



XXII PAN AMERICAN SANITARY CONFERENCE

XXXVIII REGIONAL COMMITTEE MEETING

WASHINGTON, D.C.

SEPTEMBER 1986

Provisional Agenda Item 6.2

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ORIGINAL: ENGLISH

FINANCIAL REPORT OF THE DIRECTOR AND REPORT OF THE EXTERNAL AUDITOR FOR THE BIENNIUM 1984-1985

The Director has the honor to present the Financial Report of the Director and Report of the External Auditor for the period 1984-1985 (Official Document 205 and ADD. I), distributed separately. This report contains the details of the financial transactions of the Pan American Health Organization for the period 1 January 1984 to 31 December 1985 and statements depicting the financial position of the Organization as of 31 December 1985. It also includes financial statements for the Caribbean Epidemiology Center (CAREC), the Caribbean Food and Nutrition Institute (CFNI) and the Institute of Nutrition of Central America and Panama (INCAP).

The Executive Committee at its 97th Meeting considered the Financial Report of the Director and Report of the External Auditor, and various aspects of the Organization's financial activities during 1984-1985, and approved Resolution VI, which reads as follows:

THE 97th MEETING OF THE EXECUTIVE COMMITTEE,

Having examined the Financial Report of the Director and the Report of the External Auditor for the period 1984-1985 (Official Document 205 and ADD. I);

Noting the concerns expressed by the External Auditor with respect to the control of Organization manpower, to the general management, control and security of computer systems and to the existence of certain continuing problems in the financial management system; and

Expressing concern over the slow rate of quota payments during 1984-1985, while recognizing that, in spite of this, the Organization has continued to maintain a satisfactory financial condition,

RESOLVES:

1. To take note of the Financial Report of the Director and Report of the External Auditor for the period 1984-1985 (Official Document 205 and ADD. I).
2. To transmit the Financial Report of the Director and Report of the External Auditor to the XXII Pan American Sanitary Conference.
3. To express concern over:
 - a) The slow rate of quota payments and its impact on the financial status of the Organization should this rate be maintained;
 - b) The slow progress in elimination of problems in PAHO's computerized systems;
 - c) The need for careful attention to vacancy rates for professional staff;
 - d) The financial situation of CAREC and CFNI, which have been seriously affected by delayed payment of quota contributions by Member Countries.
4. To request the Director to monitor carefully the financial situation of the above-mentioned Centers and to continue to encourage Member Countries to meet their quota commitments in a timely manner.
5. To congratulate the Director for his efforts to maintain a satisfactory financial condition and to thank the External Auditor for the report presented.

The Executive Committee also noted that the Statement of Income and Expenditures for PAHO Regular Funds for 1984-1985 reflected a small surplus of \$22,210 and that this surplus had been credited to a Holding Account in accordance with Resolution XVI of the XX Pan American Sanitary Conference. Resolution XVI also provides that the allocation of any surplus accrued by the Organization is subject to the approval of the Directing Council or the Pan American Sanitary Conference.

In regard to the utilization of these funds, the 97th Meeting of the Executive Committee, through Resolution XIX, recommended to the XXII Pan American Sanitary Conference, inter alia, that such funds be allocated to the PAHO Building Fund established to defray the costs of major maintenance and repairs to PAHO facilities.