

13th MEETING OF THE EXECUTIVE COMMITTEE
Washington, D. C.
23 April - 1 May 1951

TOPIC 12: DRAFT FINANCIAL REGULATIONS (CE13/12)

Proposed Resolutions

WHEREAS:

The Director, pursuant to the instructions contained in Resolution V of the XIII Pan American Sanitary Conference, has submitted Provisional Financial Regulations, which have been reviewed in detail,

THE EXECUTIVE COMMITTEE

RESOLVES:

1. To recommend that the Directing Council adopt the Provisional Financial Regulations.
2. To introduce the following amendments to the Financial Regulations contained in document CE13/12:
 - (a) To change the text of regulation 3.5 to read:
"The Director shall transmit the budget of the Executive Committee at least thirty days prior to the meeting of the Directing Council to all Member States."
 - (b) To change the text of regulation 4.3 to read:
"Appropriations shall remain available for 24 months following the end of the financial year to which they relate, to the extent that they are required to discharge the outstanding legal obligations as of 31 December of that year. Any remaining balance of appropriations will revert to the Working Capital Fund."
 - (c) To change regulation 4.4 to read:
"At the end of the twenty-four month period, the remaining balance of any appropriations will revert to the Working Capital Fund. Any unliquidated obligations of the prior 24 months

shall at that time be cancelled; where the obligation remains a valid charge, it shall be transferred as an obligation against current appropriations."

- (d) To add to regulation 5.2 a new item as follows:
 - c. The estimated amount of miscellaneous income shall be routinely credited to voted budget appropriations.
- (e) To change the text of regulation 5.4 to read:

"Contributions shall be considered as due and payable in full within 30 days of the receipt of the communication of the Secretary-General of the Pan American Union, or as of the first day of the financial year to which they relate, whichever is later. As of January 1 of the following financial year, the unpaid balance of such unpaid contributions and advances shall be considered to be one year in arrears."

- (f) To change the text of regulation 6.9 to read:

"The Director with the prior concurrence of 4 members of the Executive Committee shall have the power to borrow funds."

- (g) To change the text of regulation 11.1 paragraph "b" to read:

"The status of appropriations, including credits, if any, other than appropriations voted by the Directing Council."

- (h) To change the text of regulation 12.1 to read:

"The Directing Council shall appoint external auditor(s) of international repute to audit the accounts of the Bureau. Auditor(s) appointed may be removed only by the Directing Council."

- (i) To change the text of the first paragraph in regulation 12.2 to read:

"The external auditor(s) shall perform such an audit as he/they may deem necessary to certify."

- (j) To change the text of regulation 12.3 to read:

"Subject to the provisions of the financial regulations, the Auditor(s) shall be the sole judge as to the acceptance in whole or in part of the certifications by the other Members of the Secretariat and may proceed to such detailed examination and verifications as it chooses of all financial records, including those relating to supplies and equipment."

- (k) To change the text of regulation 12.4 to read:

"The auditors may affirm by test the reliability of the internal audit, and may make such reports with respect thereto, as he/they may deem necessary to the Directing Council."

- (l) To change the text of regulation 12.8 to read:

"The auditor(s) shall prepare a report on the accounts certified, in which he/they should mention

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the extent and character of his/their examination of any important changes therein, matters affecting the completeness or accuracy of the amounts or other matters which should be brought to the notice of the Directing Council, such as:

- (i) Cases of fraud or presumptive fraud;
 - (ii) Wasteful or improper expenditure of organization money or other assets (notwithstanding that the accounting for the transactions may be correct);
 - (iii) Expenditure likely to commit the organization to further outlay on a large scale;
 - (iv) Any defect in the general system or detailed regulations governing the control of receipts and expenditure, or of supplies and equipment;
 - (v) Expenditure not in accordance with the intention of the Directing Council, after making allowance for duly authorized transfers within the budget;
 - (vi) Expenditures in excess of appropriations as amended by duly authorized transfers within the budget;
 - (vii) Expenditure not in conformity with the authority which governs it."
- (m) To change the text of regulation 12.9 to read:
- 12.9 The Auditor(s) shall submit his/their report to the Directing Council to be available to the Executive Committee not later than 15 April following the end of the financial year to which the accounts relate. The Director shall forward to the Executive Committee its comments, if any, on the audit report. The Executive Committee shall review the audit report and forward its comments, if any, to the Directing Council.

3. To instruct the Director to present the provisional financial regulations with such amendments thereto as he may deem necessary to the Directing Council at its next meeting.

4. To authorize the Director to implement the Provisional Financial Regulations during the present fiscal year of 1951.