and the working environment. Second, the Committee further recommends that WHO commit to maintaining a regular schedule for such surveys to assess changes over time and help to pinpoint areas for attention. Third, the Committee recommends that WHO consider using short, targeted “pulse surveys” of staff when more immediate information is needed to gauge progress in specific areas.**

35. The Committee has also continued its long-standing oversight of WHO’s efforts to reform and strengthen its internal investigation policies and procedures. Among the central components of a victim-centred approach to SEAH are timely, thorough and professional investigations of allegations of misconduct. WHO has brought on experienced leadership to drive these reforms, made new investments, hired additional professional staff and improved and streamlined processes, including those related to reporting.

36. These important and necessary improvements are consistent with prior Committee’s recommendations, most recently from the Committee’s January report: **“The Committee further recommends that WHO expedite investigations pertaining to sexual exploitation and abuse while ensuring that there is a balance in the analysis of information from both parties. The IEOAC reiterates the need for a strong reporting system to help all victims”.**¹

37. WHO has set a goal of fully addressing the SEAH investigation backlog by the timing of the Seventy-fifth World Health Assembly. The data provided to the Committee suggest that while worthy, this may be an overly ambitious schedule. **Irrespective of whether the backlog of SEAH investigations is fully addressed by the time of the Seventy-fifth World Health Assembly, the Committee recommends that WHO continue its efforts to resolve these cases as soon as practicable.**

38. WHO has also set a goal to close new SEAH investigations within 120 days of receiving an allegation. The timely resolution of allegations is often in the best interests of the victim, WHO, as well as the accused. However, the Committee has not yet been provided with detailed information that makes clear how this particular target was selected beyond the relevant personal experience of a key official. **The Committee therefore recommends that WHO clearly document and publish how it determined that 120 days for closing an SEAH investigation was an appropriate and consistently achievable goal.**

39. Investigative timeliness must be balanced with the overriding objective of arriving at the correct conclusion in any given situation. **The Committee therefore further recommends that WHO closely monitor the results of its SEAH investigations as they move through the appeal and disciplinary processes to ensure that its investigations maintain the highest quality and that the emphasis on timeliness does not create perverse incentives undermining the quality of the investigations.**

40. Given the sensitivity of the issues raised by the review of the Independent Commission and the importance of expeditiously addressing case backlogs, WHO decided to temporarily create a separate process for reviewing and investigating SEAH cases. Such cases are reviewed independently of the usual processes and management within the Office of Internal Oversight Services (IOS). While such an arrangement is appropriate given the current circumstances, it may not be sustainable over the long term. A sharp, permanent division between SEAH and other investigations risks overlaps and duplication of efforts and inefficiency in the use of investigatory resources.

¹ See document EBPBAC35/2, paragraph 22.

41. More broadly, investigation, audit, and evaluation functions deliver the greatest collective value when they cooperate and share knowledge with each other while respecting their independence. The Committee understands that WHO intends to maintain the current arrangement of splitting up investigation responsibilities until the end of 2022. **The Committee recommends that WHO develop a plan for how it will manage SEAH investigations going forward.** The Committee would welcome the opportunity to comment on the WHO's plans as they evolve.

42. Ultimately, the success of the current efforts to prevent SEAH will be measured by the degree to which they result in lasting and genuine changes in the culture of WHO. This requires effective implementation of the process and organizational changes under way, as well as much longer-term changes in how WHO operates and how employees treat one another and the populations they serve – and the consequences for improper conduct. **The Committee accordingly recommends that WHO continue to commit the needed staff and resources to effect the needed changes and recognize that reform of this magnitude requires sustained commitment from top management and staff at all organizational levels.**

INTERNAL AUDIT

43. At the thirty-seventh meeting of the IEOAC, the Director of IOS made a presentation. The presentation indicated good progress in addressing audit recommendations compared with prior years. The improvement should be noted in the context of the multiple challenges that the Organization was facing during this period because of the COVID-19 pandemic. There are still a few long-outstanding recommendations and management should ensure that these are addressed promptly with an action plan. There are several recurring audit observations at the organizational level. There is a strong co-relationship between risks and audit observations, hence when audit observations are not addressed on time (e.g. on password protection), then those risks continue to pervade. **The Committee recommends that WHO conduct a root-cause analysis of the reasons behind the long-outstanding open recommendations, with the support of IOS, and take appropriate action.** This should also be presented to the IEOAC in future meetings.

44. The Committee also noted that since a lot of audit observations are addressed in the last quarter of the period under review, it would be important to encourage managers to address them on a regular basis. To foster the improvements noted above, the **Committee recommends that WHO develop incentives to address audit recommendations and measures for non-compliance.**

45. The Organization has undertaken a major ERP system implementation. **The Committee recommends that IOS conduct a mid-term audit of the ERP system implementation to assess the progress vis-à-vis the project plan, thus providing further guidance to management.**

46. The IEOAC has noted that there is a level of coordination between IOS and the External Auditor. To maximize the synergy of both these important functions and reduce the workload of the Organization, especially in the field, the Committee is encouraging even deeper coordination. IEOAC has discussed this with both IOS and the External Auditor.

47. The IEOAC is pleased to note that the Organization is in the process of finalizing the cyber security audit but should continue to monitor this area, noting the risks.

EVALUATION

Progress and status of the WHO Evaluation Office

48. The Evaluation Office continues to implement the framework for strengthening evaluation and organizational learning in WHO presented to the PBAC at its twenty-first meeting.¹

49. The IEOAC likewise continued its active oversight of and engagement with the Evaluation Office on completed evaluations for the period 2020–2021 and its workplan for 2022–2023. The IEOAC’s current review centred on five areas: (1) the development of the biennial workplan and ensuring it is targeted at the most important issues; (2) strengthening the decentralized evaluation function; (3) the Evaluation Office’s institutional capacity; (4) coordination between evaluation and internal audit; and (5) WHO implementation and tracking of management responses to recommendations, including from evaluation.

Development of the biennial evaluation workplan

50. WHO evaluation policy requires that the Office develop a biennial, WHO-wide evaluation workplan as part of the WHO planning and budgeting cycle. The biennial workplan seeks to ensure accountability and oversight of performance and results and reinforces organizational learning in a way that informs policy and operational decisions.

51. The Executive Board approved 2022–2023 biennial workplan² includes both the corporate centralized and decentralized (regional and country-level) evaluations and was developed in consultation with senior WHO management.

52. The IEOAC reviewed the 2022–2023 workplan. It further reviewed and provided comments on the draft terms of reference for the planned evaluation of the WHO results-based management (RBM) framework. The Committee considers the RBM evaluation to be especially important as it will examine the use of RBM within WHO and in doing so will strengthen the implementation of the Thirteenth General Programme of Work, 2019–2023 (GPW 13) and inform the development of the Fourteenth General Programme of Work. **The Committee recommends that the Office continue to give priority attention to completing the RBM evaluation, which is scheduled to be finished in September 2022.** The Committee will monitor the progress closely and looks forward to considering the final report.

53. A core contribution of an independent evaluation function is to examine the major mission-related questions confronting the Organization and to provide insights on possible improvements. This entails ensuring that the planned evaluations are integrated into an Organization-wide and management-driven “learning agenda” focused on the critical questions affecting the achievement of organizational results. The Office develops its workplans through broad internal stakeholders and Member States input, which is an important strength in its approach. However, in doing so, the Office also needs to ensure that the evaluations it undertakes based on the various requests and suggestions it receives contribute to and are undertaken in a sequence that is based on an integrated Organization-wide learning agenda. **The Committee recommends that in developing the biennial evaluation workplan, due consideration be**

¹ See document EB136/38.

² See document EB150/35.

given to using established selection criteria and stakeholder suggestions and aligning with the Organization’s learning agenda, priority needs and gaps.

54. The Committee had previously recommended that the Office evaluate WHO’s response to the COVID-19 pandemic.¹ The Office confirmed that it would undertake this review after the completion of the report of the Working Group on Strengthening WHO Preparedness and Response to Health Emergencies. This will allow the Office to build on that work, avoid duplication of effort and better fill knowledge gaps. The IEOAC is comfortable with the approach, but **it reiterates its recommendation on the importance of such an assessment to ensure that WHO gathers lessons learned from the ongoing COVID-19 pandemic response and that those lessons inform what needs to be done to better prepare for future health emergencies.**

Strengthening the decentralized evaluation function

55. The WHO evaluation approach is based on undertaking a coordinated set of evaluations by the Office (referred to as corporate or centralized evaluations) and those at the regional and country levels (decentralized evaluations). The Committee strongly endorses this approach to evaluation as it recognizes the different evaluation needs and priorities of the various levels of the Organization and provides a mechanism for those differences to be addressed. The approach also serves to underscore that management at all levels has the fundamental responsibility for ensuring that its programmes are operating efficiently and identifies and implements improvement initiatives.

56. Summaries of planned and completed corporate and decentralized evaluations are presented together in the annual reports of the Office to the Executive Board, which provide a comprehensive picture of evaluation activity across WHO.² The Committee strongly endorses this approach to reporting.

57. The Office has an important role to play regarding the decentralized evaluations. For example, the Office provides guidance and oversight to ensure evaluation quality. It also supports capacity development for decentralized evaluations. The Office is building on its progress by seeking to strengthen the decentralized evaluation process across WHO and to build a “culture of evaluation” throughout the Organization. **Consistent with its recommendations on learning agendas above, the Committee recommends that a central part of the Office’s efforts be to provide guidance and training to line managers to assist them in (1) determining the types of programmatic questions that an evaluation would be helpful in answering and (2) how to use the results of evaluations to improve programmatic results.**

The Evaluation Office’s institutional capacity

58. The Committee appreciates that the Office has an ambitious agenda of planned and ongoing evaluations. Like staff throughout WHO, Evaluation Office staff have responded very admirably to the work demands and organizational and personal stresses of the COVID-19 pandemic and response. The COVID-19 response necessarily required adjustments in the schedules of some of the planned evaluations, which resulted in delays in starting and completing several projects.

¹ See document EB149/2, paragraph 28.

² See document EB151/4.

59. In addition, the Committee notes that the need and requests for evaluations clearly outstrips available resources. For example, WHO has 28 corporate evaluations planned for 2022–2023, in addition to its support for the decentralized evaluations.

60. The Office currently has five staff, including the new Director scheduled to join in April 2022, as well as one vacancy. **The Committee recommends that that the Secretariat move expeditiously to fill the Senior Evaluation Officer (P-5) position that has been approved by the Director-General.**

61. The Office is fortunate that its capacity is augmented to a limited extent by UN volunteers, Junior Professional Officers and interns. **The Committee recommends that the Office consider expanding its evaluation capacity by exploring opportunities to work with universities and other external organizations, including through expanding the use of internships; increasing coordination with other UN organizations to undertake joint or coordinated evaluations; and, particularly at the country and regional levels, establishing mechanisms at local level to assist WHO in answering the programme questions it confronts in those locations, where capacity may be especially limited.** The Committee fully appreciates that the Office must maintain its independence and in establishing any particular partnership the Office would need to assure itself of the quality of any evaluation work undertaken by partners.

62. A good practice for any accountability function is to regularly subject itself to an independent external peer review to ensure that its strategies and methods are current with good practice and meet organizational needs. The Committee understands that the Office had a peer review by the United Nations Evaluation Group in 2017. **The Committee accordingly recommends that the Evaluation Office engage an appropriate external party to undertake a peer review and that subsequent reviews be put on a regular schedule, such as every three to five years, going forward.**

Coordination between evaluation and internal audit

63. Effective and ongoing coordination among oversight entities is important to ensure that vital issues are adequately covered, scarce oversight resources are effectively and efficiently deployed, and management’s burden in responding to overnight requests is limited. The Committee has long been interested in the degree of coordination between the Evaluation Office and the IOS. The Committee is pleased that in recent years the coordination has improved and annual workplans are now routinely shared and IOS was consulted at the early stages, as was the case for planning the RBM evaluation discussed above.

64. **The Committee recommends continued coordination between the offices. One option that could be explored is piloting the development of short, topical “fact sheets” that synthesize for Member States and others the major findings and recommendations of oversight entities on specific programme areas or oversight topics.** The Committee fully appreciates that each oversight entity has different terms of reference and mandates, and their organizational independence must be respected, so a pilot approach could help identify the extent to which there are any barriers to deepening the working relationships.

WHO implementation and tracking management of responses to recommendations, including evaluations

65. Even the most technically sound evaluation will be of little value if management does not act on the associated recommendations. The Committee for years has joined PBAC in urging the timely and thorough implementation of oversight recommendations. The Committee was very pleased to learn from

the Office that over the past two years there has been a significant increase in the management response to its recommendations.

66. The Office has developed a standard template to capture management responses and track the status of implementation of recommendations, and that status is publicly reported on the WHO website. Senior-level attention to the recommendations also has been a welcome and vital element of the improved response.

67. The Office has also worked with managers to help them develop workable action plans that address the intent of the recommendations and the root causes behind the findings.

68. The Organization will soon launch a consolidated digital platform to track recommendations from multiple sources, their management responses and implementation status. The Committee views this as a very positive and long-needed development. According to the Office, WHO governing bodies, oversight entities and high-level reviews regularly make at least 300 recommendations annually to WHO. Large investments in time, effort and other resources go into the reviews and reports that produce these recommendations, yet the WHO has lacked an Organization-wide mechanism for documenting and tracking management responses and their implementation.

69. If effectively implemented, the system will contribute to organizational improvements through timely action on recommendations, strengthened accountability for management action, increased transparency to Member States and the public, more efficient oversight through the identification of duplicative and any inconsistent recommendations, and more efficient analysis of recommendation and response trends. The Committee will monitor the roll-out of the system closely and expects to be a prime user as well.

70. The Committee recommends that, as part of the roll-out, the Organization hold information session with managers and Member States on how each of them can use the system for information and to better inform their decisions. The Committee also recommends that the Organization periodically survey users to identify potential enhancements. The Committee further recommends that the system eventually capture and report not only the implementation of recommendations but also, as information becomes available, the impact — did the actions address the underlying findings and what were the specific improvements that resulted from the actions?

WHO'S USE OF DATA ANALYTICS

71. The Committee noted in its January report to PBAC¹ that the Director-General had endorsed the urgent establishment of the World Health Data Hub in response to the multiple recommendations and requests to reduce data fragmentation from PBAC, Member States and the IEOAC and to increase efficiencies in WHO's end-to-end data process. The Committee committed to monitoring and assessing those efforts in future reports.

72. For the current report, the Committee continues to be pleased to see that the overall data strategy recognizes data as a public good and is directly aligned with the triple billion goals in the GPW 13. This data provides vital insight to Member States, partners and external stakeholders on progress towards

¹ See document EBPBAC35/2.

global goals. WHO remains appropriately focused on building the data governance strategy that will generate comparable data of high quality across the three levels of the Organization.

73. The Committee was likewise encouraged to learn that WHO is working at the country level to help countries identify and address their most important data gaps. This entails strengthening national statistical systems, vital records, health information systems and administrative data. The Committee recognizes that in a resource-constrained environment, it can be difficult to make a compelling case for why investments in data should have priority over other important national development needs. **The Committee recommends that WHO work at the regional and country levels to develop a set of specific case illustrations of the value of investing in data. Value in this case should be defined not merely as improvement in the quality and availability of data but also how that data led to decisions that make peoples' lives better.**

74. The Committee also believes that the data analytics capacity that the Organization is developing will be of potentially great importance within WHO to guide its decisions. **The Committee reiterates the recommendation from its January report that WHO ensure that its data analytics strategy supports an Organization-wide learning agenda that centres on the major policy and programmatic questions that the Organization seeks to answer.**

TRANSFORMATION

75. At its thirty-seventh meeting, the Committee took note of the progress made on the transformation initiative. The Secretariat further informed the Committee of the outcome of the external evaluation and the performance audit carried out to assess the achievement of the targets according to the plan.

76. The external evaluation of WHO's transformation agenda confirmed the adequacy of the transformation agenda's design and the fact that it is fit-for-purpose and coherent with the GPW 13 goals. The report also acknowledged significant progress in executing the plan and the signs of positive effects in specific areas.

77. It however noted that the plan is not yet fully executed, some topics need further clarification and the delivery at country level needs to be implemented through increased communication with Member States. The report also recommends that efforts be increased to ensure a motivated and fit-for-purpose workforce and to accelerate the changes in organizational culture.

78. The results of the performance audit are in line with certain findings of the external evaluation in relation to the need to fully implement the transformation initiatives and to ensure culture change, and the importance of staff buy-in. The report indicates that resource mobilization remains a challenge to be addressed and that care should be taken in the use of different consulting companies, which could increase the risk of lack of coherence of the different services rendered.

79. While recognizing the complexity, ambition and magnitude of the initiative, the Committee is of the opinion that attention should be paid to change management to ensure staff and stakeholders' buy-in.

80. The Committee noted the strong monitoring in place to track progress and the focus in the transformation on country impact, with different delivery models available.

81. As noted in the recommendation in paragraph 34, The Committee recommends that a new staff survey, similar to that of November 2017, should be launched. This survey should aim at obtaining feedback and bottom-up input to the process to assess relevance and ensure alignment of actions with the current environment and strategy.

82. **The Committee encourages WHO to continue its effort to strengthen country impact and to implement the different recommendations from the external evaluation and performance audit.**

OPEN MATTERS WITH THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

Benchmarking enabling functions across the UN system

83. At the thirty-fourth meeting of the PBAC, the IEOAC was requested to "... conduct benchmarking of budget levels of enabling functions as a proportion of overall budget across the United Nations System".¹ Following consultations with WHO management, a survey was launched through the Finance and Budget Network of the UN System Chief Executives Board for Coordination, which was coordinated by WHO.

84. To ensure a comprehensive measure of enabling services, WHO included in its costs both programme budget amounts under the relevant outcomes in pillar 4² and non-programme budget amounts such as post occupancy costs, Staff Health Insurance, building fund, IT fund, in-kind enabling support and all statutory entitlements.

85. While identifying significant variability in results and a number of factors that could be considered to limit comparability, the survey showed that WHO's expenditure on enabling functions, as a percentage of total expenditure (18 %), was at the midpoint of the survey results over a three-year period. Significantly, the WHO percentage was trending downwards and for 2020 stood at 15%. The average across other participants in the survey did not show this same downward trend.

86. Nineteen UN organizations participated in the survey, providing data in various levels of detail covering some 80 % of total UN expenditure. To minimize the burden of data capture, organizations were requested to use information that was routinely made available to their governing bodies within the broad definition of enabling costs. It was not possible to verify the data provided. The three-year averages of expenditure on enabling functions as a percentage of total expenditure ranged from 8 % to 23 % for the majority of the organizations. The range of results appeared to be influenced by factors such as organizational mandate and business models (normative or non-normative mandate; humanitarian or development); geographical location and field structure; governance structures; direct or indirect expensing of enabling functions; and economies of scale.

87. In this regard, large organizations reported rates of 12 %, small organizations 22 % and medium-sized organizations 9 %. Field-based organizations reported rates of 8 %, normative organizations 18 % and Geneva-based organizations 10 %. With WHO representing a mix of all of these factors and having included the full range of enabling services in its calculations, its 2020 rate of 15 % appears reasonable.

¹ See document EB149/2, paragraph 9 (h).

² See document A74/5 Rev.1. Outcome 4.2 (Strengthened leadership, governance and advocacy for health) and Outcome 4.3 (Financial, human and administrative resources managed in an efficient, effective, results-oriented and transparent manner).

88. Notwithstanding the difficulties of an absolute comparison due to the diversity mentioned in the paragraph above, the IEOAC concludes that based on the survey results WHO's expenditure on enabling functions is broadly comparable with other UN organizations.

89. The IEOAC is cognizant of the continuing evolution of, and the increasing needs and demands for, governance, accountability, oversight, security and other enabling functions and considers it essential that adequately funded, efficient enabling functions are critical to the delivery of WHO's mandate.

90. The Committee recommends that investments and expenditure on the enabling functions be monitored each biennium to ensure that WHO systems and processes remain fit-for-purpose and provide all stakeholders with the level of service required. It further recommends that WHO propose to the Finance and Budget Network that system-wide data be surveyed periodically.

Procedures for investigating allegations of misconduct by the Executive Heads

91. The UN Joint Inspection Unit (JIU) had issued two recommendations¹ for UN organizations to develop approaches/procedures for investigating allegations of misconduct by the Executive Heads of organizations. To date, specialized agencies of the UN continue to develop these. The revised terms of reference of the IEOAC² establish, inter alia, that the Committee will review and provide advice to the Executive Board through PBAC on allegations of inappropriate activity and the process for handling and investigating significant allegations, including allegations against the Director-General. The Committee began discussing with WHO senior management possible modalities and the roles that the IEOAC, PBAC and the Executive Board would have in this regard. Given the sensitivities involved and the fact that any such investigations would likely involve the WHO governing bodies, the Committee has decided to engage in formal and informal Member State consultations before it moves forward with a concrete proposal. Those consultations and the development of a proposal will take place on time for the 152nd session of the Executive Board in January 2023, through the thirty-seventh PBAC.

¹ See documents JIU/REP/2018/4 and JIU/REP/2020/1.

² See document EB150/5 and EB150/16.