

# Annex A - Summary of Audit Recommendations

**Recommendation 1:** PAHO should consider how it can best use the information on employee liabilities that is required under IPSAS, to ensure it plans to have funds available to meet these liabilities as they become due.

**Recommendation 2:** we recommend that PAHO carry out a formal risk assessment for high value procurement contracts or contracts that are in new areas of activity. PAHO's mitigation of risks associated with single source procurement should be fully documented.

**Recommendation 3:** We recommend that PAHO staff carry out a full diagnosis of its experiences of implementing IPSAS and identify those areas where there is further scope for improvement. A clear action plan should be developed to address these weaknesses

**Recommendation 4:** We continue to recommend that the Organization makes the upgrading or replacement of the financial and management accounting system a strategic priority.

**Recommendation 5:** We recommend that PAHO consider how, both Headquarters and Country Office, staff should review and amend information in the system on a more frequent basis to ensure that the status of projects and expenditures is correctly reflected, and that management information is up to date.

**Recommendation 6:** We recommend improved monitoring and independent cross checking of the work carried out by both financial and non-financial staff who are responsible for updating the system to reflect the status of projects and contracts.

**Recommendation 7:** We recommend that PAHO and its Member States consider how to use the information it now has regarding its employee benefit liabilities in its management of human resources.

**Recommendation 8:** We recommend that PAHO establish a clear project management framework to ensure that project costs can be clearly identified and accurately reported. This will assist senior management to oversee the roll out of PAHO's major software and IT development plans which commence from 2011.

**Recommendation 9:** The Organization should fully analyze the response with the key individuals involved, to fully understand the situation and produce a paper to clearly highlight the lessons learned.

**Recommendation 10: We recommend that PAHO assess the Country Office structures in Brazil where some financial controls were devolved to technical units in the and put in place a process of checks independent of the Office to ensure controls are operating effectively. These can be on a sample basis and focus on areas of the operation deemed to be of greater risk.**

**Recommendation 11: We recommend that PAHO and the Audit Committee continue their work in embedding the Committee, and periodically consider the effectiveness of the Committee and its Terms of Reference.**

**Recommendation 12: We welcome PAHO's developments in this area and recommend that PAHO continues its development of Enterprise Risk Management.**