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World Health Organization
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FORTY-SEVENTH WORLD HEALTH ASSEMBLY
A47/B/SR/5

COMMITTEE B 10 May 1994
PROVISIONAL SUMMARY RECORD OF THE FIFTH MEETING
, Palais des Nations, Geneva
Tuesday, 10 May 1994, at 9h00
Chairman: Dr M.S.E. ASAAD (Saudi Arabia)

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Note

This summary record is provisional only. The summaries of statements have not yet been approved by the speakers, and the text should not be quoted. Corrections for inclusion in the final version should be handed In to the Conference Offi cer or sent to the Records Service (Room 4113, WHO headquarters), in writing, before the end of the session. Alternatively, they may be forwarded to Chief, Office of Publications; World Hea lth Organization, 1211 Geneva 27, Switzerland, before 1 July 1994. The final text will appear subsequently in Forty-seventh World Health Assembly: Summary records of committees (document WHA47/1994/REC/3).

A47/B/SR/5

mm MEETING

Tuesday, 10 May 1994, at 91:00

Chairman: Dr M.S.E. ASAAD (Saudi Arabia)

1. FIRST REPORT OF COMMITTEE B: (Document A47/50)

Dr PYAKALAYIA (Papua New Guinea) Rapporteur, read out the narrative part of the draft first report of Committee B.

Mr VIGNES (Legal Counsel) pointed out that an editorial amendment was required in paragraph 3(4) of the French version of the draft resolution on budgetary reform: the phrase "to advise

the Health Assembly" should be replaced with "to advise the Executive Board".

The report was adopted.

2. WHO RESPONSE TO GLOBAL CHANGE (IMPLEMENTATION OF RECOMMENDATIONS OF THE EXECUTIVE BOARD WORKING GROUP AND OF THE SPECIAL REPORT OF THE EXTERNAL AUDITOR): Item 23 of the Agenda (Document A47/B/Conf.Paper No.6).

The CHAIRMAN noted that the draft resolution on WHO response to global change: Health Assembly resolutions remained to be approved under that agenda item. The revised text was before the

Committee for its consideration.

Dr CHOLLAT-TRAQUET (Cabinet of the Director-General) pointed out that the French text of the draft resolution and in particular paragraph 5(1) required editorial amendment in order for it to

correspond to the English version.

The draft resolution was approved.

3. REVIEW OF THE FINANCIAL POSITION OF THE ORGANIZATION: Item 26 of the Agenda

Financial report on the accounts of WHO for the financial period 1992-1993, report of the External

Auditor, and comments thereon of the Committee of the Executive Board to Consider Certain Financial

Matters prior to the Health Assembly (Article 18(1); Financial Regulations 11.3 and 12.9) : Item 26.1 of

the Agenda (resolution EB93.R21; documents A47/19, A47/ 19 Add.1 and A47 / 42)

The CHAIRMAN drew delectatest attention to documents A47/ 19 and A47/19 Add. 1 which contained

the financial report and audited financial statements for the period 1 January 1992 to 31 December 1993.

The Committee to Consider Certain Financial Matters prior to the Forty-seventh World Health Assembly

had been established by the Executive Board to examine the two reports and comments could be found in

document A47 / 42.

Mr AITKEN (Assistant Director-General) reminded the Committee that after adoption of resolution

WHA30.20 establishing the two-year programme budget cycle, it had been decided that at the end of each

two-year period both the Director-General and the External Auditor would submit a report covering the

financial period. The reports for the period 1992-1993 were therefore before the committee

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(document A47/ 19), and he outlined the contents of each part. The Annex to the report (document

A47/ 19 Add.1) provided substantial information on extrabudgetary resources, including a summary of contributions made by governments and other sources to various funds and the details by donors for

financial reports of expenditures incurred against contributions made by them.

As part of the reform process in presenting accounts, a series of charts had been drawn up to

illustrate various financial trends in 1992-1993 in comparison to earlier financial periods. In line with the

new accounting processes of the United Nations, the charts would be added to subsequent sets of accounts.

The first chart illustrated how money had been spent by appropriation sections for 1992-1993 and in

comparison with the previous four bienniums. The largest component of regular budget expenditure, 32%,

was Health system infrastructure, followed by Programme support and health promotion. The second chart

showed that 43% of extrabudgetary resources, had been spent on Disease prevention and control. It was

not possible, however, to gain a clear picture of the Organizations activity without looking at both forms

of expenditure together. The third chart, combining both regular budget expenditure and extrabudgetary

resources showed that the largest item of expenditure was Disease prevention and control, US\$ 528 million.

The fourth graph showed that 1992-1993 was the first biennium in which regular budget expenditure had

fallen behind extrabudgetary expenditure, a difference of some US\$ 60 million. In view of the pattern of

zero real growth in the regular budget, ways of improving the integration of expenditures would be studied

closely in coming years. The last two charts provided details on the amount of unpaid contributions at the

end of the biennium and their effect on the management of the Organization. The current figure of

US\$ 106 million was the largest amount in many years and there was a growing amount owed from the first

year of the biennium. The last chart showed how the Organization had operated with that deficit.

The problem had been solved in three ways: the Working Capital Fund had been borrowed completely, there had been internal borrowing to the extent of US\$ 44 million, and overall programme

reductions had been made to the amount of US\$ 55 million.

The need for an increase in the Working Capital Fund had been demonstrated by the charts.

The standard United Nations formula of approximately one month's expenditure had been proposed and, he

hoped, would be approved by the Health Assembly.

An exchange rate facility of up to US\$ 31 million had been approved by the Assembly in resolution

WHA44.14. The extent to which that fund was drawn on depended on the stability of the currency markets;

that year a total of US\$ 8.8 million had been used.

Administrative costs during the biennium had been slightly lower than in the previous biennium:

12.6% of all obligations went towards administrative costs.

The External Auditor's scope limitation in respect of the Regional Office for Africa was the first such

limitation in WHO's 45-year history. Various measures might have been adopted to avoid it, including

taking advantage of opportunities to visit the Regional Office at other times, using the possibility of

consultation at headquarters, or using computer data in Geneva, visits to Geneva of staff of the Regional

Office for Africa or transmittal of the documents by pouch. The internal auditor had recently visited

Brazzaville and his report was available to delegates. The External Auditor acknowledged that the problem

was not the fault of WHO staff. The final decision on the matter rested fully with the External Auditor and his staff.

Sir John BOURN (External Auditor) emphasized his strong commitment to providing independent and impartial scrutiny of the accounts and operations of WHO. In accordance with the principle of independent objectivity, he outlined the format of his financial report for the 1992-1993 biennium. The report presented a fair statement of the financial position and operations of WHO, with the exception however of a scope limitation with regard to the Regional Office for Africa. He had been unable to obtain all the information necessary to give a full audit opinion because unrest in Brazzaville in November 1993 had prevented completion of his work. The Secretariat or the Regional Office was, he stressed, in no way at fault. As he had been unable to see the control process in operation, he had limited the scope of his audit report. He would shortly produce a special report on financial organization in the African Region, after his forthcoming visit to Brazzaville. That report would provide a considered view of the operation of the African Region. He noted with pleasure the action of the Secretariat in response to the recommendations made in his report covering the 1990-1991 biennium. Clear efforts had been made by the Global Programme on

AIDS to improve the planning and financial control of programme activities. Almost all the recommendations made in respect of the possible financial irregularities in 1992, with particular regard to contract letting and monitoring and accountability of programme managers, had been adopted.

In the report for 1992-1993 four issues were of particular importance. First, with reference to

computer applications, he had previously commented on deficiencies arising from uncontrolled access to

live computer accounting data. The establishment of a computer security oversight committee by WHO

had gone some way to meeting the need for a proper access and approach policy to computer data.

Secondly, with regard to personnel matters, particular reference was made to the practice of giving former

staff members short-term contracts of more than one year's duration. Although the value of their

contributions should be acknowledged, it was difficult to justify their being remunerated at rates in excess

of the Organization's own guidelines. Thirdly, as a result of the comments made in the report on the 1990-

1991 biennium on the merging of internal auditing and administrative management services, WHO had

reinstated a separate internal audit office, thereby eliminating a possible conflict of interests. Collaboration

between the internal and external auditors was welcomed. However, three of the internal audit office posts

remained to be filled and a need still existed for that office to institute a programme of continuing

education. Fourthly, the importance of management of the fellowship programme was underlined by the

US\$ 41 million spent on it in the 1992-1993 biennium. The progress made thus far could be further

enhanced by placing more emphasis on the utilization of fellowship training. That should be more closely

aligned with the training needs of individual countries and WHO programme and policy objectives. In some

cases, study objectives were very broad and did not correspond to WHO's primary health care strategy.

Furthermore, the duration and nature of the fellowships changed with the course of time.

For example,

attention was focused in South-East Asia on short-term study courses and tours for groups of people.

Although that constituted a helpful way of looking at the development of skills and the accretion of

knowledge, it did not always lead to formal training related to recognized qualifications. He recommended

that WHO should review the balance between long- and short-term fellowships. Fellowship reports were

not always made available to WHO headquarters and the dividends obtained from the programme could

be more widely distributed. WHO had now recognized the need for the evaluation of fellowship training.

He greatly appreciated the valuable assistance and support provided by the Secretariat, the regional

offices, and in particular the Director-General.

Professor CHA'ITY (representative of the Executive Board) presented the first report of the

Committee of the Executive Board to Consider Certain Financial Matters prior to the Forty-seventh World

Health Assembly (document A47/ 42).

Dr BOYER (United States of America) shared the concern of the Director-General about the absence of payments by many countries in the past year. The chart presented by the Assistant Director-

General on nonpayment of contributions in the past two years was a warning to Member States and the

Secretariat. He was also concerned by the continuing practice of the Organization of operating on a high

level of borrowed funds. At the end of the 1992-1993 biennium, WHO had an income deficit

of approximately US\$ 51 million, financed by drawing down the balance in the Working Capital Fund by US\$ 7 million and by borrowing US\$ 44 million from internal resources. During the past two years 40 countries had made no contribution whatsoever and 15% of the money had not been collected. Although Member States had talked for many years about establishing priorities, cutting back or eliminating programmes and activities of lesser importance, it was clear that WHO needed to focus its activity on a smaller list of programmes, so that it could have a genuine impact positively on those programmes it did implement, and live within the resources it expected to receive. The pie charts presented in document A47/ 19 showed the difference between expected expenditure in 1992-1993 and what was actually spent. For example, the amount of money budgeted for programme support was 25.5% of the regular budget, whereas the amount actually spent was 27.8%. Furthermore, the amount spent on the substance of WHO programmes - health science and technology and assistance to Member States - was reduced from 30.6% as budgeted, to an actual figure of 28.7%. The sum of US\$ 2.6 million more than budgeted were spent on the Health Assembly and Executive Board, whereas the amount disbursed on health programmes in individual countries dropped from US\$ 267 million to US\$ 239 million. To illustrate further the general trend, 35% of the budget, as opposed to the 33% actually allocated, was

spent on WHO headquarters. Spending on the six WHO regions was reduced by about 10% from the original allocation. In spite of a statement by the Assistant Director-General in January 1993, to the effect that an across-the-board cut of 10% would be made because of an unexpected shortfall in contributions, it was unclear why expenditure had been reduced in those regions where WHO activity was most important.

An explanation should be given to the Health Assembly. It was not clear why budget and finance had overrun its expected expenditure by several million dollars, whereas relative expenditure in dealing with health problems in Member States had been reduced.

Several matters raised in the External Auditors report for the 1992-1993 biennium were also of concern to all WHO Member States. As his delegation had noted in the past, it would be useful for the Health Assembly to have a written response by the Director-General to the recommendations of the

External Auditor in advance of its discussions. Referring to paragraph 44 of the report, he noted that WHO had employed 80 former staff members on more than 200 short-term contracts, some of which were up to four years in duration. Questions of judgement and good management were clearly relevant. The simultaneous receipt of contract remuneration and pensions was undesirable. Some employees were rehired at their previous grade and step in spite of the specification of a lower level in the contract terms of reference, while others were paid "significantly in excess of the appropriate rate for short-term contracts".

He requested the Secretariat to explain why that was considered to be a reasonable and appropriate management decision. Paragraph 42 of the report questioned the wisdom of WHO's "voluntary separation scheme" under which it paid about US\$ 4.85 million in separation payments to achieve a saving for the biennium of only US\$ 4 million. Furthermore, a number of supposedly frozen posts of those separated under this scheme were subsequently refilled. A sound cost-benefit analysis should be undertaken before the Organization embarked on such schemes.

Despite an earlier report critical of WHO's involvement in the Special Health Fund for Africa, and a recommendation by the External Auditor that WHO take steps to "regularize any continued involvement", the Regional Director for Africa continued to serve as executive secretary for the Fund, according to the

External Auditors latest report. What was the nature of the agreement reached on the "interim management" of the Fund? What changes had been made? Did the Director-General agree that it was appropriate for WHO to be associated with the Fund in that way?

On the subject of fellowships, the report noted, in paragraphs 52 to 65, the absence or inadequacy of national selection committees, apparent noncompliance with WHO policy objectives, procedural irregularities and a lack of evaluation. The report indicated that the vast majority of fellowship recipients failed to submit the required termination and utilization reports, precluding routine monitoring of programme effectiveness, and that there were significant differences among the regions in the number of fellowships awarded in 1992-1993. Some fellowships were being awarded to people too old to make use of them. Under those circumstances, was the programme really working and; even if it was, did it constitute the highest priority for the use of the limited resources? Implementation of the Auditor's recommendations was absolutely essential.

Paragraph 38 of the report noted that withdrawals from the Working Capital Fund in the 1990-1991 biennium had never been fully repaid. While recognizing that the proposed expansion of the Working Capital Fund might help to solve part of the problem, it was more important to respect the principle that the Working Capital Fund must be replenished as soon as money was available to do so. On the question of stolen equipment and fraud, the incidence of financial irregularity involving senior WHO officers, which WHO had chosen not to classify as fraud, was particularly disturbing and clearly indicated the need for more adequate internal control. He was in full agreement with the External Auditors recommendations on the two latter issues. He also endorsed the recommendation made in paragraph 47 that vacant posts in the internal audit operation be filled as soon as possible. Many of the problems cited in the report might have been avoided by the presence of a more vigilant internal audit mechanism. He commended the External Auditors most detailed report and, in particular, that it had not dropped previously covered matters. It was disappointing to find that there appeared to be significant differences between the External Auditors comments on action taken to implement the recommendations of two of the previous reports and the information provided by the Director-General in his own report. It was very difficult for Member States to serve as constant watchdogs of such a huge organization as WHO. In fact, Member States should not need to micromanage every managerial act of WHO, but

should be able to expect the elected leadership to carry out the desires of the Member States, the internal and external auditors to pinpoint the shortcomings, and the Secretariat to make the corrections.

Increasingly, however, it appeared that problems persisted despite those mechanisms. He hoped that the draft resolutions before the Committee under items 23 and 24 would ensure appropriate attention to the matters raised.

Dr STAMPS (Zimbabwe), while agreeing with many of the comments of the previous speaker, said

that he felt more optimistic to learn that an internal audit was being properly counselled and was using methods appropriate to determining areas of irregularity. He looked forward to significant improvements.

On the distribution of expenditure, he was concerned that more funds would be dedicated to the

secretariat of the new joint and cosponsored programme on AIDS. He doubted the assurances that there

would be less expenditure at WHO headquarters, and he feared that the amount of money available

through WHO at country level for AIDS activities would continue to shrink, as it had done in Africa for

the past two bienniums.

He shared the concern felt about the functional capacity of regional offices, especially the Regional

Office for Africa. As highlighted in paragraph 67 of the Auditors report, communication with the

Brazzaville office was extremely difficult. The fact that the audit was not carried out despite all the

documents having been sent from Brazzaville to Geneva at great expense was a further source of disquiet.

Africa's health needs were very considerable, including its fellowship requirements. Yet Africa

seemed to have had fewer fellowships per nation than any other region. The amount of well over

US\$ 1 million spent on trying to improve telecommunications with the Regional Office and the relining of

water pipes in Djoué compound might prove to be wasted as WHO needed to review very carefully the

appropriateness of the Regional Offices current location, regardless of the current disturbances.

He inquired whether an answer was forthcoming regarding the irregular authorization of the

extraordinary audit for the Forty-sixth World Health Assembly, in particular the costs of the audit, the way

in which it was to be financed, and which area would suffer as a consequence.

Dr MWANZIA (Kenya) expressed his concern about the implications of the fact that the External

Auditor had qualified his opinion in relation to the Regional Office for Africa. He agreed with the

Committee of the Executive Board to Consider Certain Financial Matters prior to the Forty-seventh World

Health Assembly that the Organization should not have to wait until the Forty-eighth World Health

Assembly to review the outcome of an external audit visit. He suggested that either the External Auditor

should accept the work of the Internal Auditor, or that the Assembly should accept the report of the

External Auditor and the work of the Internal Auditor in relation to the Regional Office for Africa. In that

case the draft resolution set out in paragraph 15 of document A47 / 42 should be amended to the effect that

the work of the Internal Auditor carried out in April 1994 in respect of the Regional Office for Africa was

accepted.

On the Special Health Fund for Africa, he too, would appreciate clarification from the Director-General on the role of WHO and of the Regional Director.

Mr OKELY (Australia) said he shared the concerns already expressed on the late payment or

nonpayment of assessed contributions, on the differences between the amounts appropriated and those spent, and the fact that cuts appeared to have fallen on health programmes at the regional and country level, where support and resources were most urgently needed. A budget of US\$ 735 million had been approved for 1992-1993. According to the information supplied in the Financial Report, a shortfall of US\$ 106 million had resulted from unpaid contributions, US\$ 55 million of which had been met by programme cuts. He asked where those cuts had been made and what had happened to the rest of the 10% across-the-board cut. There appeared to have been no reductions in headquarters activities with regard to the Health Assembly, the Executive Board or global and interregional activities, and the pie charts at the end of Part I of the Report showed that support services had even grown. He was concerned that the Regional Office for the Western Pacific had apparently had to bear a disproportionate share of the across-the-board cuts, which meant not only managerial and operational problems for the Regional Director, but also that countries in the Region were not receiving the assistance they urgently needed.

He therefore asked whether the 10% across-the-board cut planned for 1993 had actually been implemented and, if so, whether it had been applied equally to all programmes, countries and regions and to headquarters. Further, was it appropriate to cut funding at country level, given that the current General Programme of Work stressed action at precisely that level? Why, as the pie charts showed, had the largest cuts been imposed on country programmes, and why was the largest area of growth in support services?

He was also concerned about the External Auditors scope limitation with regard to the Regional Office for Africa and asked what steps the Auditor had taken to obtain the necessary information.

Dr OKWARE (Uganda) regretted that, for the first time in 45 years, the External Auditor had qualified his report with respect to the African Region. The qualification could have been avoided if the External Auditor had used copies of Regional Office documents available at headquarters, or had rescheduled the audit, or had sought alternative methods. Poor communication was a result of lack of infrastructure throughout the Region, not of problems at the Regional Office. The scope limitation was bound to give rise to uncertainty which, in turn, would lead to a loss of confidence and was detrimental to WHO's programme in the Region through no fault of the staff; it would undermine efforts towards health for all. The External Auditor could have made a greater effort; he was well paid to serve all the regions.

The report of the Internal Auditor on the Regional Office for Africa, considered to be satisfactory, should be accepted by the External Auditor, who would then be in a position to give an unqualified opinion.

Dr FEEK (New Zealand), after endorsing the comments made by the delegates of the United States of America and of Australia, referred to the discussion on global change and restructuring of WHO. He reiterated his comment that the Organization should define its vision before undertaking reform. If that vision were, for example, to be a primary health care strategy, then it would have to be matched with budgetary expenditure. The pie charts on pages x and xi of document A47 / 19 indicated that, rather than the expected pattern of decentralized expenditure at country level expenditure at global level was some 35%, which was excessive. In his view the Organization was bloated when it should be lean. WHO budgeting should respond to the needs of countries, not those of the Organization, and the forthcoming Health Assembly should be informed of how the Organization intended to do that. He mentioned that a major reform had recently taken place in New Zealand, separating funders, purchaser and providers, which should lead to a decentralized system.

Mr AUGUSTSSON (Sweden), speaking on behalf of the Nordic countries (Denmark, Finland, Norway and Sweden), supported the comments made by the delegate of the United States and expressed particular concern at the disproportionate budget cuts at regional and country levels. Although fully aware of the difficulties faced by some Member States in meeting their obligations, the Nordic countries noted with concern the rising level of unpaid contributions at the end of each biennium, the large amount unpaid, and the high number of Member States which had made no payment at all. The problem of arrears not only adversely affected the daily activities of the Organization but also undermined confidence in WHO by giving the impression that countries did not value its work. The Nordic countries wished to reiterate their

appeal to all Members to take the necessary steps to ensure the payment of their financial contributions in full, on time and without specific conditions

Mr CHAUDHURI (India) expressed deep concern at the qualified audit opinion presented by the External Auditor because of difficulties in visiting the Regional Office for Africa. That qualification would create uncertainty and adversely affect WHO's efforts in the developing countries of that Region. He shared the views expressed in the first report of the Committee of the Executive Board to Consider Certain Financial Matters prior to the Forty-seventh World Health Assembly (document A47/42) and noted with satisfaction that an internal audit had been carried out for the Regional Office for Africa. He urged that the matter be settled as soon as possible.

Dr NGO VAN HOP (Viet Nam) endorsed the first report of the Committee of the Executive Board to Consider Certain Financial Matters prior to the Forty-seventh World Health Assembly and regretted that the External Auditor had given a qualified opinion. The External Auditor should have found a way to complete the task for which he was responsible and was well remunerated. As stated in the Committees

report, the Organization should not have to wait until the next Health Assembly to review the outcome of an external audit visit. Two courses of action were open: either the External Auditor could accept the internal audit; or the Health Assembly could accept the internal audit report. Lastly, he requested information on the percentage of staff costs in extrabudgetary programmes.

Mr BURNS (United Kingdom of Great Britain and Northern Ireland) stressed that important documents, especially financial reports such as document A47/ 19 and its addendum, should be made available early enough to enable delegates to study them and seek expert advice where necessary. The overall financial situation of the Organization continued to give rise to concern. A growing number of Member States failed to pay their regular budget contributions or paid them late, and internal borrowing to cover income deficit appeared to be becoming the norm. Unless that trend was reversed, there would ultimately be no contingency funding and the proposed increase in the Working Capital Fund might even worsen the situation. The Organization should encourage Member States to meet their liabilities and take action, under Article 7 of the Constitution, to suspend the voting rights of persistent defaulters. Further, WHO should align proposed programme expenditure more closely with a realistic expectation of income.

The Organization's activities should be more sharply prioritized and more resources should be allocated at the regional and country levels and less to headquarters. He asked the Secretariat to confirm that the surplus of nearly US\$ 55 million in the effective working budget was being used, to the extent necessary, to repay borrowing from the Working Capital Fund.

The high level of extrabudgetary financing reflected the esteem in which WHO was held and was a tribute to the efforts of the Organization to secure funding. In view of the imbalance between regular and extrabudgetary funds, it was essential to ensure that overall policy was not distorted and that activities continued to reflect the wishes of the Health Assembly. To that end, the Executive Board should work more closely with the programme management committees. He endorsed the view of the United States delegate that the Director-General should provide a response to the Health Assembly to the criticisms of the External Auditor. As a major recipient of WHO fellows, the United Kingdom was particularly concerned by the External Auditor's remarks on national selection processes. He looked forward to the Organization's proposed evaluation of the fellowship scheme, and asked what steps were being taken to implement the Auditor's recommendations to improve selection processes and what was being done to set up national selection committees.

Mr VAN REENEN (Netherlands) endorsed the comments made by the delegates of the United States and Australia and the United Kingdom on the financial report and on the recommendations of the External Auditor, and hoped that those recommendations would be fully implemented. He expressed concern about arrears in the payment of contributions, noting that in that respect the 1992-1993 biennium had been one of the worst in the history of the Organization; it was imperative to improve payment discipline among Member States. The practice of internal borrowing to cover income deficits was also worrying.

Dr SHAMIAE (Seychelles), supported the request for more details on the changing pattern of budgetary expenditure, as indicated on pages x and xi of document A47 / 19. He was concerned by over-

expenditure on such items of the World Health Assembly and the Executive Board sessions. He asked whether there was a mechanism that would reflect the volume of headquarters work that was of direct benefit to Member States. With regard to the External Auditor's reports he appreciated that the qualified opinion of the External Auditor did not imply blame, nevertheless it was a cause for concern. He asked what criteria had been applied to determine that it had not been possible to visit the Regional Office. He understood that during that period; the Regional Office had continued to operate, that staff members had travelled to and from the Office and that the internal auditors had been able to make a report. Mr MILLER (Canada) endorsed the remarks made by the delegates of the United States, the United Kingdom and the Netherlands. With regard to the external audit, the professional judgement of the External Auditor as to the work required to complete his audit should be accepted without question, as

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should his statement that the scope limitation was a professional matter not imputing blame. He noted that the External Auditor planned to carry out the delayed audit of the Regional Office for Africa soon.

He expressed concern over the practice of across-the-board cuts, which he considered ran counter to

the priority-setting function of the governing bodies. As implementation of resolution WH A46.35

continued, the Director-General should put before the Executive Board, in the first instance, more targeted

proposals for priority setting. Noting the large number of recommendations made by the external auditor

that still remained to be implemented, he drew particular attention to the need to make up staff shortages

in the office of the internal auditor, to apply WHO's own guidelines on short-term employment to former

staff members, and to clarify the position with respect to the Special Health Fund for Africa. In addition,

WHO should adopt the External Auditors stringent interpretation of the Financial Regulations with respect

to advances made from the Working Capital Fund.

Dr SHRESTHA (Nepal) endorsed the views of the Committee of the Executive Board to Consider

Certain Financial Matters prior to the Forty-seventh World Health Assembly on the report of the External

Auditor, and considered that alternative methods should have been found for auditing the Regional Office

for Africa. He proposed that the resolution recommended to the Forty-seventh World Health Assembly

for adoption, appearing in paragraph 15 of document A47 / 42, should be amended to state that the Health

Assembly accepted the internal auditors report on the Regional Office for Africa.

The meeting rose at 111105.