



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



39th SESSION OF THE SUBCOMMITTEE ON PLANNING AND PROGRAMMING OF THE EXECUTIVE COMMITTEE

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UPDATE ON THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE EXTERNAL AUDITOR'S SPECIAL REPORT, SEPTEMBER 2004

Background

1. In September 2004, the 45th Directing Council assigned the Executive Committee with the responsibility of monitoring the implementation of the recommendations of the External Auditor's Special Report. The External Auditor made a number of recommendations for improved governance in the Bureau, focusing on the following areas:

- Ethical standards and codes of conduct,
- Recruitment of employees and consultants,
- Complaints procedures,
- Management of external relationships, and
- Information technology security.

2. The Executive Committee, which met immediately after the Directing Council, requested the Secretariat to report to the Subcommittee on Planning and Programming (SPP) in March 2005, regarding the above areas and two additional ones listed below:

- Internal audit, and
- Selection of an ombudsperson.

Ongoing Efforts

3. The Director of Administration and Legal Counsel met on two occasions since September 2004, with the current chairman and immediate past chairman of the Executive Committee to discuss the recommendations and to update them on progress that the Bureau has made on implementation. The Chairman has kept the Executive Committee Members informed about these discussions and has provided the Members with the notes of the meetings.

4. After considering a number of different proposals, the Secretariat contracted the Ethics Resource Center (ERC) of Washington, D.C., in January 2005, to assist in complying with some of the principal recommendations contained in the report. The ERC, which was established in 1922, is the preeminent nonprofit organization in Washington, D.C., dedicated to business ethics. It specializes in developing and reviewing codes of conduct, providing ethics training and communication strategies, and delivering organizational assessments.

5. The ERC is reviewing and evaluating PAHO's policies and practices in the areas of governance identified by the External Auditor for improvement. The ERC will then make specific recommendations for improved policies and procedures, with particular attention to the adequacy of existing standards and codes of conduct, the rules and procedures for the recruitment of consultants, and the establishment of clear complaints reporting and investigation procedures. The ERC will further advise the Secretariat on the implementation of proposed changes, including internal communication and training strategies.

6. A PAHO team comprised of the Director of Administration, Legal Counsel, and Area Manager for Human Resources Management is addressing the remaining recommendations of the External Auditor's Special Report. With regard to external relationships, the team is reviewing guidelines and procedures on conflict of interest and identifying which positions in addition to the Director will be required to file a declaration with the legal office.

7. Concerning information technology security, a new security post has been authorized and is under recruitment. Regarding the area of internal audit the joint oversight service of the World Health Organization has been reestablished in 2004. The new Senior Auditor of the Office of Internal Oversight Services began his work in September 2004, and the office is now fully staffed and operational. With regard to the ombudsperson, a decision has been made to establish the post and readvertise the position after a first unsuccessful round of selection was completed. The Secretariat plans to select an interim ombudsperson to fill the post until the selection process has been completed.

8. The Secretariat will provide a more comprehensive report to the SPP on the status of these reform efforts at its meeting in March 2005.

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