



*executive committee of  
the directing council*

PAN AMERICAN  
HEALTH  
ORGANIZATION

*working party of  
the regional committee*

WORLD  
HEALTH  
ORGANIZATION



70th Meeting  
Washington, D. C.  
July-August 1973

Provisional Agenda Item 20

CE70/9 (Eng.)  
17 May 1973  
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AMENDMENTS TO THE FINANCIAL REGULATIONS OF PAHO

1. The Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies recommended that the organizations should try as far as possible to standardize their financial regulations. As a consequence the Consultative Committee on Administrative Questions (CCAQ) is keeping the matter under constant review and is recommending from time to time common texts of financial regulations for adoption by the organizations in the United Nations System. In pursuance of these recommendations the World Health Assembly from time to time amends the Financial Regulations of the World Health Organization.
2. The Director-General of the World Health Organization has proposed to that Organization's Executive Board and, with its approval, to the Twenty-sixth World Health Assembly, appropriate changes in those financial regulations of WHO relating to custody of funds, investment of funds, internal control, and accounts and delegation of authority to carry out the recommendations of CCAQ leading to standardization of these provisions.
3. Since financial operations of the Pan American Health Organization and the Regional Office for the Americas of the World Health Organization are carried out jointly and are audited as one operation, it is proposed to amend the Financial Regulations of PAHO to reflect the changes proposed by WHO. Such changes would appear to be indicated by Article 8 of the Agreement between WHO and PAHO which provides that "funds allocated to the Pan American Sanitary Bureau, as Regional Office of the World Health Organization, under the budget of the World Health Organization, shall be managed in accordance with the financial policies and procedures of the World Health Organization."

In view of the foregoing, the Executive Committee may wish to consider a resolution along the following lines:

PROPOSED RESOLUTION

THE EXECUTIVE COMMITTEE,

Having considered the amendments to the Financial Regulations of the Pan American Health Organization contained in the Annex to Document CE70/9, presented by the Director of the Pan American Sanitary Bureau; and,

Considering the need to facilitate joint financial operations with the World Health Organization through adoption of similar financial regulations,

RESOLVES:

To recommend to the Directing Council at its XXII Meeting favorable consideration of the amendments to the Financial Regulations of the Pan American Health Organization included in the Annex to Document CE70/9.

Annex

Proposed Provisions for Standardized  
Financial Regulations

Article VIII - Custody of Funds

8.1 The Director shall designate the bank or banks in which funds in the custody of the Organization shall be kept.

Article IX - Investment of Funds

9.1 The Director may invest moneys not needed for immediate requirements. The investment of monies standing to the credit of any trust fund, reserve or special special account shall be subject to any directives of the appropriate authority.

9.2 At least once a year the Director shall include in the financial statements submitted to the Directing Council a statement of the investments currently held.

9.3 Income from investments shall be credited to the fund or account from which the invested monies derive unless otherwise provided in the regulations, rules or resolutions relating to that fund or account.

Article X - Internal Control

10.1 The Director shall:

(a) Establish detailed financial rules and procedures in order to ensure:

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Article VIII - Custody of Funds

8.1 The Director shall designate the bank or banks in which the funds of the Organization shall be kept.

Article IX - Investment of Funds

9.1 The Director may make short-term investment of monies not needed for immediate requirements and shall inform the Executive Committee periodically of such investments which he has made.

9.2 The Director may make long-term investments of monies standing to the Credit of Trust, Reserve, or Special Funds as may be provided by the appropriate authority in respect to each such Fund.

9.3 Income derived from investments shall be credited as provided in the rules relating to each Fund.

Article X - Internal Control

10.1 The Director shall:

(a) Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy;

Comments

Editorial change only.

The revisions to Article IX as a whole do not involve changes in substance except for:

(a) removal of the distinction between long- and short-term investments; and

(b) introduction of a firm directive for annual reporting to the Directing Council.

The revisions to Article X as a whole do not involve changes in substance except for:

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(i) effective financial administration  
and the exercise of economy, and

(ii) effective custody of the physical  
assets of the Organization;

(b) Except where advance or progress pay-  
ments are specifically provided for in the  
contract, as may be required by normal  
commercial practice and the interests of  
the Organization, ensure that all payments  
are made on the basis of supporting vouch-  
ers and other documents which show that  
services or goods have been received and  
have not previously been paid for:

(c) Designate the officer who may receive  
moneys, incur commitments or obligations  
and make payments on behalf of the  
Organization;

(d) Maintain an internal financial con-  
trol and internal audit which shall  
provide an effective current examination  
and/or review of financial transactions  
in order to ensure:

(i) the regularity of the receipt,  
custody and disbursement of all  
funds and other resources of the  
Organization,

(b) Cause all payments to be made on the  
basis of supporting vouchers and other  
documents which ensure that the services  
or goods have been received, and that pay-  
ment has not previously been made;

(c) Designate the officers who may receive  
monies, incur obligations, and make payments  
on behalf of the Organization;

(d) Maintain an internal financial control  
which shall provide for an effective cur-  
rent examination and/or review of financial  
transactions in order to ensure:

(i) the regularity of the receipt,  
custody, and disposal of all funds  
and other financial resources of the  
Organization;

(a) specifying in more detail  
practices already followed, as for  
example, the possibility of making  
advances or progress payments in  
accordance with normal commercial  
practice; and

(b) Indication of the obvious fact  
that arrears of contributions can-  
not be written-off by authority  
of the Director.

<u>Proposed Provisions for Standardized Financial Regulations</u>	<u>Existing Financial Regulations of the Pan American Health Organization</u>	<u>Comments</u>
(ii) the conformity of commitments or obligations and expenditures with the appropriations or other financial provisions voted by the Directing Council or with the purposes, rules and provisions relating to the fund concerned, and	(ii) the conformity of obligations and expenditures with the appropriations or other financial provision voted by the Directing Council, or with the purposes and rules relating to Trust and other Special Funds;	
(iii) the economical use of the resources of the Organization.	(iii) the economic use of the resources of the Organization.	
10.2 Commitments or obligations shall not be incurred and payments shall not be made unless an appropriate authorization has been made in writing under the authority of the Director.	10.2 No obligations shall be incurred until allotments or other appropriate authorizations have been made in writing under the authority of the Director	
10.3 The Director may make such ex gratia payments as he deems to be necessary in the interest of the Organization. A statement of such payments shall be submitted with the final accounts.	10.3 The Director may make such ex gratia payments as he deems to be necessary in the interests of the Organization, provided that a statement of such payments shall be submitted to the Directing Council with the annual accounts.	
10.4 The Director may, after full investigation, authorize the writing-off of losses of cash, supplies, equipment and other assets, other than arrears of contributions. A statement of all such losses written off during the financial period shall be submitted to the External Auditor(s) with the final accounts.	10.4 The Director may, after full investigation, authorize the writing-off of losses of cash, stores, and other assets, provided that a statement of all such amounts written off shall be submitted to the Auditor(s) with the annual accounts.	

<u>Proposed Provisions for Standardized Financial Regulations</u>	<u>Existing Financial Regulations of the Pan American Health Organization</u>	<u>Comments</u>
10.5 The Director shall establish rules for the procurement of equipment, supplies and other requirements, including rules governing the invitation of tenders.	10.5 Tenders for equipment, supplies, and other requirements shall be invited by advertisement except where the Director deems that, in the interests of the Organization, a departure from the rule is desirable.	
<u>Article XI - The Accounts</u>	<u>Article XI - The Accounts</u>	
11.1 The Director shall maintain such accounts as are necessary and shall prepare final accounts for each financial period showing:	11.1 The Director shall maintain such accounting records as are necessary and shall submit annual accounts showing for the financial year to which they relate:	The revisions to Article XI as a whole do not involve changes in substance except for:
(a) the income and expenditure of all funds;	(a) The income and expenditure of all funds;	(a) a change in the date, 31 March, by which the accounts shall be submitted to the External Auditor.
(b) the status of appropriations, including	(b) The status of appropriations;	
(i) the original budget appropriations,		
(ii) any supplementary appropriations,		
(iii) the appropriations as modified by any transfers,		
(iv) credits, if any, other than the appropriations voted by the Directing Council, and		
(v) the amounts charged against the appropriations and against any other credits.		

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(c) Statements of assets and liabilities at the close of the financial period.

He shall also give such other information as may be necessary to indicate the current financial position of the Organization.

11.2 Appropriate separate accounts shall be maintained in respect of all trust funds, reserves and special accounts.

11.3 The final accounts of the Organization shall be presented in U.S. dollars. The accounting records may, however, be kept in such currency or currencies as the Director may deem necessary.

11.4 The final accounts shall be submitted to the External Auditor not later than 31 March following the end of the period to which they relate.

Article XIV - Delegation of Authority

14.1 The Director may delegate to other officers of the Organization such authority as he considers necessary for the effective implementation of these Regulations.

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(c) The assets and liabilities of the Organization.

He shall also give such other information as may be appropriate to indicate the current financial position of the Organization.

11.2 The accounts of the Organization shall be presented in United States dollars. The accounting records may be kept in such currency or currencies as the Director may deem necessary.

11.3 Appropriate separate accounts shall be maintained for all Trust and other Special Funds.

11.4 The annual accounts shall be submitted by the Director to the External Auditor(s) by 1 March following the end of the financial year.

Article XIV - Delegation of Authority

14.1 The Director may delegate to other officers of the Bureau such of his powers as he considers necessary for the effective implementation of these Regulations.

Comments

Editorial change only.