

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

Topic 12: DRAFT FINANCIAL REGULATIONS

Background

At its XIII Meeting, the Pan American Sanitary Conference adopted the following resolution:

"WHEREAS:

The functions of the Pan American Sanitary Bureau are sufficiently broad to require special care in the administration of its finances, as well as adequate protection for the individuals who bear the responsibility for such administration; and

Large inter-governmental organizations are guided by detailed financial rules and regulations adopted by their Member States;

THE XIII PAN AMERICAN SANITARY CONFERENCE

RESOLVES:

1. To commend the Director for his efficient administration of the funds of the Organization in past years.
2. To request the Director to submit a draft of financial regulations to the 13th Meeting of the Executive Committee, and to request the latter to consider the said draft and to submit recommendations to the Directing Council, taking into account such international procedures as are appropriate for such regulations, which are to include, among other points, provisions governing the administration of the Working Capital Fund and the procedure for auditing accounts."

In accordance with the instructions of the Conference there is submitted herewith Provisional Financial Regulations for the Pan Ame-

13a REUNION DEL COMITE EJECUTIVO
Washington, D. C.
23 abril - 1 mayo 1951

Tema 12: PROYECTO DE REGLAMENTO FINANCIERO

Antecedentes

La XIII Conferencia Sanitaria Panamericana adoptó la siguiente resolución:*

"CONSIDERANDO:

Que las funciones de la Oficina Sanitaria Panamericana son lo suficientemente amplias para requerir un cuidado especial en la administración de sus finanzas, lo mismo que protección adecuada para las personas a quienes cabe la responsabilidad de tal administración; y

Que las organizaciones intergubernamentales de mayor envergadura disponen de reglamentos financieros detallados y de reglamentos adoptados por los Estados Miembros;

LA XIII CONFERENCIA SANITARIA PANAMERICANA

RESUELVE:

1. Felicitar al Director por la forma tan eficiente en que ha administrado los fondos de la Organización en los años precedentes.

2. Solicitar al Director que presente un proyecto de reglamento financiero a la 13a Reunión del Comité Ejecutivo, y que este último estudie el mismo y haga recomendaciones al Consejo Directivo tomando en cuenta los métodos internacionales adecuados para tales reglamentos; dicho reglamento incluirá, entre otras cosas, las disposiciones relativas a la administración del Fondo de Trabajo y el procedimiento a seguir en la intervención de cuentas."

De acuerdo con las instrucciones de la Conferencia, se somete a la consideración del Comité Ejecutivo el adjunto Reglamento Financiero

rican Sanitary Bureau.

The Provisional Financial Regulations, insofar as possible, have been based on the financial regulations proposed for adoption by the World Health Organization. The World Health Organization Financial Regulations have been based on the recommendations of the Consultative Committee on Administrative Questions of the United Nations and the Specialized Agencies.

Modifications to the financial regulations of the World Health Organization were required, because of differences between the Pan American Sanitary Organization and the World Health Organization. Other modifications were required to make the regulations applicable to Pan American Sanitary Bureau operations.

These rules are appropriate to meet requirements of the Bureau in its present stage of development. As we gain experience they may be completed, as the application of these rules will indicate changes which can be instituted in the future.

Proposed Resolution

The Executive Committee, after considering the Provisional Financial Regulations, may wish to adopt a resolution along the following lines:

WHEREAS:

The XIII Pan American Sanitary Conference requested the Director to submit a draft of financial regulations to the Executive Committee; and

The Executive Committee has reviewed in detail the Provisional Financial Regulations for the Pan American Sanitary Bureau;

THE EXECUTIVE COMMITTEE

RESOLVES:

1. To authorize the Director to implement the Provisional Financial Regulations during the present fiscal year of 1951.
2. To recommend the adoption of these Provisional Financial Regulations to the Directing Council at its next meeting.
3. To instruct the Director to submit for the consideration of the Directing Council such changes to the Provisional Financial Regulations as may be necessary.

Provisional de la Oficina Sanitaria Panamericana.

En la medida de lo posible, el Reglamento Financiero Provisional se basa en el reglamento financiero sometido a la aprobación de la Organización Mundial de la Salud. El reglamento financiero de la Organización Mundial de la Salud se basa, a su vez, en las recomendaciones del Comité Consultivo en Asuntos Financieros y de Presupuestos de las Naciones Unidas y Organizaciones Especializadas.

Las diferencias existentes entre la Organización Sanitaria Panamericana y la Organización Mundial de la Salud exigieron la introducción de ciertas modificaciones en el reglamento financiero de esta última. Otras modificaciones resultaron igualmente necesarias al objeto de adaptar el reglamento a las necesidades funcionales de la Oficina Sanitaria Panamericana.

El proyecto de reglamento responde a las necesidades de la Oficina en su actual estado de desarrollo. A medida que vayamos adquiriendo experiencia será posible completarlo con la introducción, en el futuro, de aquellos cambios que su aplicación aconseje.

Respetuosamente se sugiere que el Comité Ejecutivo, después de estudiar el Reglamento Financiero Provisional, considere la adopción de una resolución de acuerdo con los lineamientos del siguiente proyecto:

Proyecto de Resolución

CONSIDERANDO:

Que la XIII Conferencia Sanitaria Panamericana requirió al Director para que sometiera al Comité Ejecutivo un proyecto de reglamento financiero; y

Que en su 13a Reunión examinó detalladamente el Reglamento Financiero Provisional que le ha sido sometido;

EL COMITE EJECUTIVO

RESUELVE:

1. Autorizar al Director para que aplique el Reglamento Financiero Provisional durante el presente año financiero de 1951.
2. Recomendar al Consejo Directivo, en su próxima reunión la adopción de este Reglamento Financiero Provisional.
3. Indicar al Director que someta a la consideración del Consejo Directivo aquellas modificaciones del Reglamento Financiero Provisional que puedan ser necesarias.

PROVISIONAL FINANCIAL REGULATIONS FOR
THE PAN AMERICAN SANITARY BUREAU

Article I - Applicability

- 1.1 These regulations shall govern the financial administration of the Pan American Sanitary Bureau

Article II - The Financial Year

- 2.1 The financial year shall be the period 1 January through 31 December

Article III - The Budget

- 3.1 The Executive Committee shall prepare, with the cooperation of the Director of the PASB, a proposed annual budget for consideration by the Directing Council.
- 3.2 The estimates shall cover estimated expenditures for the financial year to which they relate, and shall be presented in U. S. dollars.
- 3.3 The annual budget estimates shall be divided into Parts, Sections, Chapters, and Articles, and shall be accompanied by such information annexes and explanatory statements as may be requested on behalf of the Directing Council, and such further annexes or statements as the Director may deem necessary and useful.
- 3.4 The Director shall submit to the Executive Committee budget estimates for the following financial year.
- 3.5 The Director shall transmit the budget of the Executive Committee at least thirty days prior to the meeting of the Directing Council.
- 3.6 The Executive Committee shall present its proposed Budget to the Directing Council at its annual meeting.
- 3.7 The budget for the following financial year shall be adopted by the Directing Council after consideration and report on the estimates by the Executive Committee.
- 3.8 Supplementary estimates may be submitted by the Director when and as he may deem necessary.
- 3.9 The Director shall prepare supplementary estimates in a form consistent with the annual estimates and shall submit such estimates to the Executive Committee. The Executive

REGLAMENTO FINANCIERO PROVISIONAL DE
LA OFICINA SANITARIA PANAMERICANA

Artículo I - Aplicación

- 1.1 La administración financiera de la Oficina Sanitaria Panamericana se regirá por las disposiciones del presente Reglamento.

Artículo II - El Año Financiero

- 2.1 El año financiero empezará el 1º de enero y terminará el 31 de diciembre.

Artículo III - El Presupuesto

- 3.1 El Comité Ejecutivo preparará, con la colaboración del Director de la Oficina Sanitaria Panamericana, un proyecto de presupuesto anual que será sometido a la consideración del Consejo Directivo.
- 3.2 Los cálculos presupuestarios cubrirán los gastos previstos para el año a que se refieren y estarán expresados en dólares de los Estados Unidos.
- 3.3 El presupuesto anual se dividirá en Partes, Secciones, Capítulos y Artículos y deberá ir acompañado de los anexos informativos y notas explicativas que se hayan solicitado en nombre del Consejo Directivo y de todos aquellos otros anexos y notas que el Director juzgue necesarios o útiles.
- 3.4 El Director someterá al Comité Ejecutivo los cálculos presupuestarios para el año financiero siguiente.
- 3.5 El Director transmitirá al Consejo Directivo, por lo menos 30 días antes de su reunión, el Presupuesto preparado por el Comité Ejecutivo.
- 3.6 El Comité Ejecutivo presentará su proyecto de presupuesto al Consejo Directivo en la reunión anual de este último.
- 3.7 El Consejo Directivo adoptará el presupuesto para el año financiero siguiente, previo examen e informe del Comité Ejecutivo sobre los cálculos presupuestarios.
- 3.8 El Director podrá presentar presupuestos adicionales cuando y como lo juzgue necesario.
- 3.9 El Director preparará los presupuestos adicionales en forma compatible con los cálculos presupuestarios anuales y los someterá al Comité Ejecutivo. Este los examinará, e informará sobre los mismos al Consejo Directivo.

Committee shall review such estimates and report thereon to the Directing Council.

Article IV - Appropriations

- 4.1 The appropriations voted by the Directing Council shall constitute an authorization to the Director to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted.
- 4.2 Appropriations shall be available for obligation for the financial year to which they relate.
- 4.3 Appropriations shall remain available to the extent that they are required to meet the outstanding legal obligations as at 31 December of that year.
- 4.4 Any remaining balance of appropriations will revert to the Working Capital Fund.
- 4.5 Transfers within the total amount appropriated may be made to the extent permitted by the terms of the budget resolution adopted by the Directing Council.

Article V - Provision of Funds

- 5.1 The appropriations, subject to the adjustments effected in accordance with the provisions of Regulation 5.2, shall be financed by contributions from Member States, according to Article 60 of the Pan American Sanitary Code. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund.
- 5.2 In the assessment of the contributions of Member States, adjustments shall be made to the amount of the appropriations approved by the Directing Council for the following financial year in respect of:
 - a. Supplementary appropriations for which contributions have not previously been assessed on the Members;
 - b. Contributions resulting from the assessment of new Members under the provisions of Regulation 5.8.
- 5.3 After the Directing Council has voted the appropriations the Director shall request the Secretary-General of the Pan American Union to:

Artículo IV - Asignaciones

- 4.1 En virtud de los créditos votados por el Consejo Directivo, el Director quedará autorizado a contraer obligaciones y efectuar pagos por la cuantía de dichas asignaciones y en relación con los fines para que fueron votadas.
- 4.2 Las asignaciones serán disponibles para cubrir obligaciones del año fiscal correspondiente.
- 4.3 Las asignaciones seguirán siendo disponibles en la medida necesaria para cubrir obligaciones legales pendientes el 31 de diciembre de dicho año.
- 4.4 Cualquier saldo que quedare de las asignaciones revertirán al Fondo de Trabajo.
- 4.5 Las transferencias de asignación, dentro del total votado, podrán efectuarse en la medida que lo permitan los términos de la resolución relativa al presupuesto que adopte el Consejo Directivo.

Artículo V - Aportación de Fondos

- 5.1 Habida cuenta de los ajustes efectuados a tenor de la disposición 5.2, las asignaciones serán financiadas con las contribuciones de los Estados Miembros, de acuerdo con el artículo 60 del Código Sanitario Panamericano. Hasta que se reciban dichas contribuciones las asignaciones podrán ser financiadas con los recursos del Fondo de Trabajo.
- 5.2 Al fijarse las contribuciones de los Estados Miembros se practicarán ajustes, teniendo en cuenta el monto de las asignaciones aprobadas por el Consejo Directivo para el año financiero siguiente, respecto a:
 - a. Las asignaciones suplementarias para las cuales no se hubieren previamente asignado contribuciones a los Miembros;
 - b. Las contribuciones fijadas para los nuevos miembros según los términos de la disposición 5.8.
- 5.3 Una vez el Consejo Directivo haya votado las asignaciones, el Director solicitará del Secretario General de la Unión Panamericana que:
 - a. Transmita los documentos pertinentes a los Estados Miembros.

- a. Transmit the relevant documents to Member States;
 - b. Inform Members of their commitments in respect of annual contributions;
 - c. Request Member Governments to remit their contributions.
- 5.4 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 the later.
- 5.5 Annual contributions shall be assessed in United States dollars and paid in United States dollars.
- 5.6 Payments made by a Member State shall be credited to the earliest outstanding assessments in their account.
- 5.7 The Director shall submit to the regular session of the Directing Council a report on the collecting of contributions.
- 5.8 New Members shall be required to make a quota contribution for the year in which they become Members.

Article VI - Funds

- 6.1 There shall be established a General Fund for the purpose of accounting for the expenditures of the Bureau. The contributions paid by Member States under Regulation 5.1, miscellaneous income, and any advances made from the Working Capital Fund to finance general expenditures shall be credited to the General Fund.
- 6.2 There shall be established a Working Capital Fund in an amount and for purposes to be determined from time to time by the Directing Council. The source of monies of the Working Capital Fund shall be from the surplus as at 31 December 1949 as reported by the Director and as adopted by the Directing Council under Resolution II of the III Meeting of the Directing Council of the Pan American Sanitary Organization and Resolution III (Rev. 1) of the XIII Pan American Sanitary Conference.
- 6.3 Title to monies credited to the Working Capital Fund shall remain with the Pan American Sanitary Organization.
- 6.4 The Working Capital Fund shall be used to finance budgetary appropriations during a financial year and shall be

- b. Informe a los Miembros sobre sus compromisos en relación con las contribuciones anuales.
 - c. Solicite de los Gobiernos de los Estados Miembros la remesa de sus contribuciones.
- 5.4 Se considerará que las contribuciones son vencidas y pagaderas en su totalidad dentro de 30 días a contar de la fecha en que se haya recibido la comunicación del Secretario General de la Unión Panamericana o del primer día del año financiero a que se refieran, si esta segunda fecha es posterior a la primera.
- 5.5 Las contribuciones serán fijadas y pagadas en dólares de los Estados Unidos.
- 5.6 Los pagos de los Estados Miembros se afectarán a los atrasos más antiguos que figuren en sus cuentas respectivas.
- 5.7 El Director someterá a la reunión ordinaria del Consejo Directivo un informe sobre la recaudación de las contribuciones.
- 5.8 Se exigirá de los nuevos miembros el pago de una contribución proporcional para el año en que tenga lugar su admisión.

Artículo VI - Fondos

- 6.1 Se establecerá un Fondo General para la justificación de los gastos de la Oficina. Las contribuciones pagadas por los Estados Miembros de acuerdo con la disposición 5.1, los ingresos de origen diverso y todos los adelantos procedentes del Fondo de Trabajo para financiar gastos de carácter general serán llevados al haber del Fondo General.
- 6.2 Se establecerá un Fondo de Trabajo cuyos fines y cuantía fijará periódicamente el Consejo Directivo. Los recursos del Fondo de Trabajo procederán del superávit tal y como era el 31 de diciembre de 1949 según informe del Director adoptado por el Consejo Directivo de acuerdo con la resolución II de la III Reunión del Consejo Directivo de la Organización Sanitaria Panamericana y la Resolución III (Rev. 1) de la XIII Conferencia Sanitaria Panamericana.
- 6.3 La Organización Sanitaria Panamericana conservará la propiedad de las sumas inscritas en el haber del Fondo de Trabajo.
- 6.4 El Fondo de Trabajo se aplicará a financiar asignaciones presupuestarias durante el año financiero y los adelantos serán

reimbursed to the Fund as soon as and to the extent that income is available for that purpose.

- 6.5 Transfers from the Working Capital Fund to finance unforeseeable and extraordinary expenses or other authorized purposes shall be reimbursed from regularly budgeted funds unless other authorized means are used to replenish the Fund.
- 6.6 Income derived from investments of the Working Fund shall be credited to miscellaneous income.
- 6.7 Trust, Reserve and Special Funds may be established by the Director or other appropriate authority.
- 6.8 The purpose and limits of each Trust Reserve and Special Fund shall be clearly defined by the appropriate authority. Unless otherwise provided, such funds shall be administered in accordance with these Regulations
- 6.9 The Director shall have power to borrow funds on authorized purposes when, in his opinion, such borrowing will serve the best interests of the FASB, provided that he shall submit a full report to the next Meeting of the Executive Committee.

Article VII - Other Income

- 7.1 All income, other than:
 - a. Contributions to the budget;
 - b. Refunds of direct expenditures made during the financial year;
 - c. Advances or deposits to Funds and Grants;

Shall be claimed as miscellaneous income for credit to the General Fund.

- 7.2 Voluntary contributions may be accepted by the Director provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Bureau and provided that the acceptance of such contributions which directly or indirectly involve additional financial liability for the Bureau, shall require the consent of the appropriate authority.
- 7.3 Monies accepted for purposes specified by the donor shall be treated as Trust or Special Funds under Regulation 6.7 and 6.8.

reembolsados al Fondo tan pronto como sea posible y según la medida de los ingresos disponibles para tal fin.

- 6.5 Las transferencias del Fondo de Trabajo para el financiamiento de gastos imprevistos y extraordinarios o para otros fines autorizados se reembolsarán con fondos ordinarios del presupuesto, a menos que no se proceda a rellenar el Fondo por otros medios autorizados.
- 6.6 Las rentas derivadas de las inversiones del Fondo de Trabajo serán destinadas a engrosar los ingresos de origen diverso.
- 6.7 El Director o cualquier otra autoridad competente podrán establecer Fondos de Fideicomiso, de Reserva y Especiales.
- 6.8 El objeto y los límites de cada Fondo de Fideicomiso, de Reserva o Especial deberán ser claramente definidos por la autoridad competente. A menos que no se disponga lo contrario, estos fondos serán administrados según el presente Reglamento.
- 6.9 El Director tendrá facultad para contratar préstamos con destino a fines autorizados cuando estime que dichos préstamos son en beneficio de los altos intereses de la Oficina Sanitaria Panamericana, a condición de presentar un informe completo al Comité Ejecutivo en su siguiente reunión.

Artículo VII - Otros Ingresos

- 7.1 Cualesquiera otros ingresos que no procedan de:
 - a. Contribuciones al presupuesto;
 - b. Reembolsos de gastos directos efectuados durante el año financiero;
 - c. Adelantos o depósitos en Fondos y Donaciones;serán considerados como ingresos de origen diverso y llevados al haber del Fondo General.
- 7.2 El Director puede aceptar contribuciones voluntarias a condición de que la finalidad de estas contribuciones sea compatible con los principios, objetivos y actividades de la Oficina y de que la aceptación de aquellas contribuciones que, directa o indirectamente, impliquen obligaciones financieras adicionales para la Oficina obtenga el consentimiento de la autoridad competente.
- 7.3 Las sumas que hayan sido aceptadas para dedicarlas a fines especificados por un donante serán tratadas como Fondos de Fideicomiso o Especiales, de acuerdo con las disposiciones 6.7 y 6.8.

- 7.4 Monies accepted in respect of which no purpose is specified shall be treated as miscellaneous income and reported as "gifts" in the annual accounts.

Article VIII - Custody of Funds

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

Article IX - Investment of Funds

- 9.1 The Director may make short-term investments of monies not needed for immediate requirements and shall inform the Executive Committee periodically of such investments which he has made.
- 9.2 The Director may make long-term investments of monies standing to the credit of Trust, Reserve, or Special Funds as may be provided by the appropriate authority in respect of each such fund.
- 9.3 Income derived from investments shall be credited as provided in the rules relating to each Fund.

Article X - Internal Control

- 10.1 The Director shall:
- a. Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy;
 - b. Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payment has not previously been made;
 - c. Designate the officers who may receive monies, incur obligations and make payments on behalf of the Bureau;
 - d. Maintain an internal financial control which shall provide for an effective current examination and/or review of financial transactions in order to ensure:
 - (i) the regularity of the receipt, custody and disposal of all funds and other financial resources of the Bureau;

- 7.4 Las sumas que hayan sido aceptadas sin mención particular de finalidad serán tratadas como ingresos de origen diverso e inscritas como "dádivas" en las cuentas anuales.

Artículo VIII - Custodia de los Fondos

- 8.1 El Director designará el banco o bancos a quienes haya de confiarse la custodia de los fondos de la Oficina.

Artículo IX - Inversión de Fondos

- 9.1 El Director puede efectuar inversiones a corto plazo de sumas que no sean precisas para atender a necesidades inmediatas e informará periódicamente al Comité Ejecutivo sobre dichas inversiones.
- 9.2 El Director puede invertir a largo plazo sumas que figuren en el haber de los Fondos de Fideicomiso, de Reserva o Especiales, en la forma que disponga la autoridad competente para cada fondo.
- 9.3 Las rentas derivadas de inversiones serán acreditadas de acuerdo con las disposiciones que rijan para cada fondo.

Artículo X - Control Interior

- 10.1 Corresponde al Director:
- a. Establecer reglas y métodos detallados que garanticen una administración financiera eficiente y económica;
 - b. Ordenar que todos los pagos se efectúen sobre la base de justificantes para cada caso y otros documentos probatorios de la prestación de servicios, de la entrega de mercaderías y de no haberse efectuado previamente el pago de unos u otras;
 - c. Designar a los funcionarios autorizados a recibir fondos, contraer obligaciones y efectuar pagos en nombre de la Oficina;
 - d. Mantener un control financiero interno que permita un examen o investigación eficaz y corriente de las transacciones financieras con el fin de asegurar:
 - (i) la regularidad del recibo, custodia y disposición de todos los fondos y otros recursos financieros de la Oficina;

- (ii) the conformity of obligations and expenditures with the appropriations or other financial provision voted by the Directing Council, or with the purposes and rules relating to Trust and other Special Funds;
 - (iii) the economic use of the resources of the Bureau.
- 10.2 No obligations shall be incurred until allotments or other appropriate authorizations have been made in writing under the authority of the Director.
- 10.3 The Director may make such ex gratia payments as he deems to be necessary in the interests of the Bureau, provided that a statement of such payments shall be submitted to the Directing Council with the annual accounts.
- 10.4 The Director may after full investigation, authorize the writing off of such losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Auditor (s) with the annual accounts.
- 10.5 Tenders for equipment, supplies, and other requirements shall be invited by advertisement except where the Director deems that, in the interests of the Bureau, a departure from the rule is desirable.

Article XI - The Accounts

- 11.1 The Director shall maintain such accounts as are necessary and shall submit annual accounts showing for the financial year to which they relate:
- a. The income and expenditure of all funds;
 - b. Credits, if any, other than appropriations voted by the Directing Council.
 - c. The assets and liabilities of the Bureau
- He shall also give such other information as may be appropriate to indicate the current financial position of the Bureau.
- 11.2 The accounts of the Bureau shall be presented in United States dollars. The accounts may be kept in such currency

- (ii) la conformidad de las obligaciones y gastos con las asignaciones, con otros créditos aprobados por el Consejo Directivo, o con los fines y disposiciones referentes a los Fondos en Fideicomiso y otros Fondos Especiales;
 - (iii) el empleo económico de los recursos de la Oficina.
- 10.2 No se deberá contraer obligación alguna hasta que las atribuciones de fondos u otras autorizaciones hayan sido hechas por escrito bajo la autoridad del Director.
- 10.3 El Director podrá efectuar los pagos ex gratia que él crea necesarios en interés de la Oficina, siempre que se presente al Consejo Directivo una relación de tales pagos junto con el estado de cuentas anual.
- 10.4 El Director podrá, después de una investigación completa, autorizar la anulación de pérdidas de numerario, material y otros haberes, siempre que se presente por escrito una relación de las mismas al Auditor o Auditores, junto con el estado de cuentas anual.
- 10.5 Se sacará a subasta mediante anuncios el suministro de equipo, y otros materiales, excepto cuando el Director crea que, en beneficio de la Oficina, sea preferible proceder de otra forma.

Artículo XI - Las Cuentas

- 11.1 El Director mantendrá aquellas cuentas que sean necesarias y presentará estados de cuentas anuales referentes al año financiero correspondiente en los que aparezcan:
- a. Los ingresos y egresos de todos los fondos;
 - b. Los créditos, si los hubiere, distintos de las asignaciones aprobadas por el Consejo Directivo.
 - c. El activo y pasivo de la Oficina.

El Director presentará también información adecuada sobre la marcha y situación financieras de la Oficina.

- 11.2 Las cuentas de la Oficina serán presentadas en dólares de los Estados Unidos. La contabilidad podrá llevarse en la moneda

or currencies as the Director may deem necessary.

- 11.3 Appropriate separate accounts shall be maintained for all Trust and other Special Funds.
- 11.4 The annual accounts shall be submitted by the Director to the External Auditor(s) by 1 March following the end of the financial year.

Article XII - External Audit

- 12.1 The Director shall appoint External Auditor(s) of international repute to audit the accounts of the Bureau. The scope of the audit shall be determined by the Director, having regard to such standards as may exist for the external audit of the United Nations and specialized agencies. Auditor(s) appointed may be removed only by the Director.
- 12.2 Having regard to the budgetary provisions for the audit, and after consultation with the Director relative to the scope of the audit, the External Auditor(s) shall perform such an audit as he/they may deem necessary to certify:
 - a. That the financial statements are in accord with the books and records of the Bureau;
 - b. That the financial transactions reflected in the statements have been in accordance with the rules and regulations, and other applicable directives;
 - c. That the securities and monies on deposit and on hand have been verified by certificate received direct from the Bureau's depositories or by actual account.
- 12.3 Subject to the instructions of the Director, 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.
- 12.4 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 Director.

o monedas que el Director crea conveniente.

- 11.3 Se mantendrán cuentas separadas para todos los Fondos en Fideicomiso y otros Fondos Especiales.
- 11.4 El Director presentará las cuentas anuales al Auditor o a los Auditores Externos el primero de marzo siguiente a la terminación del año financiero.

Artículo XII - Inspección Externa

- 12.1 El Director nombrará uno o varios Auditores Externos de reputación internacional establecida para revisar las cuentas de la Oficina. El alcance de esta revisión será determinado por el Director, teniendo en cuenta las normas que para la inspección externa puedan existir en las Naciones Unidas y sus agencias especializadas. El cese del Auditor o Auditores que se nombren podrá ser decretado únicamente por el Director.
- 12.2 Después de consultar con el Director respecto al alcance de la revisión, y teniendo en cuenta las disposiciones presupuestarias para la misma, el Auditor o Auditores Externos la ejecutarán, según su leal saber y entender, para certificar lo siguiente:
 - a. Que los estados financieros están de acuerdo con los libros y archivos de la Oficina;
 - b. Que las transacciones financieras que aparecen en dichos estados están de acuerdo con las disposiciones, reglamentos y otras directivas en vigor;
 - c. Que la existencia de los valores y fondos, depositados y en caja, ha sido verificada mediante certificados recibidos directamente de los depositarios o por rendición de cuentas.
- 12.3 Con sujeción a las instrucciones del Director, el Auditor o Auditores decidirán, en única instancia, sobre la aceptación total o parcial de los comprobantes presentados por los otros Miembros de la Secretaría y podrán examinar y verificar con la minucia que estimen conveniente, todos los archivos financieros, inclusive los referentes al suministro de material y equipo.
- 12.4 El Auditor o los Auditores podrán investigar la confianza que les merezca el control interno y podrán presentar al Director los informes al respecto que estimen procedentes.

- 12.5 The Auditors and their staff have free access at all convenient times to all books of account and records which are, in the opinion of the Auditor(s) necessary for the performance of the audit. Information classified in the records of the Directorate as confidential, and which is required for the purposes of the audit, shall be made available on application to the Director or his alternate.
- 12.6 The Auditor(s) in addition to certifying the account, may make such observations as he/they may deem necessary with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls, and in general the financial consequences of administrative practices. In no case, however, shall the Auditor include criticism in their audit report without first affording the Directorate an opportunity of explanation to the Auditor(s) of the matter under observation. Audit objections to any item in the accounts shall be immediately communicated to the Chief, Division of Administration.
- 12.7 The Auditor(s) shall have no power to disallow items in the accounts, but shall draw to the attention of the Director for appropriate action any transaction concerning which he/they entertain doubt as to legality or propriety.
- 12.8 The Auditor(s) shall prepare a report on the accounts certified, and on any matters on which the Director may from time to time give specific instructions.
- 12.9 The Auditor(s) shall submit his/their report to the Director 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.

- 12.5 Los Auditores y su personal tendrán libre acceso, en todo momento adecuado, a todos los libros de contabilidad y archivos que, según la opinión del Auditor o de los Auditores, sean necesarios para llevar a cabo la revisión. Mediante una solicitud presentada al Director o a su suplente, podrán consultar la información clasificada como confidencial en los archivos de la Dirección, que sea necesaria para los fines de la revisión.
- 12.6 Además de certificar las cuentas, el Auditor o los Auditores podrán hacer las observaciones que crean convenientes con respecto a la eficacia de los métodos financieros, sistema de contabilidad, controles financieros internos, y en general sobre las consecuencias financieras que puedan resultar de las prácticas administrativas. Sin embargo, el Auditor o Auditores no podrán en ningún caso formular críticas en sus informes sin dar previamente a la Dirección la oportunidad de explicarse ante ellos respecto al asunto en cuestión. Cualquier objeción que el Auditor o Auditores formulen en su informe sobre cualquier extremo de las cuentas será comunicada inmediatamente al Jefe de la División de Administración.
- 12.7 El Auditor o los Auditores no tienen autoridad para rechazar ninguna partida de las cuentas, pero deberán llamar la atención del Director para que tome las medidas adecuadas respecto a cualquier transacción sobre cuya legalidad o conveniencia abriguen dudas.
- 12.8 El Auditor o los Auditores prepararán informes sobre las cuentas verificadas y sobre aquellos asuntos respecto a los cuales el Director les dé ocasionalmente instrucciones específicas.
- 12.9 El Auditor o los Auditores someterán sus informes al Director de modo que puedan estar a la disposición del Comité Ejecutivo a más tardar el 15 de abril siguiente a la terminación del año financiero a que las cuentas se refieren. El Director someterá al Consejo Ejecutivo las observaciones que eventualmente pueda desear hacer sobre el informe. El Comité Ejecutivo examinará el informe del Auditor o Auditores y someterá sus eventuales observaciones al Consejo Directivo.

Artículo XIII - Resoluciones que Implican Desembolsos

- 13.1 Tanto la Conferencia Sanitaria Panamericana como el Consejo Directivo y el Comité Ejecutivo se abstendrán de tomar decisión alguna que implique desembolsos a menos que hubieren recibido un informe del Director sobre las consecuencias administrativas y financieras de la proposición correspondiente.
- 13.2 Cuando se proponga un desembolso que, a juicio del Director, no pueda atenderse con las asignaciones existentes, no podrá efectuarse dicho desembolso hasta que la Conferencia Sanitaria Panamericana o el Consejo Directivo apruebe las asignaciones necesarias, a menos que pueda hacerse de conformidad con lo dispuesto en la resolución del Consejo Directivo referente al Fondo para Compras de Emergencia.

Artículo XIV - Delegación de Facultades

- 14.1 El Director puede delegar en otros funcionarios de la Organización aquellas facultades que juzgue necesario para la aplicación efectiva de este reglamento.

Artículo XV - Disposiciones Generales

- 15.1 El presente reglamento entrará en vigor en la fecha en que lo apruebe el Consejo Directivo, y únicamente podrá modificarlo el Consejo Directivo o la Conferencia Sanitaria Panamericana.
- 15.2 En caso de surgir alguna duda en cuanto a la interpretación y aplicación de cualquiera de los artículos anteriores, el Director queda autorizado para resolverla.

Artículo XVI - Disposiciones Especiales

- 16.1 El Director informará anualmente al Consejo Directivo o a la Conferencia Sanitaria Panamericana sobre las reglas financieras y sus enmiendas que hubiere formulado previa confirmación por el Comité Ejecutivo, con el fin de poner en práctica este reglamento.

Article XIII - Resolutions Involving Expenditures

- 13.1 The Pan American Sanitary Conference, the Directing Council and the Executive Committee shall not make decisions involving expenditures unless they have received a report from the Director on the administrative and financial implications of the proposal.
- 13.2 Where, in the opinion of the Director, the proposed expenditure cannot be made from the existing appropriations it shall not be incurred until the Pan American Sanitary Conference or the Directing Council has made the necessary appropriations, unless such expenditure can be made under the conditions of the resolution of the Directing Council relating to the Emergency Procurement Fund.

Article XIV - Delegation of Authority

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

Article XV - General Provisions

- 15.1 These regulations shall be effective as of the date of their approval by the Directing Council and may be amended only by the Directing Council or the Pan American Sanitary Conference.
- 15.2 In case of doubt as to the interpretation and application of any of the foregoing regulations, the Director is authorized to rule thereon.

Article XVI - Special Provisions

- 16.1 The Director shall report annually to the Directing Council or the Pan American Sanitary Conference such financial rules and amendments thereto as he may make to implement these regulations after confirmation by the Executive Committee.

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

TOPIC 12: DRAFT FINANCIAL REGULATIONS (CE13/12)

PROPOSAL BY THE UNITED STATES REPRESENTATIVE

The United States Representative proposes that the financial regulations proposed by the Director be adopted, with a number of changes which he believes will improve them.

The suggestions in the proposed resolution below are for the most part technical in nature. Some of them, particularly those relating to the conduct of the audit, tend to reaffirm the financial responsibility of the Directing Council. They are in line with the practice of other international organizations. The United States Representative otherwise considers the regulations as excellent and congratulates the Director upon their submission.

Therefore, before the passage of the resolution proposed by the Director in Document CE13/12, the United States Representative proposes that the following changes be made:

(1) In regulation 3.5, insert "to all Member States" after the phrase "The Director shall transmit the budget of the Executive Committee...".

(2) In regulation 4.3, insert after the word "available", "for twelve months following the end of the financial year to which they relate", and insert "to discharge obligations" after the word "require". Regulation 4.4 should be added as a final sentence of regulation 4.3.

(3) A new regulation 4.4 should be added as follows: "At the end of the twelve month period provided in regulation 4.3 above, the remaining balance of any appropriations retained will be surrendered. Any unliquidated prior year obligations shall at that time be cancelled, where the obligation remains a valid charge, transferred as an obligation against current appropriations".

(4) In regulation 5.3, change "b" to "c" and add a new "b" as follows: "Miscellaneous income for which credits have not previously been taken into account and any adjustments in estimated miscellaneous income previously taken into account".

- (5) In regulation 5.4, add a sentence "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."
- (6) Regulation 6.9 should be eliminated. (It is believed that borrowing should be only on ad hoc basis and under specific authorization.)
- (7) In regulation 11.1 in paragraph "b" insert "The status of appropriations, including" before the word "credits".
- (8) In regulation 12.1, eliminate the word "Director" and replace it by "Directing Council" before the phrase "shall appoint external auditor(s)". The second sentence, beginning "The scope of the audit shall be determined by the Director" should be eliminated. The last sentence should read "Auditors appointed may be removed only by the Directing Council" rather than "by the Director".
- (9) In regulation 12.2, the first two phrases "Having regard for the budgetary provisions of the audit, and after consultation with the Director relative to the scope of the audit" should be deleted.
- (10) In regulation 12.3, replace the words "subject to the instructions of the Director" with "subject to the provisions of the financial regulations".
- (11) In regulation 12.4, substitute the "Directing Council" for the "Director" at the end of the sentence.
- (12) In regulation 12.8, the last phrase "and on any matters which the Director may from time to time get specific instructions" should be eliminated and replaced by ", in which he should mention 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".

(13) In regulation 12.9, eliminate "report to the Director" and replace with "report to the Directing Council". At the end of the regulation add a sentence "The auditor(s) or his/their representatives shall be present when the audit report is considered by the Directing Council".

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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.