OVERVIEW OF THE FINANCIAL REPORT OF THE DIRECTOR FOR 2021

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 2021 financial reporting period. This Financial Report of the Director will contain PAHO’s Financial Statements as of 31 December 2021. The document will also include the External Auditor’s report and opinion on the Organization’s Financial Statements for 2021.

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 2021 IPSAS-compliant Financial Statements for the Pan American Health Organization include:

a) Statement of Financial Position,
b) Statement of Financial Performance,
c) Statement of Changes in Net Assets,
d) Cash Flow Statement,
e) Comparison of Budget and Actual Amounts, and
f) 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 2021 financial reporting period on 7 March 2022. 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 2022.

**Steps in the Preparation of the Report**

6. In March 2022, PAHO will provide a preliminary overview on the Organization’s financial performance for the 2021 financial reporting period to the 16th 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 revenue of US$ 1,794 million,¹ as compared to $1,340 million in 2020. PAHO’s total expense reached $1,785 million in 2021, compared to $1,336 million in 2020.

9. Regarding the 2021 assessed contributions, 22 Member States, Participating States, and Associate Members paid their assessments in full, nine Members made partial payments, and 11 Members made no payment toward the year’s assessment. The total assessed contributions due as of 31 December 2021 was $74.8 million, compared to $84.6 million pending at the end of 2020. The significant delays in payment of assessed contributions by Member States has forced the Organization to fully utilize the Working Capital Fund and borrow other unrestricted funds to enable the implementation of the 2021-2022 Program Budget.

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

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

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