



XIV Pan American Sanitary Conference

Santiago, Chile
October, 1954

VI Meeting Regional Committee



CSPl4/6 (Eng.)
20 May 1954
ORIGINAL: SPANISH

Topic 16: FINANCIAL REPORT OF THE DIRECTOR AND REPORT OF THE EXTERNAL
AUDITOR FOR 1953

The Financial Report of the Director and the Report of the External Auditor for 1953 were presented to the Executive Committee at its 22nd Meeting.

Having studied these Reports, the Executive Committee approved the following resolution:

"RESOLUTION I

"THE EXECUTIVE COMMITTEE,

HAVING STUDIED the Financial Report of the Director and the Report of the External Auditor for 1953 (Document CE22/4),

RESOLVES:

1. To approve the Financial Report of the Director and the Report of the External Auditor for 1953 and transmit them to the XIV Pan American Sanitary Conference.

2. To congratulate the Director of the Pan American Sanitary Bureau and his associates on the manner in which the reports were presented."

In accordance with this resolution, the Director respectfully transmits the said reports to the Pan American Sanitary Conference for consideration.

Attachment: Document CE22/4



*executive committee of
the directing council*

PAN AMERICAN
SANITARY
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



22nd Meeting
Washington, D. C.
April 1954

CE22/4 (Eng.)
5 March 1954
ORIGINAL: ENGLISH

Topic 5: FINANCIAL REPORT OF THE DIRECTOR AND REPORT OF THE EXTERNAL AUDITOR
FOR 1953

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Financial Report of the Director for the year

1 January - 31 December 1953

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

The principal statements are as follows:

- (1) Statement of Appropriations, Obligations and Unobligated Balances of Appropriations for the year 1953 (Exhibit I).
- (2) Statement of Income, Expenditures and Surplus for the year 1953 (Exhibit II).
- (3) Statement of Assets and Liabilities as at 31 December 1953 (Exhibit III).

Statement of Appropriations, Obligations and Unobligated Balances for the year 1953 (Exhibit I).

Against the appropriation of \$2,060,000 an amount of \$1,924,110 has been obligated leaving an unexpended balance of \$135,890 or 6.6% as compared to \$223,942 or 11.3% in 1952. Details of obligations incurred are given in the attachment to this report. It will be noted that no transfer between parts in the budget has taken place in 1953.

Statement of Income, Expenditures and Surplus for the year 1953 (Exhibit II).

Total cash income amounted to \$2,083,910 representing the following:

(1) Collection of Quotas on behalf of Member States for 1953	\$ 1,743,702
(2) Collection of Quotas on behalf of Member States for Previous Years	260,383
(3) Collection of Quotas on behalf of Non-Self-Governing Territories	4,647
(4) Miscellaneous Income	60,390
(5) Unused balances of Obligations, Refunds, etc., relating to previous years	14,788

The greater part of Miscellaneous Income represents the 3% charge amounting to \$34,199 collected for Procurement Services of equipment and supplies on behalf of government agencies and institutions, etc., as compared to \$80,055 in 1952.

The reason for the decrease in income in 1953 is explained under Paragraph 4 in the report of the External Auditor. Interest earned during 1953 amounted to \$19,132 against \$25,346 in 1952. Other Miscellaneous Income, as detailed in Exhibit II, amounted to \$7,059.

Unused balances of obligations, refunds, etc., relating to previous years amounted to \$14,788 and should, in accordance with the Financial Regulations of the Bureau, be credited to the Working Capital Fund. However, as explained in Paragraph 19 in the report of the External Auditor, the fund has been established at the level of \$1,200,000 as resolved at the VII Meeting of the Directing Council and, therefore, any cash surplus is to be carried to a Special Fund at the disposal of the Directing Council.

Expenditures

Expenditures against the 1953 budget amounted to \$1,924,110. Outside the budgeted expenditures is an amount of \$15,710 representing adjustment of funds in Cruzeiros. Explanation of this amount is given in Paragraph 6 of the report of the External Auditor.

The total funds expended by the Bureau in 1952 and 1953, as shown in Paragraph 3 of the report of the External Auditor, were \$5,192,707 and \$4,043,702, respectively, including expenditures for purchases for governments, and for the AFTOSA and INCAP programs.

It may also be mentioned that in addition to these funds, the funds expended in respect of the Regional Office of the Americas of the World Health Organization were as follows:

	<u>1952</u>	<u>1953</u>
	\$	\$
WHO/Regular	827,141	900,787
WHO/UNI CEF	23,173	8,135
WHO/TAP	<u>822,021</u>	<u>859,526</u>
	<u>1,672,335</u>	<u>1,768,448</u>

Thus, the funds spent by the Pan American Sanitary Bureau for the combined PASB/WHO program, for government purchases, and for Special Projects altogether amounted to:

	<u>1952</u>	<u>1953</u>
	\$	\$
PASB	5,192,707	4,043,702
WHO	<u>1,672,335</u>	<u>1,768,448</u>
	<u>6,865,042</u>	<u>5,812,150</u>

Surplus

The excess of income over expenditures amounting to \$144,089 has been transferred to a Special Fund at the disposal of the Directing Council, and is subject to a separate report with recommendations as to the utilization of this amount.

Statement of Assets and Liabilities (Exhibit III)

The statement is divided in five parts, viz:

- (1) General Fund
- (2) Working Capital Fund
- (3) Special Funds
- (4) Trust Funds
- (5) Technical Assistance - Organization of American States

The first three represents the Pan American Sanitary Bureau's own funds while the two others 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	\$ 176,344
(2) Working Capital Fund	
Cash in Banks	\$ 780,000
Investments	<u>420,000</u>
	1,200,000
(3) Special Funds - Cash in Banks	301,792
(4) Trust Funds - Cash in Banks	322,287
(5) Technical Assistance - OAS	
Cash in Banks	<u>47,907</u>
	<u>T o t a l 2,068,330</u>

Certificates of Indebtedness amounting to \$850,000 matured late in December and is the reason for the relatively small amount of investments. However, an amount of \$900,000 was reinvested early in January 1954 in US Treasury Certificates of Indebtedness.

Appropriations for Unbudgeted Expenditures

By resolution of the VI Meeting of the Directing Council an amount of \$306,000 was appropriated as follows:

(1) Building Alterations	\$ 135,180
(2) Translation and Publication of a Book on Public Health Administration	10,900
(3) Smallpox Eradication	75,000
(4) Fellowships	<u>84,920</u>
	<u>306,000</u>

It will be seen from Schedule D that the following amounts are still unobligated:

(1) Building Alterations	\$ 15,076
(2) Translation and Publication of a Book on Public Health Administration	815
(3) Smallpox Eradication	63,874
(4) Fellowships	<u>---</u>
	<u>79,765</u>

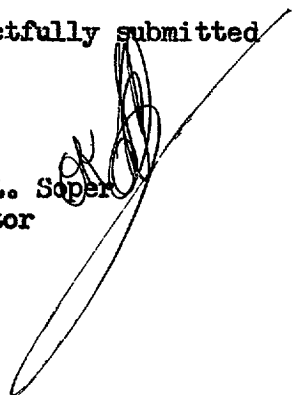
The improvements to the buildings in Washington are being carried out as planned. The plans for the utilization of the balance is explained in the Report of the Permanent Subcommittee on Buildings and Installation.

As to the translation and publication of Public Health Administration Books, a small balance of \$815 remains unobligated at 31 December 1953. This balance will be utilized for forwarding charges in connection with the distribution of the complimentary copies.

Of the amount of \$75,000 for the purpose of Smallpox Eradication, an amount of \$5,961 has been expended for supplies and equipment, and an amount of \$5,165 for the salary and travel expenses for a Consultant. The remaining unobligated balance of \$63,874 will be utilized as needed.

The unobligated balance of \$4,224.37 of the amount appropriated for Fellowships is included in the 1953 Surplus of \$114,089 placed at the disposal of the Directing Council, in view of the fact that Fellowships for 1953 only were to be expended from this appropriation.

Respectfully submitted


Fred L. Soper
Director

SUMMARY OF OBLIGATIONS INCURRED IN
RESPECT OF THE BUDGET FOR THE YEAR
1 JANUARY - 31 DECEMBER 1953

PART I

PAN AMERICAN SANITARY ORGANIZATION

	Liquidedated	Unliquidated	Total
	\$	\$	\$
<u>Conference Section Personnel</u>			
Office of the Conference Chief	44,933.37	142.94	45,076.31
Translating Unit	<u>35,102.35</u>	--	<u>35,102.35</u>
	<u>80,035.72</u>	142.94	<u>80,178.66</u>
<u>Organizational Meetings</u>			
Meeting of the Directing Council	19,258.41	933.00	20,191.41
Meetings of the Executive Committee	<u>18,901.54</u>	--	<u>18,901.54</u>
	<u>38,159.95</u>	933.00	<u>39,092.95</u>
<u>Repatriation Grant</u>	616.00	--	616.00
TOTAL PART I	<u><u>118,811.67</u></u>	<u>1,075.94</u>	<u><u>119,887.61</u></u>

SUMMARY OF OBLIGATIONS INCURRED IN
RESPECT OF THE BUDGET FOR THE YEAR
1 JANUARY - 31 DECEMBER 1953

PART II

PAN AMERICAN SANITARY BUREAU - HEADQUARTERS

	Liquidated \$	Unliquidated \$	Total \$
<u>Executive Office</u>			
Office of the Director	68,307.87	--	68,307.87
Office of Public Information	15,145.01	74.50	15,219.51
Unit of Coordination	6,600.00	--	6,600.00
Library	30,149.75	1,590.43	31,740.18
Editorial Office	54,315.31	--	54,315.31
Travel - Executive Office	6,788.95	300.24	7,089.19
	<u>181,306.89</u>	<u>1,965.17</u>	<u>183,272.06</u>
<u>Division of Education and Training</u>			
Office of the Chief	8,707.23	--	8,707.23
Fellowships Branch	11,218.72	--	11,218.72
Professional Education Branch	26,863.37	100.95	26,964.32
Travel - Division of Education and Training	11,770.51	13.70	11,784.21
	<u>58,559.83</u>	<u>114.65</u>	<u>58,674.48</u>
<u>Division of Public Health</u>			
Office of the Chief	13,171.89	--	13,171.89
Health Promotion Branch	17,659.78	--	17,659.78
Communicable Diseases Branch	81,175.95	--	81,175.95
Environmental Sanitation Branch	12,600.96	51.62	12,652.58
Travel - Division of Public Health	23,058.52	354.71	23,413.23
	<u>147,667.10</u>	<u>406.33</u>	<u>148,073.43</u>

	Liquidated \$	Unliquidated \$	Total \$
<u>Division of Administration</u>			
Office of the Chief	25,336.36	--	25,336.36
Legal Office	2,587.50	--	2,587.50
Supply Office	52,469.79	15.00	52,484.79
Administrative Management and Personnel Branch	24,868.67	--	24,868.67
Budget and Finance Branch	66,762.73	--	66,762.73
General Services	130,090.13	--	130,090.13
Travel - Division of Administration	6,791.46	--	6,791.46
	<u>308,906.64</u>	<u>15.00</u>	<u>308,921.64</u>
<u>Common Services - Headquarters</u>			
Space and Equipment Services	20,971.53	3,838.97	24,810.50
Other Services	21,559.61	1,403.05	22,962.66
Supplies and Materials	14,078.48	834.47	14,912.95
Fixed Charges and Claims	497.88	69,500.00	69,997.88
Acquisition of Capital Assets	6,465.27	276.35	6,741.62
Hospitality	208.28	--	208.28
Repatriation Grant	12,108.00	--	12,108.00
External Audit	--	4,400.00	4,400.00
	<u>75,889.05</u>	<u>80,252.84</u>	<u>156,141.89</u>
TOTAL PART II	<u>772,329.51</u>	<u>82,753.99</u>	<u>855,083.50</u>

SUMMARY OF OBLIGATIONS INCURRED IN
RESPECT OF THE BUDGET FOR THE YEAR
1 JANUARY - 31 DECEMBER 1953

PART III

PAN AMERICAN SANITARY BUREAU - FIELD AND OTHER PROGRAMS

	Liquidated \$	Unliquidated \$	Total \$
<u>Zone Offices</u>			
Jamaica Field Office	19,320.37	2,558.26	21,878.63
El Paso Field Office	18,322.20	943.82	19,266.02
Mexico (Zone II)	57,667.31	4,092.28	61,759.59
Guatemala (Zone III)	96,607.14	2,870.87	99,478.01
Lima (Zone IV)	89,207.69	3,035.17	92,242.86
Rio de Janeiro (Zone V)	49,212.21	661.25	49,873.46
Buenos Aires (Zone VI)	77,643.30	10,360.53	88,003.83
Hospitality -Above Offices	957.50	350.54	1,308.04
	<u>408,937.72</u>	<u>24,872.72</u>	<u>433,810.44</u>
<u>Country Programs</u>			
Insect Control	43,026.40	14,205.65	57,232.05
Venereal Diseases	58,902.70	3,600.63	62,503.33
Endemo-Epidemic Diseases	92,345.62	21,405.07	113,750.69
Public Health Administration	29,589.44	82,830.76	112,420.20
Nursing	6,809.88	12,700.00	19,509.88
Health Education of the Public	7,798.18	33.33	7,831.51
Maternal and Child Health	1,642.49	1,245.35	2,887.84
Nutrition	7,268.27	578.05	7,846.32
Environmental Sanitation	4,364.65	3,983.49	8,348.14
	<u>251,747.63</u>	<u>140,582.33</u>	<u>392,329.96</u>
<u>Repatriation Grant</u>	<u>22,404.00</u>	<u>--</u>	<u>22,404.00</u>
<u>Publications of the PASB</u>			
Special Publications	2,867.66	10,630.75	13,498.41
PASB Bulletin	22,432.62	5,939.10	28,371.72
Epidemiology Report	1,053.37	8.45	1,061.82
Aidis Journal	1,521.40	--	1,521.40
	<u>27,875.05</u>	<u>16,578.30</u>	<u>44,453.35</u>
TOTAL PART III	<u><u>710,964.40</u></u>	<u><u>182,033.35</u></u>	<u><u>892,997.75</u></u>

SUMMARY OF OBLIGATIONS INCURRED IN
RESPECT OF THE BUDGET FOR THE YEAR
1 JANUARY - 31 DECEMBER 1953

PART IV

PAN AMERICAN SANITARY BUREAU - OTHER EXPENDITURES

	Liquidated	Unliquidated	Total
	\$	\$	\$
Building Loan Amortization	29,271.54	--	29,271.54
Terminal Leave	26,103.13	766.94	26,870.07
TOTAL PART IV	55,374.67	766.94	56,141.61
TOTAL ALL PARTS	1,657,480.25	266,630.22	1,924,110.47

SUMMARY OF 1953 EXPENDITURES BY OBJECT GROUPS

	Pan American Sanitary Organization	Pan American Sanitary Bureau			Total
	PART I	Head- Quarters PART II	Field and Other Programs PART III	Other Expendi- tures PART IV	
	\$	\$	\$	\$	\$
Personal Services	78,261.79	553,241.44	317,974.39	26,870.07	976,347.69
Personal Allowances	12,080.68	95,239.28	91,723.39	--	199,043.35
Travel	17,423.84	49,078.09	118,509.81	--	185,011.74
Space and Equipment Services	1,721.09	24,834.85	15,697.62	--	42,253.56
Other Services	1,184.78	29,978.37	40,284.43	--	71,447.58
Supplies and Material	9,162.55	21,687.65	66,440.40	--	97,290.60
Fixed Charges and Claims	--	69,997.88	12,842.21	--	82,840.09
Grants and Contracted Technical Services	--	--	201,983.51	--	201,983.51
Acquisition of Capital Assets	52.88	11,025.94	27,541.99	--	38,620.81
Loan Amortization	--	--	--	29,271.54	29,271.54
TOTAL	119,887.61	855,083.50	892,997.75	56,141.61	1,924,110.47

FINANCIAL STATEMENTS FOR THE YEAR

1953

Exhibit I

STATEMENT OF APPROPRIATIONS, OBLIGATIONS INCURRED AND UNOBLIGATED
BALANCE OF APPROPRIATIONS FOR THE YEAR 1953

Part of the Budget	Purpose of Appropriation	Appropriated by the Directing Council	Obligations Incurred		Unobligated Balance of Appropriations	
			Liquidated by Disbursements	Unliquidated		Total
		\$	\$	\$	\$	
I	Pan American Sanitary Organization	144,657.00	118,811.67	1,075.94	119,887.61	24,769.39
II	Pan American Sanitary Bureau - Headquarters	914,438.00	772,329.51	82,753.99	855,083.50	59,354.50
III	Pan American Sanitary Bureau- Field and Other Programs	930,905.00	710,964.40	182,033.35	892,997.75	37,907.25
IV	Pan American Sanitary Bureau - Other Expenditures	70,000.00	55,374.67	766.94	56,141.61	13,858.39
T O T A L		2,060,000.00	1,657,480.25	266,630.22	1,924,110.47	135,889.53

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 explanation 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 Brunskog
Uno Brunskog
External Auditor

STATEMENT OF INCOME, EXPENDITURES
AND SURPLUS FOR THE YEAR 1953

Income

Contributions from Member States:		
Amounts collected in respect of the 1953 Assessments		\$ 1,743,701.62
Amounts collected in respect of arrears for previous years		260,383.30
Contributions on behalf of Non Self-Governing Territories:		
Amounts collected in respect of the 1953 Assessments		4,647.00
Miscellaneous Income:		
3% Procurement Charge	\$ 34,199.29	
Interest Earned	19,132.45	
Sale of old Capital Assets	4,768.83	
Sale of Publications	355.20	
U.S. Public Health Service:		
Contribution for administration of Onchocerciasis Project	1,582.00	
Sundries	351.97	60,389.74
Unused balances of obligations, etc.:		
Unused budgetary provisions for 1951	5,321.90	
Credits against previous years expenditures	5,242.02	
Unused balance of reserve for 1953 fellowships, appropriated by Resolution of the VI Meeting of the Directing Council	4,224.37	14,788.29
		<u>\$2,083,909.95</u>

Expenditures

Obligations Incurred	1,924,110.47	
Adjustment of funds in Cruzeiros due to devaluation	15,710.35	1,939,820.82

Surplus

Excess of Income over Expenditures (Carried to Special Funds at disposal of the Directing Council)		<u>\$ 144,089.13</u>
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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 Brunskog
Uno Brunskog
External Auditor

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 1953

<u>ASSETS</u>	<u>GENERAL FUND</u>		<u>LIABILITIES</u>	
Contribution Receivable from Member States (Schedule A)	\$ 665,759.17		Contribution from Chile received in advance	\$ 1,891.34
Less: Reserves for non-collected Contributions	<u>665,759.17</u>	\$ -o-	Obligations Payable:	
Contributions Receivable on behalf of Non Self-Governing Territories (Schedule A)	\$ 2,523.00		Unliquidated Obligations in respect of:	
Less: Reserves for non-collected Contributions	<u>2,523.00</u>	-o-	1953 Budget	266,630.22
Accounts Receivable:			Less: Advance Income Tax Payments	<u>54,193.09</u>
Governments, Institutions and Individuals on account of procurements (Schedule E)	\$ 17,401.16		1952 Budget	9,171.00
World Health Organization	21,825.26		Accounts Payable:	
Sundry Debtors	10,966.70		World Health Organization in respect of Pension and Insurance Contributions	8,902.84
Interest Accrued	<u>6,166.67</u>	\$ 56,359.79	Sundry Creditors	<u>301.81</u>
Capital Assets:				9,204.65
Buildings in Washington	\$ 511,495.00			
Less: Equity in Buildings	<u>511,495.00</u>			
Cash in Banks and on Hand:				
U.S. Dollar Currency	\$ 167,140.46			
Other Currencies	<u>9,203.87</u>	\$ 176,344.33		
				<u>\$ 232,704.12</u>
				<u>\$ 232,704.12</u>
<u>WORKING CAPITAL FUND</u>				
Cash in Banks	\$ 780,000.00		Established Working Capital (Schedule B)	\$1,200,000.00
Investments (Schedule C)	<u>420,000.00</u>			<u>\$1,200,000.00</u>
				<u>\$1,200,000.00</u>
<u>SPECIAL FUNDS</u>				
Cash in Banks	\$ 301,791.53		Emergency Procurement Revolving Fund (Schedule D)	\$ 50,000.00
			Appropriation for Unbudgeted Expenditures (Schedule D)	107,702.40
			1953 Cash Surplus at disposal of Directing Council (Schedule D)	<u>144,089.13</u>
	<u>301,791.53</u>			<u>\$ 301,791.53</u>
<u>TRUST FUNDS</u>				
Cash in Banks	\$ 322,286.96		Procurement Funds (Schedule E)	\$ 228,161.26
			Grants (Schedule F)	36,813.35
			Accrued Repatriation Entitlements (Schedule F)	35,128.00
			Provident Fund (Schedule F)	<u>22,184.35</u>
	<u>322,286.96</u>			<u>\$ 322,286.96</u>
<u>TECHNICAL ASSISTANCE -- ORGANIZATION OF AMERICAN STATES</u>				
Cash in Banks:			Balance of Allocations (Schedule G)	\$ 66,468.62
U.S. Dollar Currency	\$ 45,540.84		Accounts Payable	119.36
Other Currencies	<u>2,366.06</u>	\$ 47,906.90		
Accounts Receivable:				
U.S. Department of Agriculture	\$ 18,243.83			
Sundry	<u>437.25</u>	\$ 18,681.08		
				<u>\$ 66,587.98</u>
				<u>\$ 66,587.98</u>
GRAND TOTAL	<u>\$2,123,370.59</u>		GRAND TOTAL	<u>\$2,123,370.59</u>

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 Brunskog
Uno Brunskog
External Auditor

Schedule A

STATEMENT OF CONTRIBUTIONS OF MEMBER STATES

States	Contributions in respect of the year 1953			Balance due on 31 December 1953 in respect of years prior to 1953 (see Annex)	Total Balance due on 31 December 1953
	Assessment	Collections	Balance due		
Argentina	\$ 146,200.00	\$ --	\$ 146,200.00	\$ 254,442.00	\$ 400,642.00
Bolivia	7,000.00	--	7,000.00	33,284.91	40,284.91
Brazil	190,800.00	190,800.00	--	--	--
Chile	41,200.00	41,200.00	--	--	--
Colombia	43,400.00	37,901.62	5,498.38	--	5,498.38
Costa Rica	4,800.00	4,800.00	--	--	--
Cuba	38,800.00	--	38,800.00	36,336.57	75,136.57
Dominican Republic	6,000.00	6,000.00	--	--	--
Ecuador	6,000.00	--	6,000.00	12,262.23	18,262.23
El Salvador	6,000.00	6,000.00	--	--	--
Guatemala	7,000.00	7,000.00	--	--	--
Haiti	4,800.00	4,800.00	--	--	--
Honduras	4,800.00	4,800.00	--	--	--
Mexico	76,600.00	76,600.00	--	--	--
Nicaragua	4,800.00	--	4,800.00	--	4,800.00
Panama	6,000.00	6,000.00	--	--	--
Paraguay	4,800.00	--	4,800.00	8,164.00	12,964.00
Peru	23,400.00	--	23,400.00	44,414.28	67,814.28
United States	1,320,000.00	1,320,000.00	--	--	--
Uruguay	19,800.00	--	19,800.00	20,556.80	40,356.80
Venezuela	37,800.00	37,800.00	--	--	--
	2,000,000.00	1,743,701.62	256,298.38	409,460.79	665,759.17

STATEMENT OF CONTRIBUTIONS ON BEHALF OF NON SELF-GOVERNING TERRITORIES

France	4,647.00	4,647.00	--	--	--
Netherlands	2,523.00	--	2,523.00	--	2,523.00
Great Britain	15,000.00	--	15,000.00	--	15,000.00
	22,170.00	4,647.00	17,523.00	--	17,523.00

ARREARS OF CONTRIBUTIONS DUE BY MEMBER STATES
IN RESPECT TO YEARS PRIOR TO 1953

States	Year	Due on 1 January 1953	Collected in 1953	Balance due 31 December 1953	Totals
		\$	\$	\$	\$
Argentina	1948	957.04	957.04	--	
	1949	73,160.00	73,160.00	--	
	1950	79,419.38	79,419.38	--	
	1951	120,703.00	6,400.00	114,303.00	
	1952	140,139.00	--	140,139.00	254,442.00
Bolivia	1949	2,219.77	--	2,219.77	
	1950	10,851.14	--	10,851.14	
	1951	10,690.00	--	10,690.00	
	1952	9,524.00	--	9,524.00	33,284.91
Colombia	1952	12,124.98	12,124.98	--	--
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	36,336.57	
Ecuador	1948	779.13	779.13	--	
	1949	8,840.00	8,840.00	--	
	1951	8,358.00	3,092.77	5,265.23	
	1952	6,997.00	--	6,997.00	12,262.23

ARREARS OF CONTRIBUTIONS DUE BY MEMBER STATES
IN RESPECT TO YEARS PRIOR TO 1953

States	Year	Due on 1 January 1953	Collected in 1953	Balance due 31 December 1953	Totals
		\$	\$	\$	\$
Guatemala	1952	6,220.00	6,220.00	--	--
Mexico	1952	69,390.00	69,390.00	--	--
Paraguay	1951	4,082.00	--	4,082.00	--
	1952	4,082.00	--	4,082.00	8,164.00
Peru	1950	20,373.09	--	20,373.09	--
	1951	1,494.19	--	1,494.19	--
	1952	22,547.00	--	22,547.00	44,414.28
Uruguay	1951	4,618.80	--	4,618.80	--
	1952	15,938.80	--	15,938.80	20,556.80
		669,844.09	260,383.30	409,460.79	409,460.79

Schedule B

WORKING CAPITAL FUND

Brought forward from 1952 accounts	\$ 1,200,000.00
Transactions during year 1953	<u> -.-</u>
Balance at 31 December 1953	<u><u>\$ 1,200,000.00</u></u>

Schedule C

INVESTMENTS AT 31 DECEMBER 1953

<u>Description</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value at 31 December 1953</u>
U.S. Treasury Certificates of Indebtedness, maturing June 1, 1954	400,000.00	400,000.00	402,125.00
U.S. Treasury Bonds - Savings Series "G" 2 1/2% maturing June 1, 1954	20,000.00	20,000.00	20,000.00
TOTAL (Investment of Part of Working Capital Fund)	420,000.00	420,000.00	422,125.00

Schedule D

SPECIAL FUNDS

Name and Purpose of Funds	1 January 1953 (Brought forward, from 1952)	Amounts Received, or Transferred during 1953	Total	Payments made during 1953	Balance in Cash at 31 Dec. 1953 Unliquidated Obligations	Unobligated, Total
<u>Emergency Procurement Revolving Fund</u>	\$ 50,000.00	--	50,000.00	--	--	50,000.00
<u>Allocation by Resolution of the III Meeting of the Directing Council to be used in case of the immediate solution of unforeseen health problems</u>						
<u>Appropriation for Unbudgeted Expenditures</u>						
<u>Appropriation by Resolution of the VI Meeting of the Directing Council as follows:</u>						
Building Alterations	132,845.00	--	132,845.00	114,979.40	2,790.00	15,075.60
Translation and Publication of Public Health Administra- tion Books	10,695.00	--	10,695.00	4,075.15	5,805.00	814.85
Smallpox Eradication	75,000.00	--	75,000.00	11,125.74	--	63,874.26
Fellowships	84,920.00	(4,224.37)	80,695.63	61,352.94	19,342.69	19,342.69
Cash Surplus at disposal of the <u>Directing Council</u>	303,460.00	(4,224.37)	299,235.63	191,533.23	27,937.69	79,764.71
1952 Surplus	170,728.46	--	170,728.46	170,728.46	--	--
1953 Surplus	--	144,089.13	144,089.13	--	--	144,089.13
	170,728.46	144,089.13	314,817.59	170,728.46	--	144,089.13
TOTAL SPECIAL FUNDS	524,188.46	139,864.76	664,053.22	362,261.69	27,937.69	273,853.84
						301,791.53

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

	1 January 1953 brought forward from 1952		Amounts received or transferred during 1953	Payments for Supplies, etc. made during 1 9 5 3	Balance 31 December 1953	
	Amounts due to PASB,	Deposits with PASB			Amounts due to PASB	Deposits with PASB
	\$	\$	\$	\$	\$	\$
Argentina	75.69	1,353.90	2,888.50	1,886.97	13.14	2,292.88
Bolivia	8,663.59	-.-	-.-	-.-	8,663.59	-.-
Brazil	497.64	469,762.19	612,808.80	906,008.11	483.46	176,548.70
Chile	1,039.90	626.74	42,785.96	41,037.93	719.56	2,054.43
Colombia	3,670.59	4,856.03	15,179.02	18,252.40	1,887.94	-.-
Costa Rica	551.97	280.37	4,165.76	3,555.83	-.-	338.33
Cuba	3,246.58	407.31	18,604.81	18,407.31	2,641.77	-.-
Dominican R.	-.-	49.80	-.-	49.80	-.-	-.-
Ecuador	667.15	1,444.68	92,653.95	92,960.39	-.-	471.09
El Salvador	3,140.47	33,703.04	126,547.23	139,976.24	-.-	17,133.56
Guatemala	646.80	254.37	2,175.07	2,084.99	646.80	344.45
Haiti	-.-	56.93	13,340.50	12,724.19	-.-	673.24
Honduras	-.-	12.82	-.-	12.82	-.-	-.-
Mexico	1,278.46	1,460.30	4,222.87	4,070.76	768.14	1,102.09
Nicaragua	-.-	176.22	18,223.50	18,399.72	-.-	-.-
Panama	1,687.68	18,441.65	37,125.72	44,358.80	-.-	9,520.89
Paraguay	204.74	11,905.13	569.45	5,053.13	96.83	7,313.54
Peru	-.-	13,668.58	20.50	7,188.63	-.-	6,500.45

PROCUREMENTS FUND

STATEMENT OF PROCUREMENT SERVICES EFFECTED
ON BEHALF OF GOVERNMENT ADMINISTRATIONS,
PUBLIC INSTITUTIONS, etc.

	1 January 1953 brought forward from 1952		Amounts received or transferred during 1953	Payments for Supplies, etc. made during 1 9 5 3	Balance 31 December 1953	
	Amounts due to PASB	Deposits with PASB			Amounts due to PASB	Deposits with PASB
	\$	\$	\$	\$	\$	\$
United States	58.78	--	215.94	157.16	--	--
Uruguay	1,642.37	3,290.09	16,040.78	15,976.59	1,128.33	2,840.24
Venezuela	3,428.38	5,998.50	4,215.51	6,785.63	--	--
Netherlands West Indies	62.22	--	62.22	--	--	--
Surinam	127.13	470.96	127.13	470.96	--	--
Bermuda	--	26.94	--	26.94	--	--
Thailand	--	409.50	--	409.50	--	--
Employees	523.25	6,057.14	19,883.63	24,396.69	6.54	1,027.37
Antigen Sales	2,682.06	--	3,284.34	947.34	345.06	--
Inter-American Association of Sanitary Engineering	--	262.39	(262.39)	--	--	--
	33,895.45	574,975.58	1,034,878.80	1,365,198.83	17,401.16	228,161.26

T R U S T F U N D S

GRANTS - ACCRUED REPATRIATION ENTITLEMENTS - PROVIDENT FUND

Name and Purpose of Funds	1 January 1953 (Brought forward, from 1952)	Amounts Received or Transferred during 1953	Total	Payments made during 1953	Balance in Cash at 31 Dec. 1953 Unliquidated Obligations	Unobligated, Total
<u>GRANTS</u>	\$	\$	\$	\$	\$	\$
<u>Governments of Costa Rica, El Salvador, Guatemala, Honduras and Panama</u>	34,100.33	50,000.00	84,100.33	66,766.93	7,340.63	17,333.40
<u>Nutrition Institute of Central America and Panama</u>						
<u>Joint Project of PASB and Countries involved for the development of the science of nutrition and its application in the Republic of Central America and Panama</u>						
<u>Kellogg Foundation</u>						
<u>Nutrition Section</u>						
<u>To assist in developing a Section of Nutrition in the Pan American Sanitary Bureau</u>	1,121.42	(1) 1,121.42	--	--	--	--
<u>July 1951 - June 1952</u>	8,279.18	1,121.42	9,400.60	8,982.18	--	418.42
<u>July 1952 - June 1953</u>	--	10,000.00	10,000.00	5,654.63	1,071.20	4,345.37
<u>Laboratory Equipment for INCAP</u>						
<u>Books, Equipment and Supplies for INCAP</u>	12,017.95	--	12,017.95	10,885.27	650.27	1,132.68
<u>Nutrition Institute of Ecuador</u>	635.12	--	635.12	44.44	289.00	590.68
<u>To provide Equipment and Scientific Books for Bromatological Laboratory of the Institute</u>						

TRUST FUNDS

GRANTS - ACCRUED REPATRIATION ENTITLEMENTS - PROVIDENT FUND

Name and Purpose of Funds	1 January 1953 (Brought forward from 1952)	Amounts Received or Transferred during 1953	Total	Payments made during 1953	Balance in Cash at 31 Dec. 1953 Unliquidated	Obligations Unobligated	Total
Turrialba Study To assist in study in rural sociology at Turrialba, Costa Rica	\$ 128.07	--	\$ 128.07	--	128.07	--	\$ 128.07
<u>Merck and Company, National Vitamin Foundation, E.R. Squibb and Sons, Lederle Inc.</u>							
Vegetable Protein Project Study of Vegetable Protein supplemented by synthetic vitamin B12	6,771.13	14,500.00	21,271.13	13,831.92	68.38	7,370.83	7,439.21
<u>Nutrition Foundation Inc.</u>							
Nutrition Foundation Project Fund for special apparatus and study grant for one nutrition expert	1,009.55	3,500.00	4,509.55	2,865.24	221.90	1,422.41	1,644.31
<u>Guatemala Government</u>							
Institute for the Promotion of Production Promoting increase in pro- duction of improved types of corn	(154.75)	--	(154.75)	(2) (154.75)	--	--	--

TRUST FUNDS

GRANTS - ACCRUED REPATRIATION ENTITLEMENTS - PROVIDENT FUND

Name and Purpose of Funds	January 1953 (Brought forward, from 1952)	Amounts Received, or Transferred during 1953	Total	Payments, made during 1953	Balance in Cash at 31 Dec. 1953 Unliquidated Obligations	Total
U.S. Public Health Service Grant for the study of the Disease Onchocerciasis and its Vector the Simulium fly	9,670.60	(3) (8,470.60)	1,200.00	1,200.00	--	--
July 1951 - June 1952	4,280.50	21,350.00	25,630.50	23,644.18	1,986.32	1,986.32
July 1952 - June 1953	--	--	--	--	--	--
Research Corp.-Williams-Water- mans Funds	--	1,768.80	1,768.80	1,768.80	--	--
Completion of Central American Dietary Survey of 1950	--	--	--	--	--	--
Gorgas Memorial Institute of Tropical Preventive Medicine Study of jungle yellow fever in Central America and Mexico	--	13,685.28	13,685.28	11,890.39	--	1,794.89
TOTAL GRANTS	77,859.10	106,333.48	184,192.58	147,379.23	9,681.38	27,131.97
ACCRUED REPATRIATION ENTITLEMENTS	--	35,128.00	35,128.00	--	--	35,128.00
PROVIDENT FUND	14,664.06	14,627.54	29,291.60	7,107.25	--	22,184.35
Total GRANTS - ACCRUED REPA- TRIATION ENTITLEMENTS AND PROVIDENT FUND	92,523.16	156,089.02	248,612.18	154,486.48	9,681.38	84,444.32
						94,125.70

Notes: (1) \$1,121.42 Balance of grant for 1951/52 transferred to grant for 1952/53.
 (2) \$154.75 Expenses in excess of grant paid by INCAP and included in the figure of \$66,766.93.
 (3) \$8,470.60 Balance of grant for 1951/52 transferred to grant for 1952/53.

T E C H N I C A L A S S I S T A N C E

Schedule G

(Organization of American States)

	1 January 1953 (Brought forward from 1952)	Amounts Received or Transferred during 1953	Total	Payments made during 1953	Balance at 31 December 1953 Unliquidated Obligations	Unobligated Total
	\$	\$	\$	\$	\$	\$
Aftosa Center - 1951	29,729.67	(29,729.67)	-	-	-	-
1952	56,305.52	(19,405.16)	36,900.36	25,871.17	11,029.19	11,029.19
1953	-	272,693.26	*272,693.26	217,336.91	50,071.71	5,284.64
Nursing Workshop 1951	50.63	(50.63)	-	-	-	-
Administration 1952	267.76	1,359.24	1,627.00	1,543.92	83.08	83.08
T O T A L	86,353.58	224,867.04	311,220.62	244,752.00	50,071.71	16,396.91
					**66,468.62	

(*) Including Interest \$310.18

(**) Riggs National Bank, US\$ 45,540.84
 Banco do Brasil, (Cruz.)\$ 2,366.06
 Accounts Receivable \$ 437.25
 Dept. of Agriculture \$ 18,243.83

A/C Payable
 \$ 66,587.98
 \$ 119.36
\$ 66,468.62

REPORT OF THE EXTERNAL AUDITOR

FOR 1953

WASHINGTON, D.C. 18 February 1954

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 1953. 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.

WASHINGTON, D.C. 18 February 1954

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 1953. 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 1953.

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 1953, 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 honor 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:
 - a. Statement of Appropriations, Obligations Incurred, and Unobligated Balance of Appropriations for the year 1953;
 - b. Statement of Income, Expenditures and Surplus for the year 1953; and
 - c. Statement of Assets and Liabilities as at 31 December 1953.

Expenditures

3. The activities of the Bureau can, to a certain extent, be valued according to the expenditure of a year. The following statement shows the expenditures during the years 1952 and 1953 from the various funds available to the Bureau:

	<u>1952</u>	<u>1953</u>
	\$	\$
Regular Budget	1,749,738	1,924,110
Technical Assistance, Organization of American States	211,990	244,752
Other Funds	<u>158,957</u>	<u>509,641</u>
	2,120,685	2,678,503
Procurements	<u>3,072,022</u>	<u>1,365,199</u>
TOTAL	<u><u>5,192,707</u></u>	<u><u>4,043,702</u></u>

4. As can be seen from the table in Paragraph 3, with the exception of procurements, the activities of the Bureau show a marked increase. As a result of the relaxation of the regulations decided upon by the United States Department of Commerce, Office of International Trade, the countries themselves were able to obtain export permits for DDT in the United States of America since the middle of 1952. For this reason purchase orders for DDT issued by the Bureau decreased by \$2,967,478 from 1952 to 1953. For January 1954 a considerable increase in procurement activities is noted.
5. The Budget of the Bureau, approved by the Directing Council, was increased by \$86,319 from 1952 to 1953. The realization of the Budget increased by \$174,372 leaving a saving in 1953 in the unobligated balance of appropriations of \$135,889 or 6.6% of the total budget. For the year 1952 the corresponding figures were \$232,942 and 11.3%. From these figures it will be seen that in 1953 there was a good improvement in the utilization of the budgeted provisions as compared with those of the previous year.
6. It should be pointed out that payments amounting to \$362,261 have been made during 1953 from funds (Schedule D) put at the disposal of the Director. In fact, these payments are of the same nature as ordinary budgetary expenditures.

In Exhibit II is shown under the heading "Expenditures" an adjustment of Cruzeiros due to revaluation of an amount of \$15,710. This expenditure represents a net loss of exchange for which no provision has been included in the Budget. The explanation to this adjustment is the following:

On 1 January 1953 the accounting rate of Cruzeiros was increased from CR \$20 to CR \$18.50 to U.S. \$1.00 giving a profit of exchange of \$3,195. On 1 March 1953 the rate of Cruzeiros was decreased to CR \$40 to U.S. \$1.00 leaving a loss of \$18,905. The net loss of the changes of the fixed accounting rate of Cruzeiros apparently stayed at \$15,710. This amount is not included in the statement in Paragraph 3.

7. The staff rules stipulate that a staff member who has completed two or more years of full time service with the Bureau at an official station outside his home country shall be entitled to a repatriation grant upon leaving the Bureau other than by dismissal for serious misconduct.

The Bureau's liability in this respect has been calculated at \$35,128 as at 31 December 1953. This amount was set up as a reserve, and the 1953 Budget was charged accordingly.

Only a part of this liability has accumulated during 1953 and the Budget has consequently been charged with the liabilities accumulated in prior years.

However, as the Bureau's liability undoubtedly exists, the establishment of a reserve appears to be within sound financial practice.

Budgetary Income

8. The revenues during 1953, as compared with those for the year 1952, are as follows:

	<u>1952</u>	<u>1953</u>
	\$	\$
Contributions collected from		
Member States	1,901,451	2,004,085
3% Procurement Charges	80,055	34,199
Other Income	<u>47,485</u>	<u>45,626</u>
	2,028,991	2,083,910
 Income credited directly to the Working Capital Fund	 <u>26,432</u>	 <u>- -</u>
TOTAL	 <u><u>2,055,423</u></u>	 <u><u>2,083,910</u></u>

9. The sums of ordinary contribution received during the year 1953 are shown in the statement below. For purposes of comparison, the corresponding figures for the years 1951-1952 are also given.

	<u>Contributions Assessed</u>	<u>Contributions Collected for the Current Year</u>	%	<u>Arrears of Contributions Collected</u>	<u>Total of Current Contributions and Arrears Collected</u>	
	\$	\$	%	\$	\$	%
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

It will be seen from the above statement that there is a slight increase in the percentage of contributions received in 1953.

Of the collected arrears in the year 1953, \$260,383, an amount of \$159,936 was received from Argentina. However, Schedule A shows that Argentina still owes \$400,642 of the total uncollected contributions amounting to \$665,759.

10. It is evident that from a financial point of view, a cash deficit should be avoided. But, I will stress that the financial management of the Bureau in order to carry out its aim, as stated in the Budget, has a difficult task if the contributions are not collected. The following table might illustrate the matter.

	<u>Obligations Incurred</u>	<u>Collected Contri- butions for the Current Year</u>	<u>Total of Collected Contributions and Arrears</u>
	1,000 \$	1,000 \$	1,000 \$
1953	1,924	1,744	2,004
1952	1,750	1,629	1,901

The current contributions collected for 1952 and 1953 were insufficient for financing the budgetary expenditures. In the year 1953 there was even a difference of \$180,000. Only by collection of arrears has it been possible to cover the expenditures. If the arrears are collected late in the year there will be no chance for the Bureau to carry out the program outlined in the voted Budget.

I am obligated to stress that it is of fundamental importance to the Bureau that contributions are paid promptly. What would happen if the biggest contributor, for some reason, should fail to pay its contribution in any year?

Cash Surplus for 1953

11. As shown in Exhibit II, the cash surplus for 1953 amounted to \$114,089 representing 6.9% of the total Budget, as compared with the cash surplus of \$279,253 or 14.1% of the Budget in the previous year. It has to be borne in mind that the cash surplus for 1953 has been made possible mainly by the collection of arrears of contributions from Member States.

Visits to Zone Offices

12. In order to study particularly how the decentralization scheme was operating in practice and if there were duplications in work either on the administrative or technical side between Headquarters and the Zone Offices, I visited in January 1954 the Zone Offices in Mexico and Guatemala and I am glad that I am able to state that, in fact, there seems to be very little duplication of work.

13. In 1953 the first steps were taken to introduce a new accounting system at the Zone Offices. It is working out well, but it does not allow the Zone Representatives to carry their full responsibilities concerning allotments issued to them. I understand that the decentralization of the allotment control will follow as soon as the system has been decided. In this respect, I believe that to fix the responsibility between Headquarters and Zone Offices it will be necessary sooner or later to introduce an inter-office voucher system. I do not like this system myself but with the present Zone Offices situated in different countries and given considerable powers, I deem it necessary to introduce such a system even if it will slightly increase the work at Headquarters.
14. The Zone Offices are established along similar lines. They are organized as a team taking care of the interests of the Bureau in the different Zones. As the number of personnel in the Zone Offices is relatively restricted, it is necessary to have a team-spirit in the offices in order to carry out the functions of the Bureau. The Mexico Office was satisfactory in this respect.
15. In the last days of December 1953 a clerk at the Zone Office in Guatemala did not return to the office. He was in charge of the petty cash at the office, the U. S. dollar revolving fund, a sales account, and the stockroom. In checking the cash and the stockroom, the Zone Office found the following discrepancies:

Cash	\$ 558.25
3 Microscopes at a book-value of	1,000.00
1 Typewriter at a book-value of	80.00.

The theft has been reported to the police.

As such cases are covered by a general insurance coverage, it is hoped that the Bureau will obtain reimbursement.

It has to be noted that the petty cash, the U. S. dollar revolving fund, and the sales account had not been checked by the clerk's supervisor since October 1953. Such checking must be considered as part of the routine work.

Properties

16. During the year 1953 there has been invested an amount of \$117,769 in the properties in Washington, as follows:

	<u>Hitt House</u>	<u>Blodgett House</u>	<u>Total</u>
	\$	\$	\$
Investments as at 1 February 1953	<u>244,039</u>	<u>149,687</u>	<u>393,726</u>
Investments in 1953:			
Renovations	11,867	17,971	29,838
Air Conditioning	34,000	34,000	68,000
New Elevator	<u>19,931</u>	<u>- -</u>	<u>19,931</u>
	<u>65,798</u>	<u>51,971</u>	<u>117,769</u>
Total investments as at 31 December 1953	<u><u>309,837</u></u>	<u><u>201,658</u></u>	<u><u>511,495</u></u>

Included in the total of \$117,769 is an amount of \$2,790 representing unliquidated obligations. The remaining amount, \$114,979, has been charged to the Special Fund for Building Alterations created by Resolution of the VI Meeting of the Directing Council (see Schedule D). The balance of this fund, \$17,865, in accordance with a decision taken by the Directing Council, has been made available for maintenance and repair of the Headquarters' buildings after 31 December 1953.

17. The Hitt and Blodgett Houses, which comprise the Headquarters, were purchased in 1951 for \$300,000. These purchases were financed by loans from The Rockefeller Foundation and The W. K. Kellogg Foundation to be repaid within six years. In the years 1951 and 1952 payments were made to each Foundation of an amount of \$50,000 leaving a balance of the loans of \$200,000.

By Resolution of the Directing Council at its VII Meeting, the Director was authorized to apply the 1952 cash surplus, \$170,728, to the repayment of the loans. The remaining amount, \$29,272, was charged to the 1953 Budget.

18. The decisions made by the Directing Council, mentioned in Paragraphs 16 and 17, are to be commended and have resulted in the Bureau having sufficient and modernized accommodations of its own for at least the near future.

Working Capital Fund

19. As at 1 January 1953 the Working Capital Fund amounted to \$1,200,000. At its VII Meeting, the Directing Council resolved to establish the fund for the year 1954 at the same level, i.e., \$1,200,000.

The rule in force stipulates that the cash in excess of obligations should be credited to the Working Capital Fund to the amount needed to replenish the Fund. However, as the Fund in 1953 already had reached the 1954 level, the rule mentioned above has been interpreted in such a way that the cash surplus, as can be seen from Exhibit II, has been carried to a Special Fund at the disposal of the Directing Council. The method thus used, I recommend as being a sound one.

Procurement

20. As already stated in Paragraph 4, the volume of the procurement has decreased in the year 1953. The reason for this is also stated in that paragraph.

An examination of the procurement accounts as at 31 December 1953 revealed that the following claims have been outstanding for a considerable time:

		<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	: Proveeduría de Medicina	768	1947
Paraguay	: Hospital de Clínicas	96	1952
Uruguay	: Embassy of Uruguay	1,123	1950/52

The Director has several times made approaches to the parties concerned, but with no result.

Inventory

21. A statement of the inventory on hand at Headquarters as at 31 December 1953 has been submitted to me. For comparison, the figures related to the 1952 inventory are included in the following table:

	<u>1952</u>	<u>1953</u>
	\$	\$
Typewriters	24,162	23,880
Adding Machines	2,813	2,813
Calculators	1,248	1,248
Other Office Machines	6,187	6,377
Dictaphone Equipment	7,063	7,582
Cars	2,000	4,025
Furniture	40,249	41,011
Cabinets and Shelving	17,051	18,715
Medical Equipment	3,128	3,126
Reproduction Equipment	13,258	14,995 *
Cartographic and Drafting Equipment	5,273	5,517
Various Others	<u>6,951</u>	<u>6,308</u>
Total	129,383	135,597
Stationery and Office Supplies	<u>2,357</u>	<u>5,225</u>
Grand Total	<u><u>131,740</u></u>	<u><u>140,822</u></u>

Checks made indicate that the statement is correct.

22. In the year 1953 a new system of inventory record was introduced at the Zones. There is a good improvement in the control of the inventories. However, many of the statements of inventories in respect of the field projects have still not reached Headquarters.

General Observations


23. 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. Although they are still under development, there has been a good improvement in the year 1953.
24. Summarizing three years of experience as the External Auditor of the accounts of the Bureau, I would like to state the following:
- a. The Bureau has in these three years turned out to be an international organization with a sound financial position;

*Includes Varityper formerly listed with typewriters

- b. The functions of the Bureau have been split up between Headquarters and offices established abroad in such a way that the structure of the Bureau, with perhaps small adjustments according to experience gained, can remain in the future;
- c. From an unsatisfactory position when I first took over, the Administration now has settled down, found its organizational pattern, introduced better procedures and control, and has been stabilized. In spite of rapidly increasing workload, the staff of the Division of Administration has been decreased from 129 in 1951 to 113 in 1952, and by the end of 1953 to 99 with further possible reductions in the future; and
- d. It is true that the final goal has not so far been reached, if it ever can be achieved by any administration, but the development is going in the right direction.

* * * *

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.
18 February 1954