



## UNAIDS PCB Bureau meeting

**DATE:** Friday, 2 June 2023

**TIME:** 14:00-15:00 (CET)

**VENUE:** In person at UNAIDS, Geneva, Switzerland, and virtual Zoom meeting

### **PARTICIPANTS:**

**Germany: Representing the PCB Chair:** Mr Binod Mahanty, Referent Infectious Diseases, Global Health Policy, German Ministry of Health; Dr Claudia Böhm, Counsellor Global Health, Permanent Mission of Germany in Geneva.

**Kenya: Representing the PCB Vice-Chair:** Dr Peace Mutuma, Health Attaché, Permanent Mission of Kenya in Geneva.

**Brazil: Representing the PCB Rapporteur:** Ms Débora Antônia Lobato Cândido, Second Secretary, Permanent Mission of Brazil in Geneva.

**Representing the PCB NGO Delegation:** Gaston Devisich, Community Engagement representative, Fundación Huésped, Buenos Aires, Argentina; Cecilia Chung, Senior Director of Strategic Initiatives and Evaluation, Transgender Law Center, USA.

**UNODC: Representing the Committee of Cosponsoring Organizations:** Ms Fariba Soltani, Chief, HIV/AIDS Section, UNODC Vienna, Austria; Mr Ehab Salah, UNAIDS Focal Point, Adviser Prisons and HIV, UNODC Vienna, Austria.

**UNAIDS Secretariat:** Mr Efraim Gomez, Chief of Staff, Executive Office; Mr Morten Ussing, Director Governance; Ms Adriana Hewson, Governance Officer, Mr Kodo Ngabane, Governance Officer; Ms Saliha Ozdemir, Governance Assistant.

### **MEETING AGENDA:**

- 1. Presentation of the final recommendations in the 2023 Independent External Oversight Advisory Committee (IEAOC) annual report:** *The Chair of the IEOAC will present to the Bureau the final recommendations in the 2023 annual report of the IEOAC to be discussed at the 52<sup>nd</sup> PCB meeting.*
- 2. Any other business**

## Summary of the Meeting

The PCB Chair welcomed participants to the fourth 2023 PCB Bureau meeting. One Bureau member requested that the Bureau discuss the letter to the Executive Office of the U.N. Secretary General under Any Other Business. The draft letter had been shared with the Bureau members prior to the meeting.

### **1. Presentation of the final recommendations in the 2023 Independent External Oversight Advisory Committee (IEOAC) annual report**

The Chair of the PCB Bureau welcomed the 2023 IEOAC Chair, David Kanja, to the meeting. The Chair recalled the purpose of the meeting was to meet with the Chair of UNAIDS' Independent External Oversight Advisory Committee (IEOAC) on the IEOAC's recommendations for their upcoming report to the PCB at its 52nd session. The Chair recalled that Mr. Kanja had presented the draft outline of the IEOAC's report at the Bureau's meeting on [25 April 2023](#). Further to that discussion, the IEOAC had met and finalized their report. The IEOAC had also met with the UNAIDS Executive Director to present their recommendations. The report and recommendations will be presented to the PCB at the upcoming 52nd meeting as part of agenda item 7, Organizational Oversight Reports.

David Kanja, Chair of the IEOAC, presented the recommendations. The powerpoint presentation is included in annex 1. The IEOAC's report is based on the Committee's evaluation of the oversight reports submitted to the 52nd PCB meeting: UBRAF Financial and Performance Reports, Internal Audit report, External Audit report, and the Ethics Report. In addition, the Committee met with heads of the oversight functions and monitored the implementation of previous recommendations.

Since their last report, the IEOAC had also reviewed their terms of reference and drafted rules of procedure on the basis of the lessons learned from their first year of operation. As part of their report, the IEOAC is recommending the PCB adopt proposed changes to their terms of reference.

The IEOAC recommends the following:

#### *Financial reporting*

- UNAIDS should develop action plans for addressing the top risks that are highlighted in the 2022 statement of internal controls section in the organization's 2022 financial report. These plans should identify risk owners as well as target completion dates for the various actions.
- UNAIDS should develop a contingency plan for managing issues related to changes in its core fund balance, which is currently below the minimum level that has been approved by the PCB. This plan should consider worst- and best-case scenarios as well as other potential future funding scenarios.
- The IEOAC welcomes the external auditor's unqualified opinion on the 2022 financial statements for UNAIDS.

#### *Performance reporting*

- In addition to summarizing activities and achievements in future versions of the UBRAF performance management report, UNAIDS should also consider articulating the challenges the Joint Programme has faced and the strategic choices that have been made during each year, and explain how these have affected performance. Without a description of challenges and

their impact on performance, the performance monitoring report risks providing an overly optimistic assessment of the Joint Programme's work.

- UNAIDS should arrange for the UBRAF performance management report to be periodically audited by either the UNAIDS internal auditor or external auditor. This will provide independent assurance on the contents of the report.

#### *New Enterprise Resource Planning System*

- UNAIDS should continue to use every opportunity to ensure that UNAIDS needs are taken into account during the WHO's development and implementation of the new ERP system.
- UNAIDS should arrange for the UNAIDS data that will be input into the ERP system to be cleaned in a timely manner.
- UNAIDS should arrange for all affected UNAIDS staff to be adequately trained in the use of the new system.

#### *Internal Audit Function*

- UNAIDS should arrange for the WHO Office of Internal Oversight Services (IOS) to include efficiency and economy aspects in the scope of UNAIDS internal audit assignments. The current scope is mostly focused on compliance.
- UNAIDS should fast track the implementation of long outstanding internal audit recommendations. On 25 May 2023, there were 12 such recommendations from 2018 and 2019.
- UNAIDS should identify and address the causes for the declining trend in the overall effectiveness of the controls tested that is described in the annual report of IOS.
- UNAIDS should finalize arrangements for posting summaries of final internal audit reports, which are disclosed once a year in the annual report of IOS, on the website of UNAIDS. This will enhance accountability and transparency.

#### *Investigative Function:*

- UNAIDS should develop an action plan for addressing the organization's backlog of long outstanding open investigation cases. On 5 May 2023, the organization had 25 such cases from 2018, 2019, 2021 and 2022.
- UNAIDS should establish a dedicated budget for investigations as a means of ensuring that investigations are completed in a timely manner and in accordance with the timeliness targets that are set out in the investigations MOU between UNAIDS and IOS.

#### *Ethics Function:*

- UNAIDS should implement appropriate measures for improving the completion rates for the organization's mandatory training courses on ethics and integrity; preventing sexual exploitation and abuse; preventing harassment and abuse of authority; and preventing fraud and corruption. The 2022 training completion rates for these courses range from 69 to 91%.
- UNAIDS should explore strategies for increasing the resources for the Ethics Office, taking into account existing budget constraints. The Office has one staff member and has over the past year experienced a significant increase its caseload and the advisory services that it provides.
- UNAIDS should prioritize measures aimed at preventing fraud and raising the visibility of fraud prevention measures across the organization. This will address the potential risks (such as

challenges regarding segregation of duties) that might arise due to the current funding shortfalls and the related staffing reductions.

#### *Follow-up and monitoring of internal and external oversight recommendations*

- UNAIDS should establish an action plan for resolving and addressing the JIU recommendations that the organization has categorized as being 'under review'. As of 3 October 2022, UNAIDS had 65 such recommendations out of the 104 that the JIU issued during the 2019-2022 period.
- UNAIDS should establish guidelines for ensuring that all internal and external oversight recommendations are periodically followed up in a consistent manner; and arrange for reports on the status of implementation of all oversight recommendations to be periodically provided to UNAIDS Senior Management and the IEOAC for review.

#### *Meetings with heads of oversight functions*

- The UNAIDS Executive Director should periodically meet with the Director of the WHO Office of Internal Oversight Services as well as the head of the organization's External Audit team.
- Regular engagement with these individuals will:
  - o help the internal audit, investigation and external audit functions to better understand and respond to the needs of UNAIDS;
  - o enable UNAIDS Senior Management to identify and respond to any important trends identified by the oversight functions; and
  - o send a strong message regarding the high priority placed on internal audit, investigation and external audit activities.

#### *Changes to the terms of reference and rules of procedure of the IEOAC*

- The IEOAC has included a request in its annual report for the PCB to approve a change in the IEOAC's terms of reference that authorizes the Committee to formally establish a Vice Chair position. This position will support the Chair in implementing the Committee's annual work plan, replace the Chair in case of his/her absence, and also support continuity and succession planning.
- The IEOAC has also included a copy of its new rules of procedure in the annual report for the information of the PCB. The rules will assist IEOAC members in executing their responsibilities and were approved by the Committee on 9 November 2022.

Bureau members thanked the Chair of the IEOAC for his presentation and looked forward to receiving the final report. Bureau members requested clarification on the follow-up to the oversight recommendations. The IEOAC Chair clarified that the follow-up to oversight recommendations is key component of the IEOAC's terms of reference. The Committee is committed to this oversight role and has been meeting with the various oversight functions to determine how they track recommendations and follow-up actions. The IEOAC Chair noted that they are working closely with the Evaluation Committee to determine the best approach for follow-up on evaluations. The Committee will continue to monitor and provide advice as appropriate. In response to a question from a Bureau member, the Secretariat clarified that the pending JIU recommendations are a consolidation of all recommendations from JIU thematic reports over the past three years that are applicable to UNAIDS, not just those directed at UNAIDS. The IEOAC has been supporting UNAIDS in evaluating which recommendations are applicable.

The Secretariat noted that the report is expected to be posted shortly in parallel with the posting of the Management Response to Organizational Oversight Reports. The IEOAC had already met with the Cabinet, who welcomed their recommendations. The Management Response is expected to provide additional context regarding the IEOAC's recommendation about posting of the summaries of the Internal Auditor reports. The Secretariat noted that the PCB receives these summaries annually in the Report of the Internal Auditor, which are publicly available on the PCB's website. The Management Response is expected to establish a separate webpage for these summaries for ease of reference.

The IEOAC report is part of the Organizational Oversight Report agenda item, which will be presented at the pre-meeting on Monday, 19 June 2023, and on the second day of the PCB, Tuesday, 27 June 2023. The Organizational Oversight Report agenda item consists of the Internal Auditor's Report, External Auditor's Report, Ethics Report, IEOAC Report, and the Management Response. The reports will be presented back-to-back and then the PCB will have a consolidated discussion on all five reports.

## **2. Any other business (AOB)**

At the Bureau's meeting on [May 15, 2023](#), the Bureau discussed the letter by the PCB Chair from the Executive Office of the Secretary General (EOSG) in follow-up to the operational paragraph 18 of the 2021 ECOSOC resolution: "*Requests the Secretary-General to submit a report, after consultation with the PCB, on the establishment of two four-year term limits and performance expectations for the position of UNAIDS Executive Director, in line with the practices of the UN System and as recommended by the JIU*".

Further to the meeting on May 15, 2023, the Chair had revised a draft letter to respond to the EOSG, which had been circulated to the Bureau. The draft letter was also shared with Legal Counsel. Legal Counsel had noted that the Bureau should achieve consensus prior to sending the letter. The Chair noted that the purpose of the revised letter was to clarify the oversight role of the PCB, in accordance with annex to the PCB's Modus Operandi, and to seek further information to support a discussion with the entire PCB on a way forward.

Bureau members thanked the Chair for revising and circulating the draft letter in accordance with their comments. One Bureau member noted that they wished to restate their position that was previously submitted to the Chair in an email following the discussion in the last meeting. The member requested that this was reflected verbatim in the report of the Bureau meeting.

Following internal consultations on the draft letter, the Member noted that they will not co-sign the letter to the Secretary-General of the United Nations. In view of the fact that the PCB has not yet held any discussions on the contents of the letter addressed to the Permanent Representative of the Federal Republic of Germany to the UN Office in New York, nor has it directed the Bureau to engage on its behalf on this specific aspect of its report to ECOSOC, the Member would also not support any communication being sent directly to the Office of the UN Secretary General, in the name of the Board. In the Member's view, the PCB Modus Operandi does not envision any communication to be sent directly from the UNAIDS PCB Bureau or the entire PCB to the Secretary General, without involvement of ECOSOC.

The Member therefore looks forward to ECOSOC receiving an update from the Secretary-General on the recommendations addressed to his office in the relevant resolution of 2019, and if necessary, receipt of any subsequent follow up actions as recommended by ECOSOC for the PCB to consider as part of strengthening the governance and oversight of the Joint Programme.

The other 3 Bureau members noted their support for the Chair's initiative and the revisions to the text which reflected no value judgement on the decision not to establish term limits for the position of Executive Director. The chair thanked the Member for their perspective. Given the lack of consensus, the Chair requested the Secretariat recall the advice of Legal Counsel. The Secretariat clarified that Legal Counsel indicated that the Bureau would need consensus to approach the Secretary General; however, any individual Member State could approach the Secretary General in their individual Member State capacity - not on behalf of the PCB Bureau. The chair informed the Bureau, that it respects the objection and will reflect on the next steps.

One Member noted the importance of bringing this discussion to the broader PCB membership in 2023 to ensure that the pending recommendations from the 2019 JIU report are fully implemented and to strengthen the organization.

The Chair closed the meeting, thanking participants for their time and engagement.

[Annex 1 follows]

## Advice in the 2023 annual report of the Independent External Oversight Advisory Committee (IEOAC)

PCB Bureau presentation  
Friday, 2 June 2023

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### Overview of the presentation

- Advice in the 2023 annual report of the IEOAC
  - Financial and performance reporting
  - Internal audit function
  - Investigation function
  - Ethics function
  - Follow up and monitoring of internal and external oversight recommendations
  - Meetings with heads of oversight functions
- Changes to the terms of reference and rules of procedure of the IEOAC

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## Advice on financial and performance reporting

### *Financial reporting*

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## Advice on financial and performance reporting

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Thank you!

Any questions or comments?

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