



*executive committee of  
the directing council*

PAN AMERICAN  
HEALTH  
ORGANIZATION

*working party of  
the regional committee*

WORLD  
HEALTH  
ORGANIZATION



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PROCEDURE FOR THE PRESENTATION OF REPORTS TO THE DIRECTING COUNCIL

At the 51st Meeting of the Executive Committee the Director of the Pan American Sanitary Bureau offered to include in the agenda of the present meeting an item on the simultaneous examination of the Annual Report of the Director, the Proposed Program and Budget, the Report of the External Auditor, the Financial Report of the Director, and the Report on the Collection of Quota Contributions. This offer was in response to a suggestion made to the XV Meeting of the Directing Council.

The purpose of this examination was to compare what was planned in the budget with what was actually done since the amount of quotas actually collected is usually less than that foreseen in the budget and prevents the complete implementation of the Program and Budget. This was the central idea of the Representative of Peru who pointed out that there is a part of the Program which is not carried out as indicated in the corresponding document.

The Representative of the United States of America stated that the Directing Council could not carry out an accurate audit. He suggested that the Executive Committee should assist the Director in preparing a Report that would satisfy both the Directing Council and the Representative of Peru and stressed the desirability of examining the Financial Report of the Director before the Budget itself.

Commenting on the above-mentioned suggestions the Representative of Brazil and Venezuela pointed out that the review of the activities contained in the Report of the Director constituted the technical audit that was being proposed and that a change in the order of the discussion, namely the examination of the Financial Report of the Director before the Budget should be decided upon by the General Committee, which was responsible for fixing the order in which the agenda items are to be examined. The Representative of Argentina stated that sufficient information was available on each of the programs and that for many reasons it was not always possible to carry them out in the way described in the Program and Budget; full information on the activities of the Organization was clearly set forth in the Annual Report of the Director, the Financial Report of the Director, and the Report of the External Auditor and, for that reason, he did not see that any additional report was necessary.

The Director again wishes to express willingness to add to the above-mentioned documentation any analysis which the Executive Committee may deem necessary, but he considers it advisable to define the character and the raison d'être of each of the documents referred to above.

1. Annual Report of the Director. This Report is prepared pursuant to Article 9-C of the Constitution and is sent to the Governments at least 30 days prior to the meeting concerned.

Since 1959 this Report has contained an appendix with a project by project description of the work done during the year. In 1959, this Section contained 21 pages and in 1960, 46 pages. In 1961 it became Chapter 8 of the Report and was entitled "PAHO/WHO Project Activities" (44 pages) but in 1962 its title was changed to "Project Activities" (58 pages). In 1963, it was the seventh chapter of the Report with 86 pages, that is not quite 40 per cent of the Report. This project by project description gives in respect of each project full information about the objective, probable duration, assistance provided, and work done.

In this way the Bureau has tried to ensure that the Report submitted to the Directing Council will keep it fully informed of the activities of the Organization and the results obtained in each of the programs in which it participates.

2. Proposed Program and Budget. It is the responsibility of the Directing Council, pursuant to Article 9-D of the Constitution, to review and approve the annual Program and Budget of the Organization. The Executive Committee considers and submits to the Council the Proposed Program and Budget prepared by the Director of the Bureau with such recommendations as it deems advisable, (Article 14-C of the Constitution). It should be borne in mind that this document is drawn up almost two years in advance.

The Director prepares the proposed annual Budget pursuant to Regulation 3.1 of the Financial Regulations and sends it to the Governments 30 days prior to the meeting of the Directing Council. This transmittal is referred to in the printed text that appears in the Official Document Series, but, in fact, this document has already been considered by the preceding meeting of the Executive Committee so that at least seven members already have a detail knowledge of it some four months before the meeting of the Directing Council and all the Governments have an opportunity of acquainting themselves with it by studying the Final Report of the Executive Committee and the pertinent documentation.

3. Report of the External Auditor. Regulation 12.1 of the Financial Regulations lays it down that the Directing Council should appoint external auditor (s) of international repute to audit the accounts of the Organization. In 1951 the Directing Council appointed Mr. Uno Brunskog who also serves as an external auditor to WHO (Resolution XXVIII of the V Meeting of the Directing Council).

The external auditor must abide by the provisions of the Financial Regulations and has to submit his report to the Executive Committee not later than 15 April following the end of the financial year concerned (Regulation 12.9). This time limit is faithfully completed with and the Report of the External Auditor is distributed in due time.

4. Financial Report of the Director. This Report shows the annual statement of accounts of the Organization pursuant to the provisions of the Financial Regulations (Regulation 11.1). It is printed together with the Report of the External Auditor in the same Official Document, to which it serves as a background.

In Official Document No. 29, which was submitted to the 37th Meeting of the Executive Committee (4-8 May 1959) the Report of the Director was given a new form so as to present separately the statement of accounts of the Organization, of INCAP, and of the Program of Technical Cooperation of the Organization of the American States. This new mode of presentation facilitated the work of the Executive Committee, which expressed its satisfaction with the improvement (Resolution II).

5. Report on the Collection of Contributions. This is an administrative document which the Director submits to the Directing Council pursuant to Financial Regulation 5.7. It gives a clear and detailed account of the amounts collected and their use in paying arrears or the current quota.

This report is submitted to the Executive Committee and is brought up-to-date for submission to the Directing Council or the Conference. In both cases it is distributed in sufficient time to enable the Governments of the Organization to examine it.

To sum up, each of the documents referred to above has a specific purpose and is prepared in accordance with the constitutional and statutory regulations in force. Taken together, they make it possible for the Member Governments to make a detailed examination of the activities and results obtained by the Organization from the technical, administrative, and financial point of view.

All these documents make it possible to prepare comparisons and studies which may be of interest to the Governing Bodies and to each of the Member Governments in particular. Their examination makes it possible to see, since it is implicit in them, that part of the Program, certainly not an important one, which is not put into operation strictly in accordance with what was planned. Generally speaking, this is because the Program and Budget is prepared two years in advance, in the course of which there occur changes reflecting new requests, technical and administrative considerations and

other factors and situations of the Governments themselves, which are always to be respected by the Organization. In any event the financial factor, that is to say, the money available is not an essential and determining element.

The Director again wishes to express to the Executive Committee his willingness to make such additional studies as the Committee may indicate.