



directing council

PAN AMERICAN
SANITARY
ORGANIZATION
VIII Meeting

Washington, D. C.
9-21 September 1955

regional committee

WORLD
HEALTH
ORGANIZATION
VII Meeting



CD8/6 (Eng.)
12 July 1955
ORIGINAL: ENGLISH

Topic 11: FINANCIAL REPORT OF THE DIRECTOR AND REPORT OF THE EXTERNAL
AUDITOR FOR 1954

The Financial Report of the Director and Report of the External Auditor for 1954 were presented to the Executive Committee at its 25th Meeting. After studying these reports, the Committee adopted Resolution III, which reads:

"THE EXECUTIVE COMMITTEE,

Having examined carefully the Financial Report of the Director for the fiscal year 1 January-31 December 1954, and the Report of the External Auditor on the audit of the accounts of the Pan American Sanitary Bureau for the fiscal year 1954 (Document CE25/4); and

In view of the fact that the points raised by the representatives have been fully clarified,

RESOLVES:

1. To approve the Financial Report of the Director and the Report of the External Auditor for 1954, and transmit them to the next meeting of the Directing Council.
2. To congratulate the Director of the Pan American Sanitary Bureau and his associates on the financial policies reflected in his Report."

In accordance with the above resolution, and with the terms of Article XII, Paragraph 12.9 of the Financial Regulations of the Pan American Sanitary Bureau, the Director has the honor to transmit the said reports to the Directing Council for consideration.

Proposed Resolution

THE DIRECTING COUNCIL,

Having studied the Financial Report of the Director and Report of the External Auditor for 1954 (Document CE25/4); and

Noting that the Executive Committee approved the aforesaid reports at its 25th Meeting,

RESOLVES:

To approve the Financial Report of the Director and Report of the External Auditor for 1954.

Attachment: Document CE25/4

*executive committee of
the directing council*

PAN AMERICAN
SANITARY
ORGANIZATION



*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



25th Meeting
Mexico, D. F.
25 April - 3 May 1955

CE25/4 (Eng.)
11 March 1955
ORIGINAL: ENGLISH

Topic 5: FINANCIAL REPORT AND REPORT OF THE AUDITOR FOR 1954

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FINANCIAL REPORT OF THE DIRECTOR
FOR THE YEAR
1 JANUARY - 31 DECEMBER 1954

The financial statements of the Pan American Sanitary Bureau are presented herewith, together with the Report of the External Auditor.

The principal statements are:

1. Statement of Appropriations, Obligations and Unobligated Balances of Appropriations for the Year 1954 (Exhibit I).
2. Statement of Income, Expenditures and Surplus for the Year 1954 (Exhibit II).
3. Statement of Assets and Liabilities as at 31 December 1954 (Exhibit III).

Statement of Appropriations, Obligations and Unobligated Balances (Exhibit I)

Against the appropriation of \$2,100,000, an amount of \$2,099,423 has been obligated leaving an unexpended balance of \$577, viz., almost 100% utilization of the 1954 budget as compared to 93.4% in 1953. Details of obligations incurred are given in the attachment to this report. In accordance with Resolution IX of the VII Meeting of the Directing Council, the Director is authorized to transfer credits between parts of the budget, provided that such transfers of credits between parts as are made do not exceed 10% of the part from which the credit is transferred. It will be noted that a transfer of \$62,923 has been made from Part II of the budget. Of this amount, \$9,078 has been transferred to Part I and \$53,845 to Part III.

The transfers were accomplished by savings in Part II, "Pan American Sanitary Bureau - Headquarters" mainly by reductions in posts and delays in recruitment.

Statement of Income, Expenditures and Surplus for the Year 1954 (Exhibit II)

Total cash income amounted to \$2,367,691 representing the following:

- | | |
|--|--------------|
| 1. Collection of Quotas on Behalf of Member States for 1954 | \$ 1,728,574 |
| 2. Collection of Quotas on Behalf of Member States for Previous Years | 500,304 |
| 3. Collection of Quotas on Behalf of the Territories of France, the Netherlands and the United Kingdom | 39,865 |

4. Miscellaneous Income	\$ 45,168
5. Unused Balances of Obligations, Refunds, etc., Relating to Previous Years	53,780

The greater part of Miscellaneous Income represents the 3% Procurement Charge amounting to \$24,587. Interest earned during 1954 amounted to \$14,742. Other Miscellaneous Income, as detailed in Exhibit II, amounted to \$5,839.

Expenditures

Expenditures against the 1954 budget of \$2,100,000 amounted to \$2,099,423.

In addition, funds expended on behalf of Aftosa, INCAP programs, and other purposes, including purchases for governments, amounted to \$1,323,317.

Altogether, funds spent by the Pan American Sanitary Bureau taking into consideration the combined PASB/WHO programs, procurement and special projects, were as follows:

PASB	\$ 2,099,423
Procurement and Special Projects	1,323,317
WHO/Regular	930,181
WHO/UNICEF	24,697
WHO/TA	697,445
	<u>\$ 5,075,063</u>

Surplus

The excess of income over expenditures amounted to \$268,267.70. Of this amount \$100,000 has been transferred to a Special Fund to be utilized for the intensification of antimalaria activities in accordance with Resolution XLIII of the XIV Pan American Sanitary Conference, while the balance of \$168,267.70 has been placed at the disposal of the Directing Council. This amount, together with a transfer of \$5,326.05 totalling \$173,593.75, is subject to a separate report with recommendations as to utilization.

Statement of Assets and Liabilities (Exhibit III)

The statement is divided into six parts, viz:

1. General Fund
2. Working Capital Fund
3. Emergency Procurement Revolving Fund

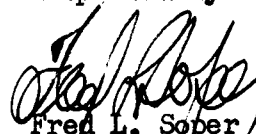
4. Special Funds
5. Trust Funds
6. Technical Assistance - Organization of American States

The first four funds represent the Pan American Sanitary Bureau's own funds, while the other two are held in trust for purposes indicated in the financial statements.

From Exhibit III it will be noted that the Bureau's liquid funds were as follows:

1. General Fund - Cash in Banks and on Hand	\$	239,268
2. Working Capital Fund		
Cash in Banks	\$ 95,382	
Investments	<u>1,104,618</u>	1,200,000
3. Emergency Procurement Revolving Fund- Cash in Banks		49,322
4. Special Funds - Cash in Banks		477,630
5. Trust Funds - Cash in Banks		584,071
6. Technical Assistance - OAS - Cash in Banks		<u>104,872</u>
TOTAL	\$	<u><u>2,655,163</u></u>

Respectfully submitted,


Fred L. Soper
Director

SUMMARY OF OBLIGATIONS INCURRED IN
RESPECT OF THE BUDGET FOR THE YEAR
1 JANUARY - 31 DECEMBER 1954

PART I			
PAN AMERICAN SANITARY ORGANIZATION			
	<u>Liquidated</u>	<u>Unliquidated</u>	<u>Total</u>
	\$	\$	\$
<u>Conference Section Personnel</u>	85,031.06	654.83	85,685.89
<u>Organizational Meetings</u>			
XIV Pan American Sanitary Conference	71,051.48	21,514.96	92,566.44
Meetings of the Executive Committee	19,237.42	--	19,237.42
	90,288.90	21,514.96	111,803.86
<u>Separation Costs, Reimbursement of Income Tax, etc.</u>	10,318.41	90.00	10,408.41
TOTAL - PART I	185,638.37	22,259.79	207,898.16

PART II			
PAN AMERICAN SANITARY BUREAU - HEADQUARTERS			
<u>Executive Office, Division of Education and Training, Division of Public Health, and Division of Administration</u>	723,300.26	12,333.75	735,634.01
<u>Common Services - Headquarters</u>			
Space and Equipment Services	23,888.32	2,627.10	26,515.42
Other Services	23,369.17	1,577.53	24,946.70
Supplies and Materials	12,106.01	1,739.24	13,845.25
Fixed Charges and Claims	2,233.54	35.00	2,268.54
Acquisition of Capital Assets	3,614.91	118.25	3,733.16
Sampling, Testing, Periodicals and Catalogs	491.75	38.50	530.25
External Audit	--	6,000.00	6,000.00
Hospitality	63.10	--	63.10
Separation Costs, Reimbursement of Income Tax, etc.	76,611.43	870.00	77,481.43
	142,378.23	13,005.62	155,383.85
TOTAL - PART II	865,678.49	25,339.37	891,017.86

PART III			
PAN AMERICAN SANITARY BUREAU - FIELD AND OTHER PROGRAMS			
	<u>Liquidated</u>	<u>Unliquidated</u>	<u>Total</u>
	\$	\$	\$
<u>Zone Offices</u>			
Jamaica Field Office	22,782.13	295.41	23,077.54
El Paso Field Office	21,293.74	8.00	21,301.74
Mexico (Zone II)	77,437.51	1,021.59	78,459.10
Guatemala (Zone III)	106,527.48	1,369.92	107,897.40
Lima (Zone IV)	85,680.04	2,376.40	88,056.44
Rio de Janeiro (Zone V)	54,220.04	492.23	54,712.27
Buenos Aires (Zone VI)	91,841.25	3,391.43	95,232.68
Hospitality - Above offices	600.30	65.00	665.30
	460,382.49	9,019.98	469,402.47
<u>Country Programs</u>			
Malaria and Insect Control	87,157.32	11,234.70	98,392.02
Venereal Diseases and Treponematoses	58,421.40	2,775.08	61,196.48
Endemo-Epidemic Diseases	78,950.73	20,005.42	98,956.15
Public Health Administration	54,027.27	15,380.19	69,407.46
Nursing	24,721.65	12,066.56	36,788.21
Maternal and Child Health	--	2,400.00	2,400.00
Nutrition	8,504.15	2,336.10	10,840.25
Environmental Sanitation	6,931.52	--	6,931.52
Other Education and Training Projects	35,851.11	59,416.78	95,267.89
	354,565.15	125,614.83	480,179.98
<u>Separation Costs, Reimbursement of Income Tax, etc.</u>	11,788.15	540.00	12,328.15
<u>Publications of the PASB</u>			
Special Publications	3,731.96	1,314.00	5,045.96
PASB Bulletin	20,748.18	7,159.50	27,907.68
Epidemiology Report	951.63	26.85	978.48
AIDIS Journal	4,664.56	--	4,664.56
	30,096.33	8,500.35	38,596.68
TOTAL - PART III	856,832.12	143,675.16	1,000,507.28
TOTAL - ALL PARTS	1,908,148.98	191,274.32	2,099,423.30

SUMMARY OF 1954 EXPENDITURES BY OBJECT GROUPS

	Pan American Sanitary Organization	Pan American Sanitary Bureau		TOTAL
		Head- quarters	Field and Other Programs	
	PART I	PART II	PART III	
	\$	\$	\$	\$
Personal Services	98,094.27	576,315.44	396,294.13	1,070,703.84
Personal Allowances	12,514.05	100,347.40	94,693.93	207,555.38
Travel	65,423.21	54,068.53	157,024.72	276,516.46
Space and Equipment Services	136.48	26,521.40	16,344.08	43,001.96
Other Services	5,949.78	37,611.59	43,227.70	86,789.07
Supplies and Materials	16,135.48	20,148.07	66,312.61	102,596.16
Fixed Charges and Claims	9,624.41	70,339.97	4,932.85	84,897.23
Grants and Contracted Technical Services	-.-	-.-	196,204.08	196,204.08
Acquisition of Capital Assets	20.48	5,665.46	25,473.18	31,159.12
TOTAL	207,898.16	891,017.86	1,000,507.28	2,099,423.30

FINANCIAL STATEMENTS FOR THE YEAR

1954

EXHIBIT I

STATEMENT OF APPROPRIATIONS, OBLIGATIONS INCURRED AND UNOBLIGATED
BALANCE OF APPROPRIATIONS FOR THE YEAR 1954

Part of the Budget	Purpose of Appropriation	Appropriated by the Directing Council	Amounts Transferred Between Parts*	Effective Appropriation	Obligations Incurred			Unobligated Balance of Appropriations
					Liquidated by Disbursements	Unliquidated	Total	
		\$	\$	\$	\$	\$	\$	\$
I	Pan American Sanitary Organization	198,820.00	9,078.16	207,898.16	185,638.37	22,259.79	207,898.16	--
II	Pan American Sanitary Bureau - Headquarters	954,518.00	(62,923.44)	891,594.56	865,678.49	25,339.37	891,017.86	576.70
III	Pan American Sanitary Bureau - Field and Other Programs	946,662.00	53,845.28	1,000,507.28	856,832.12	143,675.16	1,000,507.28	--
	TOTAL	2,100,000.00	--	2,100,000.00	1,908,148.98	191,274.32	2,099,423.30	576.70

For the Director
Pan American Sanitary Bureau

Harry A. Hinderer
Harry A. Hinderer, Chief
Division of Administration

The above statement has been examined in accordance with my directions. I have obtained all the information and explanations that I have required, and I certify, as a result of the audit, that, in my opinion, the above statement is correct subject to the observations in my report.

Uno Brunsog
Uno Brunsog
External Auditor

*Figures in brackets denote reductions

EXHIBIT II

STATEMENT OF INCOME, EXPENDITURES
AND SURPLUS FOR THE YEAR 1954

INCOME

\$

\$

Contributions from Member States:

Amounts collected in respect of 1954 assessments	1,728,573.85	
Amounts collected in respect of arrears for previous years	<u>500,304.52</u>	2,228,878.37

Contributions on Behalf of Territories of France, Netherlands,
and United Kingdom:

Amounts collected in respect of 1954 assessments	22,342.00	
Amounts collected in respect of arrears for previous years	<u>17,523.00</u>	39,865.00

Miscellaneous Income:

3% Procurement charge	24,587.21	
Interest earned	14,741.74	
Sale of old capital assets	4,522.87	
Sale of publications	567.35	
Sundries	<u>748.87</u>	45,168.04

Unused Balances of Obligations, etc:

Unused budgetary provisions for 1952	7,484.52	
Excess of obligations, reserved for 1953	41,410.97	
Credits against previous years' expenditures	<u>4,884.10</u>	53,779.59
		2,367,691.00

EXPENDITURESObligations Incurred2,099,423.30SURPLUS


Excess of Income over Expenditures	<u>268,267.70</u>
((\$100,000 carried to Special Funds to be utilized for the intensification of anti-malaria activities. \$168,267.70 carried to Special Funds at disposal of the Directing Council)	

For the Director
Pan American Sanitary Bureau

The above statement has been examined in accordance with my directions. I have obtained all the information and explanations that I have required, and I certify, as a result of the audit, that, in my opinion, the above statement is correct subject to the observations in my report.



Harry A. Hinderer, Chief
Division of Administration



Uno Brunskog
External Auditor

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 1954

GENERAL FUND

ASSETS			LIABILITIES		
Contributions Receivable from Member States (Schedule A)	\$ 436,880.80	\$	Voluntary Contribution from the Government of Argentina for 1955 and Future Years - Argentine Pesos 1,500,000		\$ 107,142.86
Less: Reserves for Non-Collected Contributions	<u>436,880.80</u>	--			
Accounts Receivable			Obligations Payable		
Governments, Institutions and Individuals on Account of Procurements (Schedule E)	\$ 43,985.99		Unliquidated Obligations in Respect of:		
Government of Chile on Account PASO Conference	13,211.11		1954 Budget	\$ 191,274.32	
Technical Assistance - Organization of American States on Account of AFTOSA Project	17,351.32		1953 Budget	\$ 39,263.13	
Sundry Debtors	22,675.27		Less: Advance Income Tax Payments	<u>821.25</u>	229,716.20
Interest Accrued	<u>7,137.34</u>	104,361.03		<u>38,441.88</u>	
Capital Assets			Accounts Payable		
Buildings in Washington	\$ 511,495.00		World Health Organization in Respect of Pension and Insurance Contributions, etc.	\$ 6,371.47	
Less: Equity in Buildings	<u>511,495.00</u>	--	Sundry Creditors	<u>398.18</u>	6,769.65
Cash in Banks and on Hand					
U. S. Dollar Currency	\$ 148,386.00				
Other Currencies	<u>90,881.68</u>	239,267.68			
		\$ 343,628.71			\$ 343,628.71

WORKING CAPITAL FUND

Cash in Banks	\$ 95,382.07		Established Working Capital (Schedule B)	\$ 1,200,000.00
Investments (Schedule C)	<u>1,104,617.93</u>			
	\$ 1,200,000.00			\$ 1,200,000.00

EMERGENCY PROCUREMENT REVOLVING FUND

Cash in Banks	\$ 49,321.49		Established Emergency Procurement Fund (Schedule D)	\$ 50,000.00
Accounts Receivable	<u>678.51</u>			
	\$ 50,000.00			\$ 50,000.00

SPECIAL FUNDS

Cash in Banks	\$ 477,630.41		Appropriations for Unbudgeted Expenditures (Schedule F)	\$ 304,036.66
			Surplus at Disposal of Directing Council (Schedule F)	<u>173,593.75</u>
	\$ 477,630.41			\$ 477,630.41

TRUST FUNDS

Cash in Banks	\$ 584,071.32		Procurement Funds (Schedule E)	\$ 449,645.19
			Grants (Schedule G)	\$ 55,373.00
			Accrued Repatriation Entitlements (Schedule G)	50,078.45
			Provident Fund (Schedule G)	<u>28,974.68</u>
	\$ 584,071.32			134,426.13
				\$ 584,071.32

TECHNICAL ASSISTANCE - ORGANIZATION OF AMERICAN STATES

Cash in Banks and on Hand:			Balance of Allocations (Schedule H)	\$ 101,226.37
U. S. Dollar Currency	\$ 103,351.09	\$ 104,872.31	Accounts Payable	<u>4,036.85</u>
Other Currencies	<u>1,521.22</u>			
Accounts Receivable		390.91		
		\$ 105,263.22		\$ 105,263.22
GRAND TOTAL	\$ 2,760,593.66		GRAND TOTAL	\$ 2,760,593.66

For the Director
Pan American Sanitary Bureau
Harry A. Rinderer
Harry A. Rinderer
Chief, Division of Administration

The above statement has been examined in accordance with my directions. I have obtained all the information and explanations that I have required, and I certify, as a result of the audit, that in my opinion the above statement is correct, subject to the observations in my report.

Uno Brunsog
Uno Brunsog
External Auditor

Schedule A

STATEMENT OF CONTRIBUTIONS OF MEMBER STATES

States	Contributions in Respect of the Year 1954			Balance Due on 31 December 1954 in Respect of Years Prior to 1954 (See Annex)	Total Balance Due on 31 December 1954
	Assessment	Collections	Balance Due		
	\$	\$	\$	\$	\$
Argentina	148,400.00	--	148,400.00	--	148,400.00
Bolivia	7,400.00	--	7,400.00	32,639.57	40,039.57
Brazil	176,200.00	176,200.00	--	--	--
Chile	40,200.00	36,595.14	3,604.86	--	3,604.86
Colombia	42,600.00	39,782.88	2,817.12	--	2,817.12
Costa Rica	4,800.00	4,800.00	--	--	--
Cuba	41,400.00	--	41,400.00	34,658.12	76,058.12
Dominican Republic	6,000.00	6,000.00	--	--	--
Ecuador	4,800.00	--	4,800.00	5,550.33	10,350.33
El Salvador	6,000.00	6,000.00	--	--	--
Guatemala	7,400.00	795.83	6,604.17	--	6,604.17
Haiti	4,800.00	4,800.00	--	--	--
Honduras	4,800.00	--	4,800.00	--	4,800.00
Mexico	85,000.00	85,000.00	--	--	--
Nicaragua	4,800.00	--	4,800.00	--	4,800.00
Panama	6,000.00	6,000.00	--	--	--
Paraguay	4,800.00	--	4,800.00	--	4,800.00
Peru	21,800.00	--	21,800.00	52,249.83	74,049.83
United States	1,320,000.00	1,320,000.00	--	--	--
Uruguay	20,200.00	--	20,200.00	40,356.80	60,556.80
Venezuela	42,600.00	42,600.00	--	--	--
	2,000,000.00	1,728,573.85	271,426.15	165,454.65	436,880.80

STATEMENT OF CONTRIBUTIONS ON BEHALF OF TERRITORIES OF
FRANCE, NETHERLANDS AND GREAT BRITAIN

France	4,647.00	4,647.00	--	--	--
Netherlands	2,695.00	2,695.00	--	--	--
Great Britain	15,000.00	15,000.00	--	--	--
	22,342.00	22,342.00	--	--	--

Schedule A
Annex 1

ARREARS OF CONTRIBUTIONS DUE BY MEMBER STATES
IN RESPECT TO YEARS PRIOR TO 1954

States	Year	Due on 1 January 1954	Collected in 1954	Balance Due 31 December 1954	Totals
		\$	\$	\$	\$
Argentina	1951	114,303.00	114,303.00	-.-	
	1952	140,139.00	140,139.00	-.-	
	1953	146,200.00	146,200.00	-.-	-.-
Bolivia	1949	2,219.77	2,219.77	-.-	
	1950	10,851.14	5,425.57	5,425.57	
	1951	10,690.00	-.-	10,690.00	
	1952	9,524.00	-.-	9,524.00	
	1953	7,000.00	-.-	7,000.00	32,639.57
Colombia	1953	5,498.38	5,498.38	-.-	-.-
Cuba	1946	1,911.43	1,911.43	-.-	
	1947	955.72	955.72	-.-	
	1948	4,778.58	4,778.58	-.-	
	1949	330.00	330.00	-.-	
	1950	371.84	371.84	-.-	
	1952	27,989.00	27,989.00	-.-	
	1953	38,800.00	4,141.88	34,658.12	34,658.12
Ecuador	1951	5,265.23	5,265.23	-.-	
	1952	6,997.00	6,997.00	-.-	
	1953	6,000.00	449.67	5,550.33	5,550.33
Nicaragua	1953	4,800.00	4,800.00	-.-	-.-
Paraguay	1951	4,082.00	4,082.00	-.-	
	1952	4,082.00	4,082.00	-.-	
	1953	4,800.00	4,800.00	-.-	-.-
Peru	1950	20,373.09	15,564.45	4,808.64	
	1951	1,494.19	-.-	1,494.19	
	1952	22,547.00	-.-	22,547.00	
	1953	23,400.00	-.-	23,400.00	52,249.83
Uruguay	1951	4,618.80	-.-	4,618.80	
	1952	15,938.00	-.-	15,938.00	
	1953	19,800.00	-.-	19,800.00	40,356.80
		665,759.17	500,304.52	165,454.65	165,454.65

ARREARS OF CONTRIBUTIONS ON BEHALF OF TERRITORIES
OF NETHERLANDS AND GREAT BRITAIN IN RESPECT TO YEARS PRIOR TO 1954

Netherlands	1953	2,523.00	2,523.00	-.-	-.-
Great Britain	1953	15,000.00	15,000.00	-.-	-.-
		17,523.00	17,523.00	-.-	-.-

Schedule B

WORKING CAPITAL FUND

Brought forward from 1953 accounts	\$ 1,200,000.00
Transactions during 1954	-.-
Balance at 31 December 1954	\$ 1,200,000.00

Schedule C

INVESTMENTS AT 31 DECEMBER 1954

Description	Par Value	Cost	Market Value at 31 December 1954
	\$	\$	\$
U. S. Treasury Certificates of Indebtedness, maturing 17 May 1955	200,000.00	200,000.00	200,156.25
U. S. Treasury Bills, maturing 3 February 1955	400,000.00	398,968.00	399,614.00
U. S. Treasury Notes, maturing 15 December 1955	500,000.00	503,906.25	502,656.25
Mexico Telephone Stock, Mexican Pesos \$15,000.00	1,200.00	1,743.68	1,200.00
TOTAL	1,101,200.00	1,104,617.93	1,103,626.50

Schedule D

EMERGENCY PROCUREMENT REVOLVING FUND

Balance as at 1 January 1954			\$50,000.00
Transactions during 1954			
Government of Mexico		\$ 4,620.53	
Less: Charged against 1954 Budget in accordance with Resolution VIII of the XIV Pan American Sani- tary Conference		<u>4,620.53</u>	--
Government of Haiti		\$ 1,038.84	
Less: Reimbursed	\$ 360.33		
Balance due (transferred to Accounts Receivable)	<u>678.51</u>	<u>1,038.84</u>	--
Balance at 31 December 1954			<u><u>\$50,000.00</u></u>

PROCUREMENT FUNDSTATEMENT OF PROCUREMENT SERVICES EFFECTED
ON BEHALF OF GOVERNMENT ADMINISTRATIONS,
PUBLIC INSTITUTIONS, ETC.

	1 January 1954 brought forward from 1953		Amounts Received or Transferred During 1954	Payments for Supplies etc., Made During 1954	Balance 31 December 1954	
	Amounts Due to PASB	Deposits with PASB			Amounts Due to PASB	Deposits with PASB
	\$	\$	\$	\$	\$	\$
Argentina	13.14	2,292.88	2,464.06	1,527.48	.83	3,217.15
Bolivia	8,663.59	-.-	-.-	-.-	8,663.59	-.-
Brazil	483.46	176,548.70	908,050.41	684,805.98	483.46	399,793.13
Chile	719.56	2,054.43	5,542.49	3,855.28	-.-	3,022.08
Colombia	1,887.94	-.-	2,906.03	2,384.35	1,390.51	24.25
Costa Rica	-.-	338.33	658.57	1,000.46	5.00	1.44
Cuba	2,641.77	-.-	-.-	-.-	2,641.77	-.-
Ecuador	-.-	471.09	80,437.72	80,127.69	-.-	781.12
El Salvador	-.-	17,133.56	14,474.46	29,513.02	-.-	2,095.00
Guatemala	646.80	344.45	1,456.55	1,787.93	646.80	13.07
Haiti	-.-	673.24	5,321.05	4,854.56	-.-	1,139.73
Mexico	768.14	1,102.09	49,847.77	48,886.74	683.48	1,978.46
Nicaragua	-.-	-.-	1,642.41	1,483.78	-.-	158.63
Panama	-.-	9,520.89	66,301.68	61,429.96	-.-	14,392.61
Paraguay	96.83	7,313.54	470.39	1,529.74	96.83	6,254.19
Peru	-.-	6,500.45	493.42	514.34	-.-	6,479.53
United States	-.-	-.-	216.81	183.35	-.-	33.46
Uruguay	1,128.33	2,840.24	1,378.85	2,807.89	-.-	282.87
Venezuela	-.-	-.-	17,289.72	43,160.66	27,665.80	1,794.86
Other Countries	-.-	-.-	2,928.32	2,499.77	5.16	433.71
Employees	6.54	1,027.37	21,935.31	15,288.12	81.88	7,749.90
Antigen Sales	345.06	-.-	3,451.00	4,726.82	1,620.88	-.-
	17,401.16	228,161.26	1,187,267.02	992,367.92	43,985.99	449,645.19

SPECIAL FUNDS

Name and Purpose of Funds	1 January 1954 Brought Forward	Amounts Received During 1954	Total	Payments Made During 1954	Transfers Made During 1954	Balance in Cash at 31 December 1954		
						Unliquidated Obligations	Unobligated	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Appropriation for Unbudgeted Expenditures</u>								
Building Alternations	17,865.60	-.-	17,865.60	17,860.00	1) 5.60	-.-	-.-	-.-
Translation and Publication of Public Health Administration Book	6,619.85	-.-	6,619.85	77.76	-.-	5,805.00	737.09	6,542.09
Smallpox Eradication	63,874.26	144,089.13	207,963.39	15,099.41	-.-	11,040.18	181,823.80	192,863.98
Fellowships	19,342.69	-.-	19,342.69	9,391.65	1) 5,320.45	4,630.59	-.-	4,630.59
Anti-Malaria Activities	-.-	100,000.00	100,000.00	-.-	-.-	-.-	100,000.00	100,000.00
	107,702.40	244,089.13	351,791.53	42,428.82	5,326.05	21,475.77	282,560.89	304,036.66
<u>Cash Surplus at Disposal of the Directing Council</u>								
1953 Surplus	144,089.13	-.-	144,089.13	-.-	2) 144,089.13	-.-	-.-	-.-
1954 Surplus	-.-	273,593.75	273,593.75	-.-	3) 100,000.00	-.-	173,593.75	173,593.75
	144,089.13	273,593.75	417,682.88	-.-	244,089.13	-.-	173,593.75	173,593.75
TOTAL SPECIAL FUNDS	251,791.53	517,682.88	769,474.41	42,428.82	249,415.18	21,475.77	456,154.64	477,630.41

1) Transferred to "1954 Surplus"

2) Transferred to "Smallpox Eradication"

3) Transferred to "Antimalaria Activities"

TRUST FUNDS

Schedule G

GRANTS - ACCRUED REPATRIATION ENTITLEMENTS - PROVIDENT FUND

Name and Purpose of Funds	1 January 1954 (Brought Forward from 1953)	Amounts Received During 1954	Total	Payments Made During 1954	Transfers	Balances in Cash at 31 December 1954		
						Unliquidated Obligations	Unobligated	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<u>GRANTS</u>								
Governments of Costa Rica, El Salvador, Guatemala, Honduras, Panama and Nicaragua								
Institute of Nutrition of Central America and Panama								
Joint project of PASB and countries involved for the development of science of nutrition and its application in the Republics of Central America and Panama								
1953	7,340.63	--	7,340.63	6,676.85	663.78 (1)	--	--	--
1954	--	100,271.50	100,271.50	69,616.29	26,596.45 (2)	4,058.76	--	4,058.76
Contingency Reserve Fund	9,992.77	27,260.23	37,253.00	--	--	--	37,253.00	37,253.00
	17,333.40	127,531.73	144,865.13	76,293.14	27,260.23	4,058.76	37,253.00	41,311.76
<u>Kellogg Foundation</u>								
Nutrition Section								
To assist in developing a Section of Nutrition in the Pan American Sanitary Bureau								
July 1952 - June 1953	418.42	--	418.42	63.76	354.66 (3)	--	--	--

Name and Purpose of Funds	1 January 1954 (Brought Forward from 1953)	Amounts Received During 1954	Total	Payments Made During 1954	Transfers	Balances in Cash at 31 December 1954		
						Unliquidated Obligations	Unobligated	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Laboratory Equipment for INCAP	4,345.37	4,000.00	8,345.37	6,140.30	--	1,697.85	507.22	2,205.07
Books, Equipment and Sup- plies for INCAP	1,132.68	--	1,132.68	595.68	--	--	537.00	537.00
Nutrition Institute of Ecuador								
To provide equipment and scientific books for Broma- tological Laboratory of the Institute	590.68	--	590.68	330.41	--	289.00	(28.73)	260.27
Turrialba Study								
To assist in study in rural sociology at Turrialba, Costa Rica	128.07	--	128.07	120.64	7.43 (4)	--	--	--
Consultant in Dental Health	--	5,465.40	5,465.40	2,437.61	--	239.39	2,788.40	3,027.79
Merck and Company, National Vitamin Foundation, E. R. <u>Squibb and Sons, Lederle, Inc.</u>								
Vegetable Protein Project								
Study of vegetable protein supplemented by synthetic vitamin B12	7,439.21	11,000.00	18,439.21	15,587.12	--	495.46	2,356.63	2,852.09
<u>Nutrition Foundation, Inc.</u>								
Nutrition Foundation Project	1,644.31	3,500.00	5,144.31	3,058.88	--	364.00	1,721.43	2,085.43

Name and Purpose of Funds	1 January 1954 (Brought Forward from 1953)	Amounts Received During 1954	Total	Payments Made During 1954	Transfers	Balance in Cash at 31 December 1954		
						Unliquidated Obligations	Unobligated	Total
<u>U. S. Public Health Service</u>	\$	\$	\$	\$	\$	\$	\$	\$
Grant for the study of the disease Onchocerciasis and its vector, the Simulium Fly								
July 1952 - June 1953	1,986.32	-.-	1,986.32	-.-	1,986.32 (5)	-.-	-.-	-.-
Research Corporation, Williams- Waterman Fund								
Investigation of nutritional status of persons consuming a predominantly corn diet	-.-	5,000.00	5,000.00	2,707.18	-.-	-.-	2,292.82	2,292.82
H. de Sola e Hijos and Compania Agricola Comercial, "El Potosi"								
Study of Indigenous Plants	-.-	3,000.00	3,000.00	2,199.23	-.-	-.-	800.77	800.77
Gorgas Memorial Laboratory of Tropical Preventive Medicine								
Study of Jungle Yellow Fever in Central America and Mexico	1,794.89	3,166.13	4,961.02	7,192.80	(2,231.78) (6)	-.-	-.-	-.-
Total - Grants	36,813.35	162,663.26	199,476.61	116,726.75	27,376.86	7,144.46	48,228.54	55,373.00
ACCRUED REPATRIATION ENTITLEMENTS	35,128.00	18,138.00	53,266.00	3,187.55	-.-	-.-	50,078.45	50,078.45
PROVIDENT FUND	22,184.35	10,973.96	33,158.31	4,183.63	-.-	-.-	28,974.68	28,974.68
TOTAL - GRANTS - ACCRUED REPATRIATION ENTITLEMENTS AND PROVIDENT FUND	94,125.70	191,775.22	285,900.92	124,097.93	27,376.86	7,144.46	127,281.67	134,426.13

- (1) \$663.78 transferred to INCAP Contingency Reserve Fund.
- (2) \$26,596.45 transferred to INCAP Contingency Reserve Fund.
- (3) \$354.66 unexpended balance of grant refunded to Kellogg Foundation.
- (4) \$7.43 unexpended balance of grant refunded to Kellogg Foundation.
- (5) \$1,986.32 unexpended balance of grant refunded to U.S.P.H.S.
- (6) \$2,231.78 transferred to Accounts Receivable.

Schedule H

TECHNICAL ASSISTANCE

(Organization of American States)

	1 January 1954 (Brought Forward from 1953)	Amounts Received or Transferred During 1954	Total	Payments Made During 1954	Balance at 31 December 1954		
					Unliquidated Obligations	Unobligated	Total
	\$	\$	\$	\$	\$	\$	\$
Aftosa Center - 1952	11,029.19	(11,029.19)	-.-	-.-	-.-	-.-	-.-
- 1953	55,356.35	(5,284.64)	50,071.71	18,139.02	-.-	31,932.69	31,932.69
- 1954	-.-	216,106.14*	216,106.14	146,812.46	58,513.81	10,779.87	69,293.68
Administration - 1952	83.08	(83.08)	-.-	-.-	-.-	-.-	-.-
	66,468.62	199,709.23	266,177.85	164,951.48	58,513.81	42,712.56	101,226.37**

* Includes Revenues \$3,393.91

** U. S. Dollar Currency \$ 103,351.09
 Cruzeiro Currency 1,521.22
 Accounts Receivable 390.91

\$ 105,263.22
 Accounts Payable 4,036.85

\$ 101,226.37

REPORT OF THE EXTERNAL AUDITOR

FOR 1954

WASHINGTON, D. C.
21 February 1955

Sir,

I have the honour to transmit the financial statements of the Pan American Sanitary Bureau which were submitted by the Director with respect to the financial year 1 January to 31 December 1954. These statements have been examined by me, together with the records of the Bureau, pursuant to the Financial Regulations, Article XII, containing the scope of the audit, and are hereby certified.

In accordance with the Financial Regulations, I have the honour to present my report with regard to the above-mentioned financial period.

I have the honour to be, Sir

Your obedient Servant,



Uno Brunskog
External Auditor

The Chairman of the
Directing Council of the
Pan American Sanitary Organization

REPORT OF THE EXTERNAL AUDITOR
ON THE AUDIT OF THE ACCOUNTS OF THE
PAN AMERICAN SANITARY BUREAU FOR 1954

1. Pursuant to my letter of appointment as the External Auditor in accordance with Article XII, Paragraph 12.1 of the Financial Regulations for the Pan American Sanitary Bureau, I have examined the accounts of the Bureau for the financial year 1954, with due regard to the provisions concerning the scope of the audit as contained in Article XII of the Financial Regulations, and I have the honour to submit the following report, together with the accounts submitted to me by the Director.
2. Audit certificates have been issued, subject to the observations in this report, to the following statements of the Pan American Sanitary Bureau. These certificates also apply to the Institute of Nutrition of Central America and Panama (INCAP) which funds are controlled by the Bureau.
 - a. Statement of Appropriations, Obligations Incurred and Unobligated Balance of Appropriations for the Year 1954;
 - b. Statement of Income, Expenditures and Surplus for the Year 1954; and
 - c. Statement of Assets and Liabilities as at 31 December 1954.

Expenditures

3. Against the total appropriated budget of \$2,100,000 for 1954, an amount of \$2,099,423 has been expended, leaving an unobligated balance of \$577. In other words, close to 100% of the total budget was utilized. As regards the unobligated balances for the years 1953 and 1952, the corresponding figures were \$135,889 and \$232,942, or 6.6% and 11.3%, respectively.

The strict controls and methods used by the Bureau in operating the budget have made this extremely fine result possible. Since it is very rare to achieve a 100% utilization, I have, besides the disbursements, scrutinized the unliquidated obligations very carefully. I am satisfied that no obligations in excess of requirements have been recorded nor that any obligations pertaining to 1954 have been transferred against 1955 funds. I must pay tribute to such a successful management of the budget.

4. In order to cover the amount in excess of the appropriation of Part I, "Pan American Sanitary Organization," an amount of \$9,078 has been transferred from Part II, "Pan American Sanitary Bureau - Headquarters." Likewise, a transfer of \$53,845 has been made from Part II to Part III, "Pan American Sanitary Bureau - Field and Other Programs," for implementation of new projects. Both transfers have been accomplished by savings mainly due to reduction of staff and delays in recruitment at Headquarters. In reality, the savings under Part II of the budget are

greater than shown since, in accordance with new laws, income tax had to be reimbursed in 1954 also to aliens residing in the United States on permanent visa for which no provisions originally had been made in the budget.

5. A comparison between the budget and the obligations incurred relating to Part II and Part III of the budget for the last three years gives an interesting picture, as shown below. The percentages shown reflect the percentage of the total amount budgeted and obligated.

	1954		1953		1952*	
	<u>\$1,000</u>	<u>%</u>	<u>\$1,000</u>	<u>%</u>	<u>\$1,000</u>	<u>%</u>
<u>PART II - Pan American Sanitary Bureau - Headquarters</u>						
Budget	954	45	914	44	1,058	54
Obligations Incurred	891	42	855	45	953	54
<u>PART III - Pan American Sanitary Bureau - Field and Other Programs</u>						
Budget	946	45	931	45	699	35
Obligations Incurred	1,000	48	893	46	591	34

The table shown above indicates firstly a continuing reduction percentage-wise in the obligations incurred by Headquarters, and secondly an increase of activities in the field programs. The percentage of the obligations in respect of Part III, "Field and Other Programs" amounts in 1954 to 48%, viz. 6% more than Part II, "Headquarters," which reflects an important deviation from the estimated budget.

6. During my recent visits to some of the Zone Offices, I learned that the bank rates have not always been used when exchanging U. S. dollars for local currencies. The exchange is normally being performed on a free market when such a market exists. This I find quite in order when such transactions are handled through banks or authorized exchange agencies and are supported by proper exchange notes. Such notes have not always been obtained.
7. When a legal official rate only is recognized by a government and higher exchange rates are given by unauthorized brokers, certain problems will arise.

By exchanging U.S. dollars at the official rate of exchange, the cost of operating an office or a project may become increasingly higher since prices are not linked with the official rate of exchange.

*The 1952 figures have been rearranged in order to conform with the pattern of the budget presented for 1953 and 1954.

The practice of the Bureau in all cases is to pay local staff in local currency according to a salary scale established in local currency.

Salaries to international staff members are paid by the Bureau in U. S. dollars to staff members' bank accounts in the United States. The Pan American Sanitary Bureau has never adopted a rule similar to one in effect in some other international organizations whereby international staff members are required to draw at least 50% of their salary in the currency of the country in which the office is established.

The reason given by officials of the Bureau for not adopting this rule is that the Bureau normally has no local currencies on hand and, therefore, has to exchange U. S. dollars. An unjustifiable salary reduction would occur if part of the salary is to be paid in local currency at an unrealistic rate which is not in line with the cost-of-living of the country.

8. Summarizing the above, the following problems are present:

- a. By exchanging U. S. dollar currency at an official rate of exchange for payment of local expenditures, the Bureau will suffer a loss. This loss will be further increased should the Bureau compute salaries to international staff members at a realistic rate established by the Bureau;
- b. By paying the international staff at the official rate of exchange in local currency, the staff would suffer losses in salary; and
- c. By paying the international staff in U. S. dollars, the staff may, themselves, exchange U. S. dollars at an unofficial rate of exchange and may violate the laws of the country.

I recommend that the Director study this problem.

Budgetary Income

9. The revenues during 1954, as compared with those for the two preceding years, are as follows:

	<u>1954</u>	<u>1953</u>	<u>1952</u>
	\$	\$	\$
Contributions Collected from Member States	2,228,878	2,004,085	1,901,451
Contributions Collected on Behalf of Non-Self Governing Territories	39,865	4,647	8,559
3% Procurement Charges	24,587	34,199	80,055
Interest Earned	14,742	19,132	25,346
Unused Budgetary Provisions for Previous Years	48,896	5,322	-.-
Other Income	10,723	16,525	13,580
	<u>2,367,691</u>	<u>2,083,910</u>	<u>2,028,991</u>
Income Credited Directly to the Working Capital Fund			<u>26,432</u>
		Total	<u>2,055,423</u>

10. The sums of ordinary contributions received during the year 1954 are shown in the statement below. For purposes of comparison, the corresponding figures for the years 1951, 1952 and 1953 are also given.

	<u>Contributions Assessed</u>	<u>Contributions for the Current Year Collected</u>		<u>Arrears of Contributions Collected</u>	<u>Total of Current Contributions and Arrears Collected</u>	
	\$	\$	%	\$	\$	%
1954	2,000,000	1,728,574	86.43	500,304	2,228,878	111.44
1953	2,000,000	1,743,702	87.18	260,383	2,004,085	100.20
1952	1,943,681	1,628,730	84.00	272,721	1,901,451	97.87
1951	1,943,681	1,748,627	89.97	165,855	1,914,482	98.54

At first sight, the above statement shows an excellent result since the collection of contributions and arrears for the year 1954 amounts to 111% of the assessed contributions indicating an increase of 11% as compared to 1953. However, when going into detail, note should be taken of the following observations:

- a. With exception of the year 1952, the collected current contributions for 1954 are lower than both 1951 and 1953 collections. A substantial increase of the percentage of current collections will be required in the future to enable the Bureau to carry out its operations in accordance with the budget and the plan of operations. It is true that in 1954 several Member States have made great efforts to get their future years' contributions on a current annual basis by paying outstanding arrears. If this trend continues, the quota contributions might soon reach a current annual level which will be to the benefit of the Bureau in its operational planning. However, I will point out that there are still three Member States which are in arrears since 1950 or 1951, and
 - b. The income of half a million dollars in collected arrears is mainly due to the Government of Argentina which paid in full its outstanding arrears up to 1953 amounting to some \$400,000. At the end of the year 1954 there were still \$436,880 in uncollected contributions. Taking into account the big sums of arrears which have been collected during the last years and that probably half of the present outstanding arrears will be paid in 1955, I draw attention to the fact that these funds, in reality, were reserved for health activities years ago when the various budgets were adopted. In other words, failure to make timely payments of quotas has caused delays in the implementation of various health programs.
11. An amount of \$41,411, being a reserve for obligations established in 1953 in excess of requirements, has been reverted and now appears as part of the income (see Exhibit II). The main reason for this excessive reserve is that amounts of awards granted for fellowships, especially in relation to travel costs, have been calculated at maximum amounts. For 1954 the Bureau has endeavored to establish accurate estimates, and I understand that the Bureau will adopt methods and procedures in this respect which will enable fellowship awards to be controlled more efficiently.

Cash Surplus for 1954

12. As shown in Exhibit II, the cash surplus for 1954 amounted to \$268,268 representing 12.8% of the total budget as compared with the cash surplus of \$144,089 or 6.9% of the budget in the previous year. The cash surplus for 1954 has been made possible by the collection of arrears of contributions from Member States.
13. An examination of the total voted budget for comparison of income forecast and actual income received gives this picture:

Budgetary Expenditure	\$ 2,099,423
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Estimated Budgetary Income:

Contributions from Member States	\$ 1,728,574	
Contributions on Behalf of Non		
Self-Governing Territories	22,342	
Miscellaneous Income	<u>45,168</u>	<u>1,796,084</u>

Difference	\$ 303,339
------------	------------

This Amount has been Covered by
the Following Income:

Unused Balances of Obligations, etc.	\$ 53,780	
Collected Arrears from Member States		
and Non Self-Governing Territories	<u>249,559</u>	<u>\$ 303,339</u>

The Remaining Balance of Collected	
Arrears from Member States and Non	
Self-Governing Territories Represents	
the Cash Surplus for 1954 and Amounts	
to	<u>\$ 268,268</u>

The above table reveals that an amount of \$303,339 was not covered by estimated income but had to be met from other sources such as receipts of arrears of contributions.

Assets and Liabilities

14. From Exhibit III it will be noted that the Bureau has received a payment of Argentine Pesos 1,500,000 as a voluntary contribution. Since it was stipulated in the transmittal letter from the Government that this contribution is to be utilized for activities of the Bureau during 1955 and future years, the amount appears in the mentioned exhibit as a prepayment in 1954, and will be recorded as income in 1955. The contribution will greatly assist the Bureau in conserving U. S. dollars for implementation of additional activities and projects.

15. Under Accounts Receivable in Exhibit III the following amounts relating to procurement of supplies and equipment on behalf of governments are still outstanding:

		<u>\$</u>	<u>Since</u>
Bolivia	Ministry of Hygiene	8,663	1949
Brazil	Yellow Fever Service	483	1952
Cuba	Ministry of Health	2,641	1949
Guatemala	Ministry of Health	646	1950
Mexico	Ministry of Health	683	1947
Paraguay	Hospital de Clinicas	96	1952.

The Director has repeatedly approached the parties concerned for payment, but so far with no result in the above cases.

16. During 1954 credit in the amount of \$34,489 has been extended by the Bureau to the Government of Venezuela. Of this amount, \$6,826 has been reimbursed leaving an unpaid balance of \$27,663. From the records, it appears that no real emergency existed justifying payment from the Emergency Procurement Revolving Fund since the transactions have not been recorded as such. The regulations of the Bureau stipulate that advance payments should be made for purchases of supplies and equipment and I, therefore, have to raise objection to the credit extended in this case.
17. The following payments have been made from the Emergency Procurement Revolving Fund:

Government of Mexico	\$ 4,620.53
Government of Haiti	1,038.84.

By Resolution VIII of the XIV Pan American Sanitary Conference, the expenditure in connection with the flood disaster in Mexico has been charged in 1954 against the budget of the Bureau. The Government of Haiti has reimbursed an amount of \$360,33, the amount still outstanding being \$678.51.

18. The status of the surplus at the disposal of the Directing Council as at 31 December 1954 was as follows:

Cash Surplus for 1954	\$ 268,267.70
Transfers from Previous "Unbudgeted Appropriations" of Amounts in Excess of Requirements	<u>5,326.05</u>
Total 1954 Surplus	\$ 273,593.75
Appropriated for the Purpose of the Intensification of Anti-malaria Activities by Resolution XLIII of the XIV Pan American Sanitary Conference	<u>100,000.00</u>
Balance at the Disposal of the Directing Council	<u>\$ 173,593.75</u>

It will be noted that excess amounts of requirements in respect to unbudgeted appropriations have reverted directly to the Surplus Funds at the disposal of the Directing Council rather than recording the amounts as "Income" as has been the practice previously.

19. The financial position of the Bureau is sound.

Inventory

20. A statement of the inventory on hand at Headquarters as at 31 December 1954 has been submitted to me. For comparison, the figures related to the 1953 inventory are included in the following table:

	<u>1954</u>	<u>1953</u>
	\$	\$
Typewriter	22,837	23,880
Adding Machines	3,063	2,813
Calculators	997	1,248
Other Office Machines	7,450	6,377
Dictaphone Equipment	8,393	7,582
Cars	4,025	4,025
Furniture	41,979	41,011
Cabinets and Shelving	19,942	18,715
Medical Equipment	3,126	3,126
Reproduction Equipment	15,507	14,995
Cartographic and Drafting Equipment	5,718	5,517
Various Other	5,631	6,308
Total	138,668	135,597
Administrative Supplies	5,557	5,225
Grand Total	<u>144,225</u>	<u>140,822</u>

Checks made indicate that the statement is correct.

21. I noticed in one of the projects that properties, as listed below and as shown in the inventory records of a Zone Office, were on loan to staff members:

Refrigerators;
Electric Room Heaters; and
Electric Fan.

Where ordinary accommodations in houses or apartments can be found, I cannot see any reason why funds should be used for the purchase of equipment of this kind for private use. I have just learned that the items on loan now have been returned to the project by the staff.

22. The new system of inventory which was introduced at the Zone Offices in 1953 has made the control of the inventories much more effective, especially since the Administrative Officers, to a great extent, are checking the inventories physically in the field.

Procurement

23. The total procurement activities are not reflected in the presented accounts. The volume of these activities during the last two years have been the following:

	<u>1954</u>	<u>1953</u>
	\$	\$
Purchases	1,500,461	1,404,476
Proforma Invoices	<u>2,672,166</u>	<u>2,517,521</u>
Total	<u>4,172,627</u>	<u>3,921,997</u>

The purchases represent orders for supplies, etc., for Member States, the Bureau, and the World Health Organization.

Quotations, when requested, are given to Ministries of Health of Member Governments for a wide variety of equipment and supplies in the form of proforma invoices showing not only the price of each item, but the cost of inland freight, forwarding, marine freight, airfreight, and insurance to port of entry of Member Government. The make-up of these proforma invoices involves about the same work as actual purchases. As no charge is made for supplying these proformas, the Bureau is giving to the Member Governments a great service which is not reflected in the financial records.

Reference is made to Paragraph 15 concerning some outstanding claims for procurement for different Member States.

General Observations

24. I wish to state that the accounting records have been examined to the extent considered necessary to satisfy myself. I have reviewed the accounting system of the Bureau and the arrangements of internal control, and I am pleased to state that the Bureau is continuing its policy of steady improvement.
25. The compliments paid to the Bureau last year under the same heading are once more repeated. Furthermore, I have now had the opportunity to visit most of the Zone Offices and I am glad to state that I have found the present set-up of the Zone Offices to be a very desirable and effective one. More and more functions have been decentralized to the Zone Offices and they are continually being of greater assistance to the Headquarters of the Bureau in the carrying out of its responsibilities.

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The audit was facilitated by the officers of the Bureau, and I am pleased to state that all necessary help was given to me in the most obliging manner, for which I express my appreciation.



Uno Brunskog
External Auditor

Washington, D. C.
21 February 1955