OVERVIEW OF THE FINANCIAL REPORT OF THE DIRECTOR FOR 2019

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 2019 financial reporting period. This Financial Report of the Director will contain PAHO’s financial statements as of 31 December 2019. The document will also include the External Auditor’s report and opinion on the Organization’s Financial Statements for 2019.

Preparation of the Financial Report of the Director

2. PAHO’s financial statements are prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

3. The 2019 IPSAS-compliant 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 Government 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 2019 financial reporting period on 9 March 2020. 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 2020.

Steps in the Preparation of the Report

6. In March 2020, PAHO will provide a preliminary overview on the Organization’s financial performance for the 2019 financial reporting period to the 14th Session of the Subcommittee on Program, Budget, and Administration, pending completion of the external audit.


Unaudited Preliminary Financial Status

8. The unaudited preliminary financial figures for the Pan American Health Organization reflect a total consolidated revenue of US$ 1,205 million,\(^1\) as compared to $1,393 million in 2018. PAHO’s total consolidated expense reached $1,175 million in 2019, compared to $1,369 million in 2018.

9. During 2019, payments towards assessed contributions—both current and in arrears—were received from 36 Member States, Participating States, and Associate Members. Regarding the 2019 assessed contributions, 24 Members paid their assessments in full, eight Members made partial payments, and 10 Members made no payments. The total assessed contributions due as of 31 December 2019 was $88.9 million, which is a significant increase in arrears as compared to $42.8 million pending at the end of 2018.


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\(^1\) 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.