1. The ninth meeting of the Audit Committee was convened in Geneva on 14 January 2004 under the chairmanship of Professor M.N. El Tayeb (Egypt). The list of participants is contained in the Annex.

Agenda item 1 Opening of the meeting and adoption of the agenda
(Document EBAC9/1)

2. The agenda was adopted.

Agenda item 2 External Audit matters

Agenda item 2.1 Status of implementation of External Audit recommendations
(Document EBAC9/2)

3. After thanking the outgoing External Auditors for the consistent value of their work and their attention to risk management and the management decision-making process, the Committee reviewed in detail the document under reference, and recognized that the Auditors were satisfied with both the acceptance by the Secretariat of recommendations and the progress on implementation made to date. The Secretariat had accepted all but one of the recommendations; approximately 30% were already implemented and 69% were in the implementation process, many of which were due to be implemented by the end of 2003. Since audit recommendations that had been implemented or resolved were then removed from the table, the table remained clearly focused on outstanding issues.

4. The Committee noted the need for continued close attention to the recommendations made in 1999 for the strengthening of information systems, while recognizing that the Global Management System project, now well under way, would provide solutions when fully implemented in the biennium 2006-2007.

5. In relation to the one External Audit recommendation not yet accepted but under consideration by the Secretariat on the inclusion of a statement on corporate governance in the report of the Director-General, the Committee commented that such information was readily available to Member States in other documents. Although adhering to best practice was desirable, the inclusion of a governance statement was therefore not necessarily required to serve WHO Members.

6. The Committee also heard that the outgoing External Auditors planned a thorough hand-over to the incoming External Auditors in early 2004.
Agenda item 3 Reports of the Joint Inspection Unit

Agenda item 3.1 Recent JIU reports (Document EB113/25)

7. The Committee welcomed the collaboration between WHO and the Joint Inspection Unit (JIU), in particular the establishment of a focal point for WHO within JIU.

8. In relation to the JIU report on management information systems, the Committee emphasized the importance of the new systems planned and of progress reports on their implementation, and accepted the response of the Secretariat that such reports would be provided both in regular reporting on relevant expected results in the Programme budget, and through other appropriate mechanisms.

9. In relation to the JIU report evaluating the response of the United Nations system in East Timor, the Committee supported WHO’s strengthening of its involvement in the interagency Consolidated Appeal Process, and highlighted the importance not only of coordination of agencies in the initial phases of crises, but also of post-crisis management and sustainable interventions. It welcomed the new strategy for health action in crises, dealing directly with those issues.

10. In relation to the JIU report on multilingualism in the United Nations system, the Committee focused on the need for both good practice and clear policy, and welcomed future plans for staff development and inventories of language skills.

Agenda item 3.2 Previous JIU reports: implementation of recommendations (Document EB113/26)

11. Discussion focused on the implications of the Secretariat’s response to the report on support costs related to extrabudgetary activities in organizations of the United Nations system. It was noted that the Secretariat expected to review its support-cost policy in 2004-2005 within a system-wide process under the CEB mechanism, and would take the JIU recommendations into full consideration. The Committee emphasized that support costs should be sufficient to meet the true cost of supporting those programmes, such that assessed contributions did not subsidize other projects. It noted that any resulting proposals to change WHO support-cost policy would require a Health Assembly resolution. The Committee also noted that the development of the integrated approach now contained in the Programme budget would better reflect the costs of managing extrabudgetary funds.

12. The JIU representative noted that the Executive Board did not always take specific actions on all JIU recommendations; thus the report on past recommendations did not always show if a recommendation had been approved. The Committee suggested that as most JIU recommendations pertained to management, sufficient oversight by the Board was provided in its review of the report on implementation of recommendations, in which the written comments provided by the Secretariat demonstrated that JIU recommendations were reviewed seriously. However, should a recommendation require a policy change, the Secretariat should so indicate in its comments, thus drawing the attention of the Board to that fact. The Committee agreed that the Board should explicitly respond to the recommendations of JIU addressed to WHO’s legislative organs.
Agenda item 4  Internal Audit matters

Agenda item 4.1  Report of the Internal Auditor (Document EBAC9/3)

13. The report of the Internal Auditor provided a preliminary review of audit results from 2003 (prior to the full report to be issued to the Fifty-seventh World Health Assembly) and the general audit plan of work for 2004. Given that performance audits for 2004 would be based on an assessment of whether a programme had met the expected results as indicated in the Programme budget, the Committee underlined the importance of having effective indicators in the Programme budget as the basis for monitoring performance.

14. In relation to audits performed in 2003, and noting that the report’s section on Oversight covered all Offices, the Committee also underlined the need for Internal Audit to be adequately staffed in order to carry out its work effectively – both that set out in its work plan and that which might arise unexpectedly in relation to investigations – including, if required, the contracting of additional staff.

15. Recognizing the challenging circumstances under which work may be carried out in different regions, and in particular the difficult recent history of the Regional Office for Africa, the Committee noted the important steps being taken by the Secretariat to improve internal controls in that Office.

16. The Committee noted the summary details of the Oversight work and the Secretariat’s efforts to resolve each case.

Agenda item 5  Production and distribution of documentation for the governing bodies (Document EBAC9/4)

17. In relation to production and distribution of documentation for the governing bodies, the Committee noted that documents of different types could be more clearly distinguished, such as those documents outlining progress towards Health Assembly resolutions which could be treated separately from those provided for information only, in order to focus the attention of the Board in the most efficient way. That could be accomplished through use of a short informative summary, and through better organization of the Board’s agenda.

Agenda item 6  Confirmation of date and place of next meeting

18. Bearing in mind the need to meet before the Administration, Budget and Finance Committee had completed its work prior to the Fifty-seventh World Health Assembly, the Committee agreed to convene its tenth meeting on Wednesday, 12 May 2004, pending confirmation of the Executive Board at its 113th session. According to current practice, the agenda would be drawn up in light of the work of the Board at its 113th session, on the basis of the Committee’s terms of reference. Members could also communicate any suggestion for the agenda to the Chairman.
ANNEX

LIST OF PARTICIPANTS

MEMBERS, ALTERNATES AND ADVISERS

Egypt
Professor M.N. El Tayeb (alternate to Dr M.A.A. Tag-El-Din) (Chairman)
   Dr H. Selim-Labib (Adviser)

Canada
Mr D. MacPhee (alternate to Mr I. Shugart)

Czech Republic
Professor B. Fišer

Gabon
Dr J.-B. Ndong

Maldives
Dr M.A. Didi (alternate to Dr A.A. Yoosuf)

Republic of Korea
Dr Y.-J. Om

OTHER EXECUTIVE BOARD MEMBERS, ALTERNATES AND ADVISERS

Dr J. Lariviè re (Canada)
Ms H.R. Nellthorp (United Kingdom of Great Britain and Northern Ireland)

REPRESENTATIVES OF EXTERNAL AUDITOR

Mr T. Nombembe
Ms J. Englund
MEMBER STATES NOT REPRESENTED ON THE EXECUTIVE BOARD

Mr M. Sawers (Australia)
Mrs D. Mafubelu (South Africa)