

# REPORT TO THE PMNCH BOARD OF THE GOVERNANCE COMMITTEE JULY 2008

## **Background**

The Governance Committee was established by the Board in April 2007 to take on tasks relating to election of the Board Chair, selection of Working Group Chairs, and establishing a process for screening new membership applications for the Partnership. The Committee made recommendations on these and related matters in December 2007. The Committee continued to meet in early 2008 to consider the issues set out below, per the Board's request.

## **Membership of the Governance Committee**

Ruth Calderon, Julia Hussein, André Lalonde, Sonya Rabeneck (Secretariat), Ann Starrs (Chair) and Pascal Villeneuve.

In view of DFID's withdrawal from the Board during 2007, Helga Fogstad (Government of Norway) was asked to clarify whether the donor/foundations constituency would provide representation to the Committee.

## **Meetings**

The Committee met once by teleconference in February 2008 and interacted by email. Documentation was prepared by Sonya Rabeneck. Copies are available from the Secretariat ([rabenecks@who.int](mailto:rabenecks@who.int)).

## **Recommendations - Finance Committee**

- The main tasks of the new Finance Committee (see Annex 1) would be to review draft budgets and draft audit reports before Board meetings and to work closely with the Secretariat to prepare budget analyses. The Committee would also alert Co-Chairs to overages.
- The Committee would have three members, prior involvement in finance committee work would be highly desirable.

## **Recommendations - Process for dealing with budget variance and audit**

- Up to 10% (at work area level) to be approved by the Director, 10 to 20% to be approved by the Chair and Co-Chairs, and over 20% to be approved by the full Board. Such Board approval may be achieved by teleconference or email.
- WHO's audit requirements were noted (see Annex 2)

## **Recommendations - Guidelines for Board Members**

- Regarding speaking rights:
  - If the Representative is present, the Alternate does not speak, - i.e., the principle of *one voice* needs to be ensured

- Both Representatives and Alternates should receive material by email, however, only one person should express the views of the organization in email discussion (preferably the Representative, but if the Representative is traveling it can be the Alternate)
- Regarding attendance at Board meetings
  - a Board member is deemed to have resigned if he/she misses two Board meetings without proper reasons and/or communication.
  - a Board member is deemed to have resigned after missing three meetings, with or without proper reasons and/or communication.
- Secretariat to prepare a Board manual to incorporate these and other aspects concerning comportment of Board members, and submit for approval "en bloc" by the Board.

#### **Recommendations - Country representation**

- Secretariat to draft a letter to Country Representatives on the Board to request reconsideration of their Board membership and to suggest rotation where attendance has been poor.
- Secretariat to manage a process of calling for nominations, by letter, from the countries' governments currently listed as members of the Partnership.

#### **Other - Editorial Committee**

- The Committee was not able to achieve consensus on a terms of reference for an editorial committee.

## ANNEX 1

### TERMS OF REFERENCE

#### FINANCE COMMITTEE OF THE PMNCH BOARD

The Finance Committee of the Board works closely with the Director and the Administrative Officer and other staff of the PMNCH Secretariat, and is responsible for providing advice on all policy and strategy issues that relate to Finance and Audit to the PMNCH Board. The Finance Committee reports to the PMNCH Board.

##### Specific responsibilities

- Review and provide advice on the Partnership's budget with due consideration of the Partnership's Ten-Year Strategy and Value-Added Work Plans;
- Review the annual financial report of the Secretariat
- Monitor expenditure of the budget in the course of the year and report to the Board thereon after the conclusion of each half year;
- Provide advice to the Board on the Secretariat's financial and grant management processes
- Review findings of audits and report these to the Board
- Attend meetings twice per year, just prior to the Board meeting

##### Composition and appointment

- Three people, one of whom has professional qualification in financial management and audit.
- Appointed by the Board, for a two year term, renewable once

##### Time commitment

- Approx. six days per year, excluding travel

*PMNCH Secretariat  
May, 2008*

## ANNEX 2

### NOTE ON AUDIT

WHO has a dual audit system: the External Auditor and the Internal Auditor.

1/ The External Auditor is accountable directly to the World Health Assembly (which is WHO's main governing body). He/she will not take requests from a third party.

Financial reports are submitted to the External Auditor(s) not later than 31 March following the end of the financial period to which they relate.

Terms of Reference for the External Auditor are provided under WHO's Financial Regulations and are available on request.

2/ The Internal Auditor is responsible to the Director-General directly and is part of her internal control mechanism. He/she cannot be approached to carry out audits on behalf of a third party. The internal audit function is responsible for the review, evaluation and monitoring of the adequacy and effectiveness of the Organization's overall systems of internal control. For this purpose, all systems, processes, operations, functions and activities within the Organization (including those of the Secretariat of the PMNCH) shall be subject to such review, evaluation and monitoring. Directors throughout the Organization receive an invitation to identify programs that would benefit from such internal review in September each year; and audit would take place during the following calendar year.

There is no other mechanism within WHO's financial regulations and rules to allow for any audit to be carried out directly by any external party.

WHO shares audit reports prepared by the External Auditor and submitted to the World Health Assembly as well as reports to allow donors to monitor the use of funds.

*PMNCH Secretariat*  
*March 2008*