



**Pan American  
Health  
Organization**



**World Health  
Organization**  
REGIONAL OFFICE FOR THE  
**Americas**

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

*Washington, D.C., USA, 19-21 March 2014*

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*Provisional Agenda Item 4.1*

SPBA8/5  
8 January 2014  
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**OVERVIEW OF THE FINANCIAL REPORT OF  
THE DIRECTOR FOR 2013**

**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 2013 financial reporting period. This Financial Report of the Director will contain PAHO's consolidated financial statements as of 31 December 2013. The document will also include the External Auditor's report and opinion on the Organization's Financial Statements for 2013.

**Preparation of the Financial Report of the Director**

2. PAHO's financial statements will be prepared in accordance with International Public Sector Accounting Standards (IPSAS), which was adopted effective 1 January 2010. Continued compliance with IPSAS remains a priority for the Organization.

3. The 2013 IPSAS-compliant Financial Statements for the Pan American Health Organization include:

- a) the Consolidated Statement of Financial Position,
- b) the Consolidated Statement of Financial Performance,
- c) the Consolidated Statement of Changes in Net Assets,
- d) the Consolidated 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.

4. An unaudited informational annex will also be attached to the Financial Report of the Director with additional financial statements.

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**External Audit**

5. PAHO's External Auditor, the Spanish Court of Audit (SCA), renders 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.

6. The External Auditor will be in PAHO headquarters from 3 through 28 March 2014 to complete the audit of the financial statements for the 2013 financial reporting period. 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 2014.

**Steps in the Preparation of the Report**

7. In March 2014, PAHO will provide a preliminary overview on the Organization's financial performance for the 2013 financial reporting period to the Eighth 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 2013, and
- b) a summary of the PAHO's aggregate assets and liabilities.

8. Once finalized and signed, the Financial Report of the Director, along with the Report of the External Auditor, will be presented to the 154th Session of the Executive Committee for its consideration. The Executive Committee shall forward the Report to the 53rd 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**

9. The unaudited preliminary financial figures for the Pan American Health Organization reflect a total consolidated revenue of US\$ XXX.X million,<sup>1</sup> as compared to \$978.6 million in 2012. PAHO's total consolidated expense reached \$XXX.X million in 2013, compared to \$969.7 million in 2012.

10. During 2013, payments towards assessed contributions were received from XX Member States. XX Member States paid their 2013 assessments in full, XX Member States made partial payments toward their 2013 assessments, and XX Member States made no payment toward their 2013 assessments.

11. Miscellaneous Revenue credited to the Regular Budget totaled \$X.X million during 2013, net of investment management fees and losses on currency exchange.

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

Budgeted Miscellaneous Revenue for 2013 was \$6.0 million. Furthermore, Miscellaneous Revenue had been forecasted at \$3.0 million for 2013.

**Action by the Subcommittee on Program, Budget, and Administration**

12. The Subcommittee is invited to note this overview of the Financial Report of the Director and provide comments and recommendations.

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