

**13th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

Washington, D.C., USA, 27-29 March 2019

Provisional Agenda Item 4.1

SPBA13/8
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OVERVIEW OF THE FINANCIAL REPORT OF THE DIRECTOR FOR 2018

Content of the Financial Report of the Director

1. As required by Financial Regulation 13.2, a final report showing the current financial position of the Pan American Health Organization (PAHO) is being prepared for the 2018 financial reporting period. This Financial Report of the Director will contain PAHO's financial statements as of 31 December 2018. The document will also include the External Auditor's report and opinion on the Organization's Financial Statements for 2018.

Preparation of the Financial Report of the Director

2. PAHO's financial statements will be prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

3. The 2018 Financial Statements for the Pan American Health Organization include:

- a) the Statement of Financial Position,
- b) the Statement of Financial Performance,
- c) the Statement of Changes in Net Assets,
- d) the Cash Flow Statement,
- e) the Comparison of Budget and Actual Amounts, and
- f) the Notes, comprising a summary of significant accounting policies and other relevant information.

External Audit

4. PAHO's External Auditor, the National Audit Office (NAO) of the United Kingdom of Great Britain and Northern Ireland, will render an opinion on whether the

Organization's financial statements are an accurate representation of its actual position, and the extent to which they comply with its accounting standards.

5. The External Auditor will commence the audit of the financial statements for the 2018 financial reporting period on 11 March. In accordance with Financial Regulation 14.9, the Report of the External Auditor must be completed, signed, and provided to the Director, together with the audited financial statements, no later than 15 April 2019.

Steps in the Preparation of the Report

6. In March 2019, PAHO will provide a preliminary overview on the Organization's financial performance for the 2018 financial reporting period to the 13th Session of the Subcommittee on Program, Budget, and Administration, pending completion of the external audit. This preliminary summary will include:

- a) a summary of the status of PAHO's revenue and expenses in 2018, and
- b) a summary of the PAHO's aggregate assets and liabilities.

7. Once finalized and signed, the Financial Report of the Director, along with the Report of the External Auditor, will be presented to the 164th Session of the Executive Committee for its consideration. The Executive Committee shall forward the Report to the 57th Directing Council. The Financial Report of the Director and the Report of the External Auditor will be made publicly available on PAHO's website.

Unaudited Preliminary Financial Status

8. The unaudited preliminary financial figures for the Pan American Health Organization reflect a total consolidated revenue of US\$ 1,393 million,¹ as compared to \$1,509 million in 2017. PAHO's total consolidated expense reached \$1,369 million in 2018, compared to \$1,511 million in 2017.

9. During 2018, payments towards assessed contributions—both current and in arrears—were received from 36 Member States, Participating States, and Associate Members. Regarding the 2018 assessed contributions, 24 Members paid their assessments in full, 6 Members made partial payments, and 12 Members made no payments.

10. Miscellaneous Revenue credited to the Regular Budget totaled \$10.4 million during 2018.

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

Action by the Subcommittee on Program, Budget, and Administration

11. The Subcommittee is invited to take note of this overview of the Financial Report of the Director and provide any comments and recommendations it might consider pertinent.

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