



Financial Report and  
Audited Financial Statements  
for the year ended 31 December 2013



World Health  
Organization

## Table of contents

Director-General's report .....	2
Certification of the financial statements for the year ended 31 December 2013 .....	18
Letter of transmittal.....	19
Opinion of the External Auditor .....	20
Financial statements.....	22
Statement I. Statement of Financial Position.....	22
Statement II. Statement of Financial Performance .....	23
Statement III. Statement of Changes in Net Assets/Equity .....	24
Statement IV. Statement of Cash Flow .....	25
Statement V. Statement of Comparison of Budget and Actual Amounts.....	26
Notes to the financial statements .....	27
1. Basis of preparation and presentation.....	27
2. Significant accounting policies .....	28
3. Note on the transitional provision and restatement of balances .....	37
4. Supporting information to the Statement of Financial Position .....	39
5. Supporting information to the Statement of Financial Performance .....	59
6. Supporting information to the Statement of Net Assets/Equity .....	63
7. Supporting information to the Statement of Comparison of Budget and Actual Amounts .....	66
8. Segment reporting .....	68
9. Amounts written-off and ex-gratia payments .....	70
10. Related party and other senior management disclosures .....	70
11. Events after the reporting date .....	70
12. Contingent liabilities, commitments and contingent assets .....	71
Schedule I. Statement of Financial Performance by major funds .....	72
Schedule II. General Fund expenses .....	73
Schedule III. Programme budget utilization 2012–2013.....	74
Schedule IV. Expenses by major office – General Fund only .....	75

Information on voluntary contributions by fund and by contributor for the year ended 31 December 2013 is contained in the Annex to the Financial Report, which is available on the WHO internet at [http://www.who.int/about/resources\\_planning/en/](http://www.who.int/about/resources_planning/en/).

## **DIRECTOR-GENERAL'S REPORT**



### **INTRODUCTION**

1. In accordance with Article 34 of the Constitution and Financial Regulation XIII of the World Health Organization, I have the honour to present the Financial Report for the year ended 31 December 2013. The financial statements, accounting policies and notes to the financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and WHO's Financial Regulations and Financial Rules. The statutory components of the Financial Report have been audited by the Organization's External Auditor, the Republic of the Philippines Commission on Audit, whose opinion is included in the Financial Report.

2. This is the second year in which the Organization's financial statements have been prepared under the IPSAS basis of accounting. This approach continues to bring greater transparency, accountability and a higher standard of financial reporting. Although IPSAS requires reporting on an annual basis, WHO continues to have a biennial budget and therefore, in my report, I include both the annual and the biennial results. Furthermore, this is the first time that the WHO financial statements have included a separate account of the second year of the biennium.

3. Financial reporting is a critical element of governance and of sound management, the improvement of which are both important parts of the WHO reform process. Enhanced financial information supports governance, the management of assets and liabilities, and facilitates decision-making. The Financial Report now permits a better understanding of the Organization's financial performance and health.

4. Highlights of revenue, expenses, net assets/equity, assets and liabilities of the Organization are provided, together with information on cash flow, liquidity and investment management in order to provide a complete picture of WHO's financial position as at 31 December 2013. Finally, I have highlighted certain financial risks facing the Organization and the measures in place to manage them, including improvements to the internal control framework.

### **FINANCIAL HIGHLIGHTS**

5. In 2013, the total revenue was US\$ 2614 million and the total expenses were US\$ 2261 million. The resulting net amount of US\$ 353 million reflects funds received in advance of implementation that were carried forward to 2014. Even with this solid overall result, certain budget centres continue to be underfunded as a result of mismatches between planned spending and actual resources received. This situation is one of the central issues being addressed through the WHO financing reforms. Table 1 below provides the overall financial highlights.

**Table 1. Financial highlights – all funds, 2013 and 2012 and biennium 2012–2013 (US\$ million)**

	Total 2013	Total 2012	Total biennium 2012–2013
Member States' assessed contributions	475	475	950
Voluntary contributions – programme budget	1 930	1 539	3 469
<b>Total contributions – programme budget</b>	<b>2 405</b>	<b>2 014</b>	<b>4 419</b>
Voluntary contributions – non-programme budget	87	98	185
Reimbursable procurement	34	62	96
Other operating revenue	26	14	40
Decrease/(increase) in allowance for doubtful accounts receivable	1	(3)	(2)
Voluntary contributions in-kind and in-service	44	66	110
Finance revenue	17	43	60
<b>Total revenue (all sources)</b>	<b>2 614</b>	<b>2 294</b>	<b>4 908</b>
Total expenses – programme budget	2 052	1 841	3 893
Total expenses – in-kind and in-service	39	44	83
Total expenses – non-programme budget	170	195	365
<b>Total expenses (all sources)</b>	<b>2 261</b>	<b>2 080</b>	<b>4 341</b>
<b>Net</b>	<b>353</b>	<b>214</b>	<b>567</b>

6. Total contributions for the programme budget in 2013 were US\$ 2405 million (in 2012, US\$ 2014 million). This includes US\$ 475 million from Member States' assessed contributions, and US\$ 1930 million from voluntary contributions. An additional amount of US\$ 209 million was recorded in 2013 for non-programme budget revenue. This included voluntary contributions for partnerships outside the programme budget such as the Stop TB Global Drug Facility Fund and the Roll Back Malaria Partnership Fund, in-kind and in-service contributions, reimbursable procurement revenue, other operating revenue (being mainly administrative support costs from WHO entities, rental revenue, sale of publications), and finance revenue.

## BIENNIAL RESULTS

7. The financial statements cover the total effective budget for 2012–2013 of US\$ 3959 million.<sup>1</sup> Although the Organization has adopted an annual financial reporting period as stipulated in the revised Financial Regulation XIII,<sup>2</sup> the budgetary period remains a biennium (Financial Regulation II). Therefore, for the purposes of making comparisons between the actual expenses and the planned budget, the biennium's budget is set against two years of annual expenses. Statement V – Statement of Comparison of Budget and Actual Amounts provides this comparison by strategic objective. Further analysis of the use of funds is available in document A67/42 "Programme budget 2012–2013: performance assessment", which describes the implementation of the Programme budget 2012–2013 and the results achieved.

<sup>1</sup> See resolution WHA64.3.

<sup>2</sup> See resolution WHA62.6.

8. A summary showing the sources of funding for the Programme budget 2012–2013 and the use of funds for 2012–2013 and 2010–2011 is provided in Table 2.

**Table 2. Comparison of Programme budget 2012–2013 with use of funds for biennium 2012–2013 and biennium 2010–2011 (US\$ million)**

	Programme budget 2012–2013	Total 2012–2013	Total 2010–2011
<b>Source of funding:</b>			
Member States' assessed contributions	944	950	945
Highly flexible funding – voluntary contributions – core	400	231	235
Medium flexible funding – voluntary contributions – core	400	33	14
Specified funding – voluntary contributions – specified	2 215	3 205	2 650
<b>Total voluntary contributions</b>	<b>3 015</b>	<b>3 469</b>	<b>2 899</b>
<b>Total contributions – programme budget</b>	<b>3 959</b>	<b>4 419</b>	<b>3 844</b>
<b>Use of funding:</b>			
Expenses – programme budget	3 959	3 893	3 808
<b>Net – programme budget</b>	<b>–</b>	<b>526</b>	<b>36</b>

9. It should be noted that although the total revenue for 2012–2013 exceeded the budgeted contributions, the level of flexible funding was lower than originally planned. Further details regarding the increase in specified funding are given in the section on revenue below. The total programme budget expenses for 2012–2013 were US\$ 3893 million resulting in a net balance for the General Fund of US\$ 526 million, which was carried forward as part of the financing for the biennium 2014–2015, and included within net assets/equity.

## NET ASSETS/EQUITY

10. In addition to the General Fund (the Programme budget), two other fund groups are included in WHO's financial statements: "Member States – other" and the Fiduciary Fund. The "Member States – other" fund group includes the Common Fund (which reflects changes in assets and liabilities), the Enterprise Fund (mainly procurement activities on behalf of Member States and the Revolving Sales Fund), and the Special Purpose Fund (such as the Terminal Payments Fund, the Staff Health Insurance Fund, the Real Estate Fund and the Security Fund). The Fiduciary Fund is used when the Organization is managing revenue and expenses on behalf of other entities that are consolidated within WHO's financial statements. Details of the revenue and expenses for each of these three main fund groups can be found in Schedule I of this report.

11. In addition, the Organization provides services to six other entities: The Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), the International Drug Purchase Facility (UNITAID), the International Agency for Research on Cancer (IARC), the International Computing Centre (ICC), the African Programme for Onchocerciasis Control (APOC) and staff health insurance (SHI). Separate financial statements are prepared for each entity, and these are subject to separate external audits. The funds managed by WHO on behalf of these entities are included within the Statement of Financial Position (and summarized in Table 6 below).

12. Statement III, the Statement of Changes in Net Assets/Equity provides information on the fund balances for all funds as at 31 December 2013, the movement of these balances during 2013 and the opening balance from 1 January 2013. The total net assets/equity (carry forward) as at 31 December 2013 was US\$ 1535 million (1 January 2013, US\$ 1181 million). A breakdown of net assets/equity is shown in Table 3.

**Table 3. Summary of net assets/equity in 2013 (US\$ million)**

	31 December 2013	Surplus/(deficit) 2013 (including opening adjustments)	1 January 2013
<b>General Fund:</b>			
Total Member States' – regular budget	89	5	84
Total voluntary funds	2 034	392	1 642
<b>Total – General Fund</b>	<b>2 123</b>	<b>397</b>	<b>1 726</b>
<b>Other funds:</b>			
Total Member States – other	(722)	(29)	(693)
Total Fiduciary Fund	134	(15)	149
<b>Total net assets/equity</b>	<b>1 535</b>	<b>353</b>	<b>1 182</b>

13. Net assets/equity under the General Fund increased from US\$ 1726 million at the beginning of 2013 to US\$ 2123 million by the end of 2013. These funds represent contribution agreements recorded and not yet spent. Of the US\$ 2123 million, an amount of approximately US\$ 185 million has been committed and will be used for the settlement of contracts made in 2013 for which expenses will be paid and recorded in 2014. The remainder of the funds will be used to support work in 2014 and beyond. The increase from 2012 to 2013 is mainly due to the agreements recorded as revenue in 2013. This also confirms the positive effect of the financing dialogue.

14. Of the net assets/equity balance within the voluntary funds, 79% of the funds are specified. The largest increase was within the Special Programmes and Collaborative Arrangements Fund, which is primarily due to the funding for the Global Polio Eradication Initiative (which increased by US\$ 205 million in 2013).

15. The negative balance in the net assets/equity attributable to “Member States – other” of US\$ 722 million (as at 1 January 2013, US\$ 693 million) arises primarily from the future unfunded liabilities for staff health insurance (see paragraphs 46 to 49 below).

## REVENUE

16. Total revenue for 2013 was US\$ 2614 million (in 2012, US\$ 2294 million) (refer to Table 1 above). Revenue is recorded when amounts become due, based on signed agreements. When amounts are due in future periods, according to the payment terms included in donor agreements, the associated revenue is deferred. Revenue from voluntary contributions is summarized in Table 4 below.

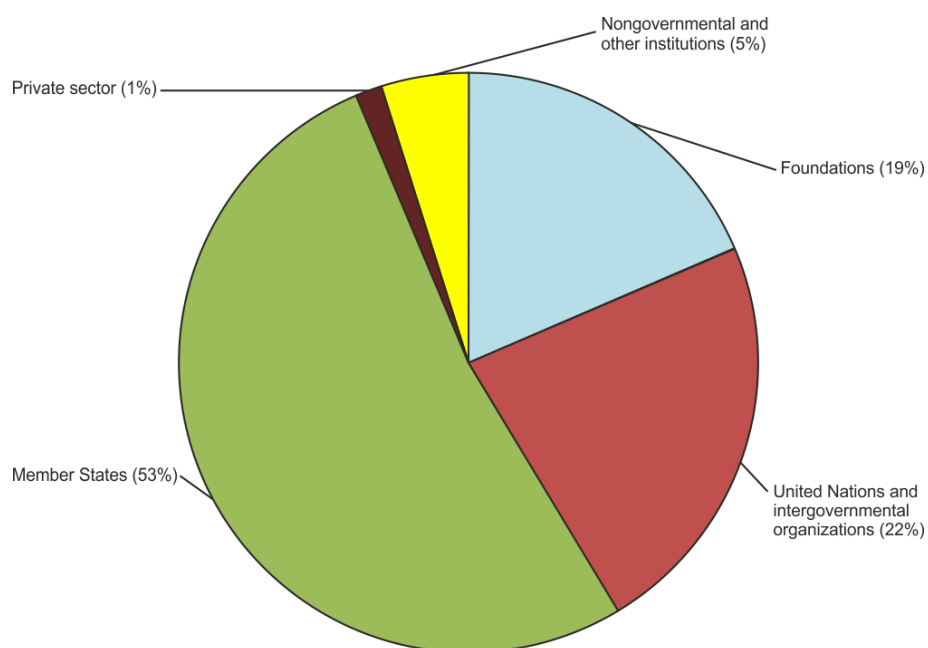
**Table 4. Voluntary contributions revenue – 2013 and 2012, biennium 2012–2013 and biennium 2010–2011, excluding in-kind and in-service contributions (US\$ million)**

	Total 2013	Total 2012	Biennium 2012–2013	Biennium 2010–2011
Voluntary contributions – core	132	130	262	249
Voluntary contributions – specified	1 798	1 409	3 207	2 650
<b>Voluntary contributions – programme budget</b>	<b>1 930</b>	<b>1 539</b>	<b>3 469</b>	<b>2 899</b>
Voluntary contributions – Fiduciary Fund	87	98	185	170
<b>Total voluntary contributions</b>	<b>2 017</b>	<b>1 637</b>	<b>3 654</b>	<b>3 069</b>

17. Out of the total voluntary contributions for 2013 of US\$ 2 017 million, US\$ 1 930 million was for the programme budget. The remaining amount was received for the Fiduciary Fund. Fiduciary Fund contributions have remained fairly stable and for 2012–2013 only represented 5% of the total voluntary contributions. Voluntary contributions – core, increased slightly for 2012–2013 but were lower than budgeted. Many of the voluntary contributions were highly earmarked and related to individual projects with differing reporting requirements within the framework of the planned results of the programme budget. Voluntary contributions – specified increased by 21% from 2010–2011 to 2012–2013. Increases in contributions for the Global Polio Eradication Initiative accounted for most of the growth. Full details of all the voluntary contributions recorded in 2013 are contained in the Annex to the Financial Report.<sup>1</sup>

18. Figure 1 below illustrates the relative proportions of the various sources of voluntary contributions for the biennium 2012–2013.

**Figure 1. Revenue from voluntary contributions for 2012–2013, by source**

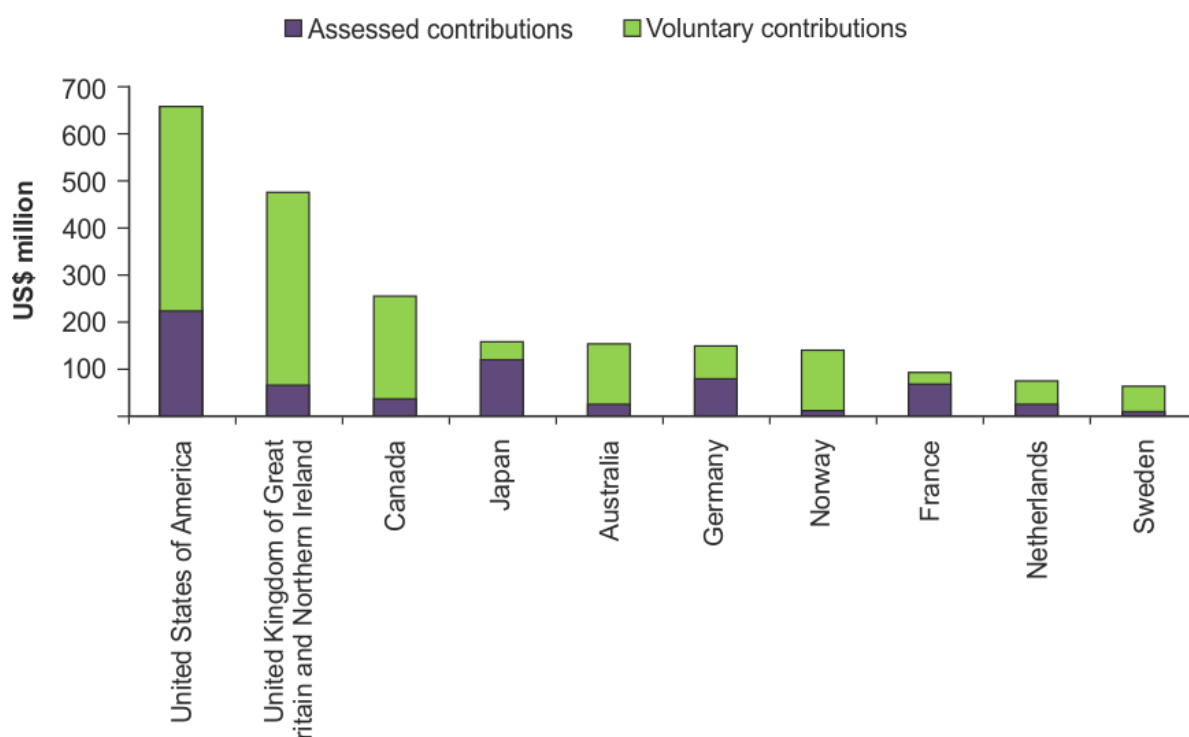


<sup>1</sup> The Annex to the Financial Report is available at: [http://www.who.int/about/resources\\_planning/en/](http://www.who.int/about/resources_planning/en/).

19. Member States continue to be the largest source of voluntary contributions, contributing 53% of the total non-assessed (voluntary) contributions. Revenue from the United Nations and intergovernmental organizations 22%, from foundations was 19%, and revenue from nongovernmental organizations and other institutions was 5%. Donations from the private sector represented 1% of the voluntary contributions to the Organization. The relative percentages are similar to the previous biennium with a slight decrease in Member States' and nongovernmental organization contributions and slight increases from foundations, and from United Nations and intergovernmental organizations.

20. The total of contributions by Member States (voluntary contributions and assessed contributions) for 2012–2013 was US\$ 2866 million. This represents 62% of total voluntary and assessed contributions. The 10 largest contributors among the Member States are shown below and accounted for a combined total of US\$ 2182 million or 76% of the total contributions from Member States, or 48% of the total voluntary and assessed contributions.

**Figure 2. Top 10 Member State contributors for 2012–2013, combining assessed and voluntary contributions (US\$ million)**



预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_27879](https://www.yunbaogao.cn/report/index/report?reportId=5_27879)



云报告  
https://www.yunbaogao.cn

云报告  
https://www.yunbaogao.cn

云报告  
https://www.yunbaogao.cn