

# 30th PAN AMERICAN SANITARY CONFERENCE

## 74th SESSION OF THE REGIONAL COMMITTEE OF WHO FOR THE AMERICAS

Washington, D.C., USA, 26-30 September 2022

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*Provisional Agenda Item 5.3*

CSP30/14  
7 July 2022  
Original: English

### AMENDMENTS TO THE FINANCIAL REGULATIONS AND FINANCIAL RULES OF PAHO

#### **Introduction**

1. The Financial Regulations govern the financial administration of the Pan American Health Organization (PAHO). Amendments to the Financial Regulations must be approved by either the Pan American Sanitary Conference or the Directing Council of PAHO. Detailed guidance on implementation of the Financial Regulations of PAHO is set forth in the Organization's Financial Rules. In accordance with Financial Regulation 16.3, amendments to the Financial Rules require confirmation by the Executive Committee and are reported to the Conference or the Directing Council.

#### **Proposed Amendment to the Financial Regulations of PAHO**

2. During discussions on the extension of the appointment of the National Audit Office of the United Kingdom of Great Britain and Northern Ireland for the 2022-2023 biennium at the 58th Directing Council, it was noted that best practices governing the appointment of an external auditor would stipulate a limit on the total number of consecutive years appointed. The Pan American Sanitary Bureau (PASB or the Bureau) has historically recommended the appointment of an External Auditor for two biennia, with the option to extend for one additional biennium, resulting in a de facto limit of six years for the External Auditor.

3. The Bureau strives to adopt best practices in all areas of financial management, including adopting a term limit in the Financial Regulations governing the appointment of the External Auditor. Therefore, the proposed amendment to Financial Regulation 14.1 stipulates an initial term limit of four years with the option to extend for two additional years, for a total term limit of six years.

4. The proposed amended text for Financial Regulation 14.1 is set out in Annex A to this document.

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**Action by the Pan American Sanitary Conference**

5. The Conference is invited to approve the proposed amendment to the Financial Regulations by adopting the proposed resolution in Annex B.

Annexes

ANNEX A

**PROPOSED AMENDMENTS  
TO THE FINANCIAL REGULATIONS OF PAHO**

<i>Regulation XIV – External Audit</i>		
<b>Current Text</b>	<b>Proposed Text</b>	<b>Comments</b>
<p>14.1 The Conference or the Directing Council shall appoint an External Auditor of international repute to audit the accounts of the Organization. The Auditor appointed may be removed only by the Conference or the Directing Council.</p>	<p>14.1 The Conference or the Directing Council shall appoint an External Auditor of international repute to audit the accounts of the Organization. <b>The term of office shall be four years, covering two budgetary periods, and may be extended once for an additional two years. The appointment of any External Auditor cannot exceed six consecutive years, unless otherwise approved by the Conference or the Directing Council.</b> The Auditor appointed may be removed only by the Conference or the Directing Council.</p>	<p>In accordance with best practices, the term of an External Auditor should be expressly limited to ensure objectivity.</p>



Pan American  
Health  
Organization



World Health  
Organization  
REGIONAL OFFICE FOR THE Americas

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CSP30/14  
Annex B  
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***PROPOSED RESOLUTION***

**AMENDMENTS TO THE FINANCIAL REGULATIONS  
AND FINANCIAL RULES OF PAHO**

***THE 30th PAN AMERICAN SANITARY CONFERENCE,***

(PP1) Having considered the recommendation of the 170th Session of the Executive Committee and the proposed amendment to the Financial Regulations of the Pan American Health Organization as it appears in Annex A to Document CSP30/14;

(PP2) Taking into consideration that the amendment to the Financial Regulations reflects best practices in the limit of terms for the appointment of the External Auditor,

***RESOLVES:***

(OP) To approve the amendment to the Financial Regulations of the Pan American Health Organization pertaining to the term of office for the External Auditor as set forth in Annex A of Document CSP30/14, and to make this amendment effective immediately.

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