

**FINANCIAL
REPORT
OF THE
DIRECTOR**

and

**REPORT OF
THE EXTERNAL
AUDITOR**

1 January 2016 – 31 December 2016

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Director's Comments

In accordance with Financial Regulation 14.9 of the Pan American Health Organization (PAHO), I have the honor to present the Financial Report of the Pan American Health Organization for the financial reporting period 1 January 2016 through 31 December 2016.

The Financial Statements and Notes to the Financial Statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and PAHO's Financial Regulations and Financial Rules.

Although PAHO has adopted an annual financial reporting period as stipulated in Financial Regulation 2.2, the budgetary period remains a biennium (Financial Regulation 2.1). Therefore, for the purposes of actual vs. budget comparisons in the Director's Comments, the annual budget figures represent one half of the Biennial Program and Budget as an approximation of annual budgetary figures.

1. Overview

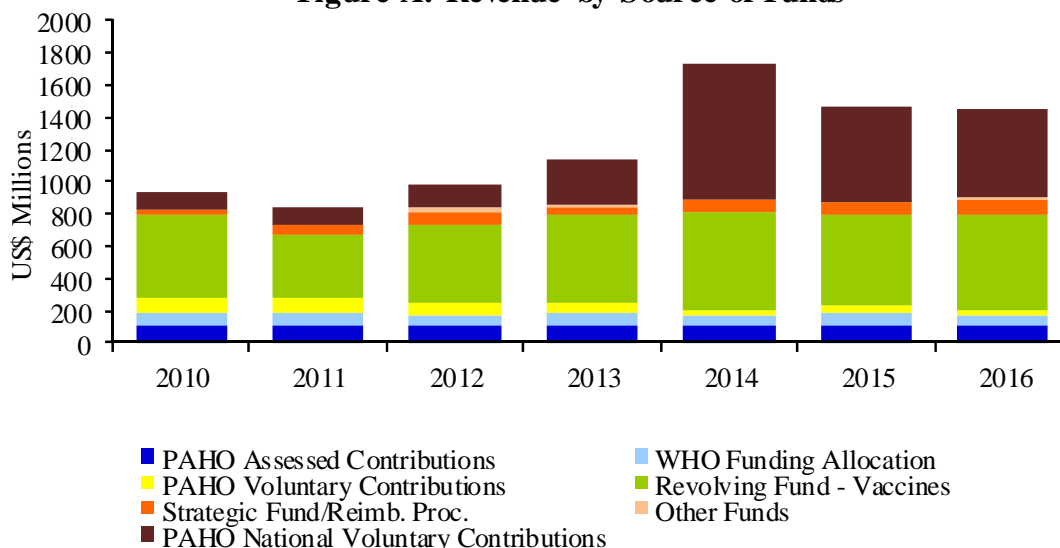
During 2016, PAHO exercised its leadership, convening and catalyst role to improve the health of the peoples of the Americas in collaboration with Member States and partners. The Organization continued to provide direct technical cooperation, mobilize resources, strengthen partnerships and networks, build capacity, generate and provide evidence, and advocate for the necessary actions to continue to make progress on the priorities of the PAHO Strategic Plan 2014-2019 and the new 2030 Agenda for Sustainable Development. Highlights of the progress and achievements during 2016 are included below.

- The Region continued to make progress in the elimination of communicable diseases, with landmark achievements such as the declaration of the Region of the Americas as the first WHO region to be declared free from endemic measles transmission; four UK territories moving towards the elimination of mother to child transmission (EMTCT) of HIV and Syphilis; Argentina and Paraguay prepared for malaria elimination certification; interruption of transmission of *T. cruzi* in new geographic areas in Colombia and Paraguay and recertification of vector interruption in Chile; and verification of the elimination of onchocerciasis in Guatemala and trachoma in Mexico. In response to the ongoing transmission of various arboviruses across the Region, direct technical assistance for vector control was provided to Member States and a new integrated management strategy for the prevention and control of arboviral disease (IMS-Arbovirus) was developed.
- Countries continued to achieve successes in addressing non-communicable diseases (NCD), risk factors and mental health conditions, with a landmark tobacco control ruling won by Uruguay at the World Bank's International Centre for Settlement of Investment Disputes (ICSID). Seventeen countries developed or updated an operational NCD plan, while five countries implemented laws and policies to prevent childhood obesity through taxation and regulation of labeling and advertisement of processed and ultra-processed food and sugar sweetened beverages. Five countries increased tobacco taxes and Panama became the 4th signatory to the Protocol to Eliminate the Illicit Trade in Tobacco Products in the Region. Efforts continued in the integration of mental health into primary care. National alcohol policies and plans were developed or updated in seven countries; two developed road safety plans; and six conducted evaluations on access to rehabilitation services. Support was provided to integrate the psychosocial and rehabilitation elements in response to the Zika Virus (ZIKV).
- In the context of the Sustainable Development Goals, efforts were intensified to promote health throughout the life course and social determinants, with 15 countries updating their national plans on women, maternal and newborn health and eight Ministries of Health signing a high level political resolution committing to incorporate health inequality on Maternal, Child and Adolescent Health (MCAH) measurement and monitoring into existing national strategic information systems. Eight countries implemented the WHO Age-Friendly Cities and Communities framework; and six signed the Inter-American Convention on Protecting the Human Rights of Older Persons. Country profiles on climate change were prepared and launched by four countries in line with PAHO's climate change strategy; and six have national strategies to reduce the use of solid fuels for cooking.

- Countries are progressing in implementing roadmaps for Universal Health (UH), with 15 countries implementing UH strategies and 25 reporting advances in the development of comprehensive financing strategies. Eight countries worked on health services organization development issues (policies, legislation, integrated networks for health care delivery IHSDN, hospital management, strengthening of the first level of care) and five countries tested a new tool for the assessment of progress towards the development of IHSDN. All 52 countries and territories have produced comprehensive health situation analyses that encompass the 2011-2015 periods, as part of the 2017 Health in the Americas Plus. Policy documents were adopted by Member States at the 55th Directing Council on Resilient Health Systems; Health of Migrants; and Access and Rational Use of Strategic and High-Cost Medicines and Other Health Technologies. In response to the Zika outbreak in the Region in 2016, research programs were reoriented resulting in a PAHO Zika research registry of protocols and published research, seven generic research protocols, guidelines, a consultation on ethics and Zika, and research projects involving fifteen countries and territories on Zika-related topics. An Ethics Guidance on Key Issues Raised by the Outbreak was endorsed by The Lancet and integrated into the Organization's technical cooperation.
- Immediate support was provided to all countries requesting assistance for response operations during the year, including: 7.8 magnitude earthquake in Ecuador; Hurricane Earl in Belize; Hurricane Matthew in Bahamas, Cuba, Dominican Republic and Haiti; Hurricane Otto in Costa Rica; nutrition crisis in Guatemala; and during the migrant crisis in Colombia, with persons arriving from Venezuela, and in Costa Rica and Panama with Cubans transiting from Ecuador to the USA. Support included rapid assessments, coordination and resource mobilization, plus technical support in areas such as water and sanitation, vector control, logistics and health services restoration. More than 800,000 people were vaccinated against cholera in Haiti. The Organization provided dynamic leadership and timely technical support and guidance to Member States to prevent and manage the ZIKV outbreak and associated complications and to mitigate the socioeconomic consequences. Highlights of actions include multidisciplinary technical field missions with over 170 staff and experts, including through the Global Outbreak Alert and Response Network, deployed to 30 countries and territories; fifteen new or revised WHO/PAHO technical guidelines to guide Member States' health services in relation to ZIKV, including clinical guides and technologies regarding birth defects surveillance. In line with WHO reform and consistent with WHA Resolution A69/26 the Organization established the new PAHO Health Emergencies Program.
- In support of the achievements above, high level advocacy and leadership brought further and necessary attention to Universal Health, NCDs, maternal mortality and other regional priorities. In addition, PAHO continued to make progress in strengthening and improving its enabling functions and corporate services with efforts focused on finding efficiencies through new management systems, strengthening risk management, and improving the Organization's ability to share key information with different audiences, including for emergencies.
- On 1 January 2016, the Organization went live with the Financial Data Module of its Enterprise Resource Planning System, PMIS, and Headquarters and Country Offices staff began the recording and reporting of technical cooperation activities through the PMIS. The implementation of the PMIS was a complex and difficult process requiring intensive efforts from all staff. Users were required to learn new processes for daily tasks, and PMIS system managers were required to overcome many technical challenges, including unexpected behavior by the system in some business processes. Despite these challenges, all financial operations for the year ending 31 December 2016 have been recorded and reported through the PMIS, and the Organization has completed its first financial closure in PMIS.

The Organization's total revenue in 2016 reached \$1,448 million which is a slight decrease as compared to 2015. This decrease in financial resources is mainly due to currency exchange rate depreciation against the US dollar for certain local currency Voluntary Contribution agreements.

Figure A: Revenue by Source of Funds



The total revenue is comprised of four main components:

- (a) the Program and Budget, which includes the PAHO Assessed Contributions and Budgeted Miscellaneous Revenue, PAHO Other sources of financing, and the WHO Funding Allocation to the Americas;
- (b) the Procurement Funds, which includes the Revolving Fund for Vaccine Procurement, the Regional Revolving Fund for Strategic Public Health Supplies and the Reimbursable Procurement on Behalf of Member States Fund;
- (c) the National Voluntary Contributions, and
- (d) Other special funds.

In 2016, Revenue to the Program and Budget is comprised of \$96.4 million from PAHO Assessed Contributions, \$15.2 million from Budgeted Miscellaneous Revenue, \$63.0 million from WHO funding allocation, and \$81.9 million from PAHO Other Sources for a total of \$256.5 million for 2016. In 2015 the Organization reported \$257.1 million for the Program and Budget. Revenue from Voluntary Contributions from PAHO (net of Program Support Costs) decreased to \$31.0 million in 2016 as compared to \$34.2 million in 2015. Voluntary Contributions from WHO decreased to \$23.0 million in 2016 as compared to \$26.7 million in 2015.

Revenue from procurement activities on behalf of Member States (net of Service Charge Revenue) increased from \$638.6 million in 2015 to \$678.4 million in 2016 due to increases in both the Revolving Fund for Vaccine Procurement and the Regional Revolving Fund for Strategic Public Health Supplies. The level of resources for the Organization's three Procurement Funds represents 47% of the Organization's total revenue.

National Voluntary Contributions funds implemented by PAHO (net of Program Support Costs) decreased to \$511.9 million as compared to \$554.7 million in 2015 due to the exchange rate impact, as the implementation level in local currency remains relatively the same as in 2015.

2. PAHO Assessed Contributions and Budgeted Miscellaneous Revenue: Financing

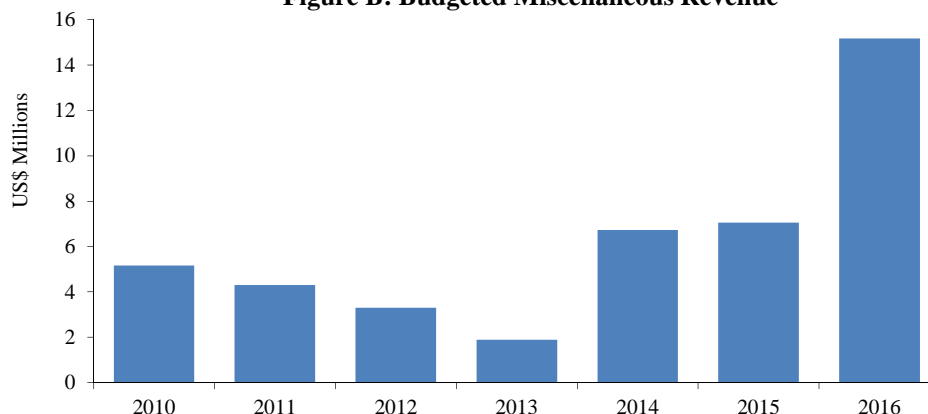
The PAHO Assessed Contributions and Budgeted Miscellaneous Revenue was approved in Resolution CD5.R17 adopted by the 54th Directing Council of the Pan American Health Organization, revenue from Assessed Contributions in the amount of \$96.4 million net of the Tax Equalization Fund (\$6.0 million) for fiscal year 2016. Revenue from Assessed Contributions was recorded in full on 1 January 2016, the date it became due and payable.

However, in order to ensure that resources are available to fund the Regular Budget, the Organization must carefully monitor and report on the cash flows from Assessed Contributions and other receivables due to the Organization. The cash receipts of current and prior years' Assessed Contributions in 2016 totaled \$66.4 million and \$39.7 million, respectively. In 2016, the rate of collection of current year Assessed Contributions was 65%, compared with 61% for 2015. During 2016, PAHO received payments towards current and prior years' Assessed Contributions from thirty-eight Member States. Twenty-nine Member States paid their 2016 assessments in full, five Member States made partial payments toward their 2016 assessments, and eight Member States made no payment toward their 2016 assessments.

Total Assessed Contributions outstanding, including amounts due for previous financial periods, decreased from \$44.2 million on 31 December 2015 to \$40.5 million on 31 December 2016. Each year the Delegates to the Directing Council or the Pan American Sanitary Conference review at length the financial circumstances of those Member States who are in arrears in their Assessed Contributions and subject to Article 6.B of the PAHO Constitution. As of 1 January 2017, there were two Member States subject to Article 6.B.

According to Regulation IV, the Program and Budget shall be financed by Assessed Contributions from Member States, Participating States, and Associate Members and the Budgeted Miscellaneous Revenue. Miscellaneous Revenue includes a portion of investment revenue earned on the funds administered by the Organization, investment fees associated with the portfolios, net currency exchange gains and losses, savings on prior period obligations, and other miscellaneous revenue. Total Miscellaneous Revenue to the PAHO Regular Budget for 2016 was \$15.2 million and is comprised of \$12.9 million in investment revenue, investment management fees of \$0.6 million, a net loss of \$0.6 million on currency exchange, \$3.3 million in savings on prior period obligations, and \$0.1 million in other miscellaneous revenue. The difference between the Budgeted Miscellaneous Revenue for 2016 of \$12.5 million and the actual amount realized is due to the local investment of temporarily idle resources pertaining to National Voluntary Contributions.

Figure B: Budgeted Miscellaneous Revenue



3. PAHO Assessed Contributions and Budgeted Miscellaneous Revenue: Implementation

Total expenses for PAHO Assessed Contributions and Budgeted Miscellaneous Revenue activities in support of the implementation of international health programs reached \$100.3 million in 2016 compared to budgeted expense of \$108.9 million, resulting in a financial implementation rate of 92% for 2016. Implementation is usually lower in the first year of the biennium. The Organization ended 2016 with a Financial Net Surplus from Operations of \$11.3 million in the PAHO Assessed Contributions and Budgeted Miscellaneous Revenue Segment.

Table 1. PAHO Assessed Contributions and Budgeted Miscellaneous Revenue: Financial Highlights
 (in US\$ millions)

	Actual	Budgeted*
Revenue:		
2016 Assessed Contributions	102.4	102.4
Less: Tax Equalization	(6.0)	(6.0)
Other Revenue	-	-
Miscellaneous Revenue	15.2	12.5
Total Revenue	111.6	108.9
Expenses:		
2016 Operating Expenses	(100.3)	(108.9)
Financial Net Surplus from Operations for 2016	11.3	-

**For the purposes of actual vs. budget comparisons in this narrative, the budget figures represent one half of the Biennial Program and Budget to approximate annual budgetary figures.*

4. Working Capital Fund

The 53rd Directing Council approved an increase to the authorized level of the Working Capital Fund from \$20.0 million to \$25.0 million. As of 31 December 2016, the Organization's Working Capital Fund was \$20.7 million.

5. WHO Allocation and Other Sources Funds

The Pan American Health Organization implemented \$54.0 million from the WHO Funding Allocation in support of the international health programs established by the World Health Assembly for the Region of the Americas. In addition, the Organization implemented \$9.0 million in Other Sources Funds from WHO. Therefore, total implementation of WHO funds during 2016 reached \$63.0 million. In comparison, during 2015, the Organization implemented \$80.1 million from the WHO Funding Allocation and \$9.4 million in Other Sources Funds from WHO for a total of \$89.5 million.

6. PAHO Voluntary Contributions

PAHO Voluntary Contributions are comprised of (1) the Voluntary Contributions Fund, (2) the Voluntary Contributions-Emergency Preparedness and Disaster Relief Fund, and (3) other funds. Voluntary Contributions received are categorized by:

- Governments
 - PAHO- Member States
 - Non-PAHO Member States;
- International organizations
 - United Nations
 - Non-United Nations;
- For Profit Organizations;
- Non-Government Organizations;
- Foundations;
- Other Voluntary Contributions.

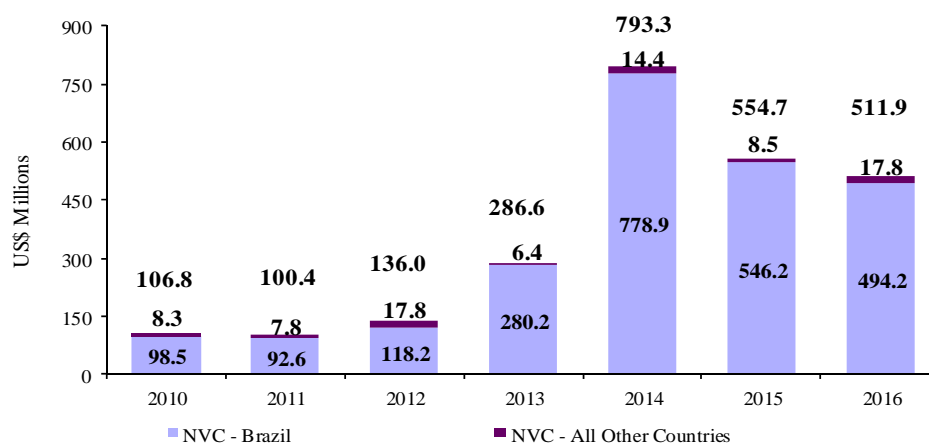
During 2016, PAHO's total revenue from Voluntary Contributions net of Program Support Costs reached \$31.0 million as compared to \$33.2 million in 2015. However, deferred revenue totaled \$149.0 million in 2016 as compared to \$67.2 million in 2015, which is an increase of \$81.8 million.

In 2016, the largest partners/stakeholders with respect to the implementation of Voluntary Contributions Fund were as follows: the United States of America (\$13.0 million), the United Kingdom (\$2.8 million), the Global Alliance V.I. (\$2.8 million), Brazil (\$2.2 million), Canada (\$2.2 million), the PAHO Foundation (\$1.0 million) and the Gates Foundation (\$0.9 million). The largest partners/stakeholders for Emergency Preparedness and Disaster Relief were the European Community (\$1.2 million) and Canada (\$1.0 million).

7. National Voluntary Contributions

A main component of PAHO’s revenue is the National Voluntary Contributions Fund, which includes financial resources from governments exclusively for internal projects. During 2016 PAHO implemented \$511.9 million (2015: \$554.7 million) from governments for internal projects. The decrease is mainly due to the exchange rate impact, as the implementation level in local currency remains the same as 2015. Revenue pertaining to the Mais Medicos Project in 2016 reached \$443.1 million, net of Program Support Costs (2015: \$473.5 million). Revenue for NVC in Brazil excluding the Project Mais Medicos reached \$51.4 million in 2016 (2015: \$74.0 million). Furthermore, revenue for NVC in all other countries reached \$17.8 million in 2016 (2015: \$8.5 million).

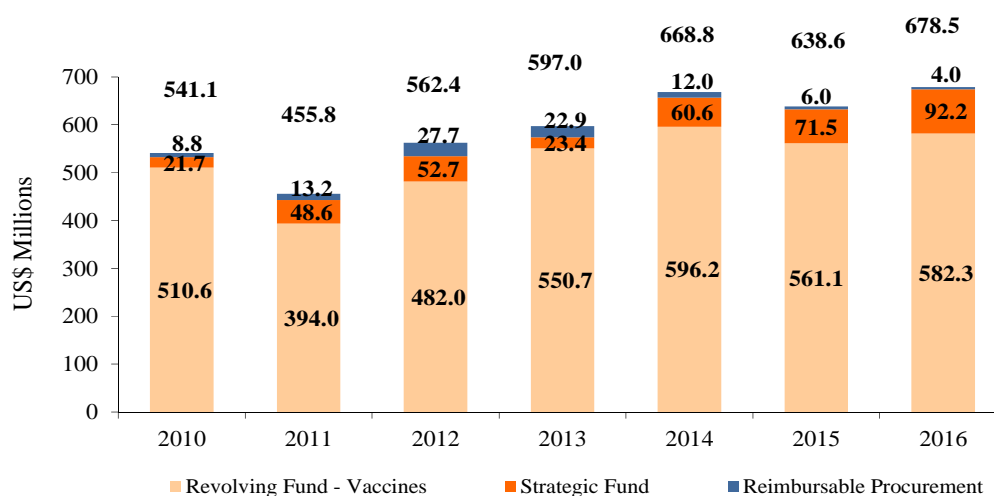
Figure C: National Voluntary Contributions (NVC) Revenue



8. Procurement on Behalf of Member States

During 2016, the total financial activity realized for procurement services on behalf of Member States increased to \$678.5 million compared with \$638.6 million in 2015. Through extensive international bidding, PAHO is able to purchase vaccines, public health supplies and equipment, and literature on behalf of Member States and international institutions at affordable prices.

Figure D: Procurement Funds Revenue



The **Revolving Fund for Vaccine Procurement**, the oldest Fund established in 1977, was established as a purchasing mechanism to guarantee the quality and timely mobilization of vaccines at lower prices. The Fund increased from \$561.2 million in 2015 to \$582.3 million in 2016. This was mainly due to additional demand from some countries such as Panama (2 million doses of Influenza vaccine), Argentina (1.5 million doses of Meningococcal ACWY) and Brazil (36 million doses of Hepatitis B and 6 million doses of Pentavalent). In 2016, 41 Member States have used the Fund. The Member States with the largest volume of procurement purchases were Argentina, Bolivia, Brazil, Chile, Costa Rica, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Panama, Paraguay, Peru and Venezuela.

The **Regional Revolving Fund for Strategic Public Health Supplies** was created in 1999 in order to facilitate the procurement of strategic public health supplies at lower, more stable prices, to improve availability of strategic supplies, and to enhance planning capacity for procuring and distributing products. The Strategic Fund has historically focused on assisting Member States increase access to public health products to treat and prevent communicable diseases (HIV/AIDS, malaria, Tuberculosis, Neglected Tropical Diseases). However, at the request of PAHO's Member States, beginning in 2013 the Organization has strengthened the Strategic Fund in order to better respond to Member States' needs and improve access to quality, essential medicines for Non-communicable Diseases (NCDs), particularly for hypertension, diabetes and cancer. Revenue to the Fund increased from \$71.5 million in 2015 to \$92.2 million in 2016. This was mainly due to a significant increase in the number of antiretroviral and vector control product requests. Member States that traditionally used this mechanism occasionally increased their use in a more systematic way. Furthermore, the process for accessing the capitalization account was streamlined, which resulted in doubling the amount of Member States who accessed the capitalization account. In 2016, 22 Member States have used the Fund. The Member States with the largest volume of procurement purchases were Brazil, Colombia, Ecuador, Guatemala, Honduras and Venezuela. The growth in use demonstrates that the Regional Revolving Fund for Strategic Public Health Supplies is providing significant value added to Member States and is improving access to quality and affordable essential Public Health Supplies in the Region.

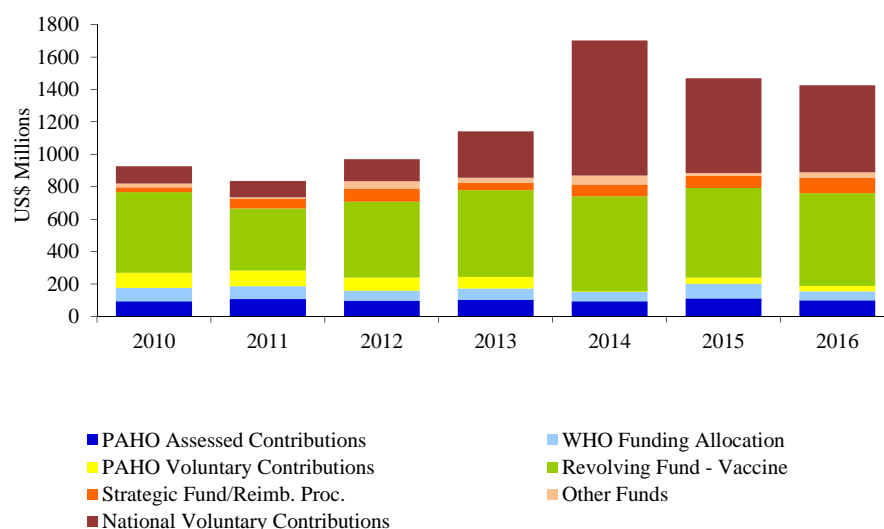
The average use by Members States of the lines of credit of these two Funds increased in 2016 as compared to 2015 from \$42.4 million to \$46.5 million for the Revolving Fund for Vaccine Procurement and from \$2.2 million to \$2.7 million for the Regional Revolving Fund for Strategic Public Health Supplies.

During the same period, funding for the purchase of medical supplies, medical equipment, and literature processed through the **Reimbursable Procurement on Behalf of Member States Fund**, decreased from \$6.0 million in 2015 to \$4.0 million in 2016 as a larger number of products are included in the Strategic Fund. In 2016, 25 Member States have used this Fund.

9. Expenses by Source of Fund

PAHO's total expenses, reflecting disbursements and accrued liabilities, decreased slightly to \$1 426.5 million in 2016 from \$1 468.9 million in 2015. This decrease is mainly attributable to the decrease in the U.S. dollar value of the implementation of National Voluntary Contributions projects, mainly in Brazil, due to exchange rate fluctuations.

Figure E: Expenses by Source of Funds



The primary PAHO expense categories are shown below in millions of United States dollars:

Table 2. PAHO Expense Categories (Net of Eliminations)

Staff and Other Personnel Costs	173.9
Supplies, Commodities, Materials	680.5
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization	2.0
Contractual Services	80.3
Travel	36.2
Transfers and Grants to Counterparts	441.3
General Operating and Other Direct Costs	12.2
Total PAHO Expense	1 426.5

The two most significant expense categories for the implementation of international health programs are Supplies, Commodities, Materials, and Transfers and Grants to Counterparts. The Supplies, Commodities, Materials category represents the procurement of vaccines, strategic public health medications, syringes, and medical supplies for Member States through the Procurement Funds. The Transfers and Grants to Counterparts category is primarily comprised of expenses linked to the National Voluntary Contributions.

10. Liquidity and Investment Management

The financial stability of the Organization depends not only upon the timely receipt of Assessed Contributions, Voluntary Contributions, and other receivables, but also on the effective management of the resources administered by the Organization. The PAHO Investment Committee has been delegated the authority to establish and implement appropriate investment policies, reflecting best practices and prudent financial management. The Investment Committee regularly reviews the investment portfolio's performance, keeping in mind the primary objective to preserve the capital value of resources and maintain adequate liquidity, while maximizing the yield on the portfolio. In order to take advantage of the rising interest rate environment, the Investment Committee approved a change to the mandate of the managed portfolios to reflect a longer overall duration beginning in January 2016. Investment revenue earned in 2016 totaled \$12.9 million.

Total cash and investments for the Organization at 31 December 2016 were \$669.4 million, an increase of \$47.3 million over the cash and investment balance as of 31 December 2015. The terms of the various investments in the portfolio reflect the nature and liquidity needs of the Organization and, therefore, are primarily short-term in duration (less than 12 months). These short-term investments are held to finance the Biennial Program and Budget activities, the procurement on behalf of Member States, the implementation of Voluntary Contributions agreements, and other activities. Long-term investments (from one to ten years) represent special funds held in reserve for long-term liabilities of the Organization, including future entitlements of current staff members for termination and repatriation, and after-service health insurance

11. Financial Statements

In accordance with IPSAS, a complete set of Financial Statements has been prepared as follows:

- *Statement of Financial Position* measures the financial strength of PAHO and displays in monetary value the assets and liabilities as of the end of the financial reporting period.
- *Statement of Financial Performance* shows how well PAHO used its assets to generate revenue. It is a general measure of PAHO's financial health over a given period of time (12 months) and can be compared with similar organizations.
- *Statement of Changes in Net Assets* shows all the activity in net assets during a financial period, thus reflecting the increase or decrease in PAHO's net assets during the year.
- *Cash Flow Statement* explains the changes in the cash position of PAHO by reporting the cash flows classified by operating, investing, and financing activities.
- *Comparison of Budget and Actual Amounts* reflects actual utilization of revenue in comparison with the Biennial Program and Budget Plan approved by the 52nd Directing Council in 2013.
- *Notes, comprising a summary of significant accounting policies and other relevant information.*

In order to provide the reader of PAHO's Financial Statements with more detailed information to fully understand the breadth of the activities of the Organization, an unaudited informational annex has been provided after the Report of the External Auditor. This annex includes summaries for the individual segments, Assessed Contributions, Voluntary Contributions, Procurement Funds, funding for the Regional Office of the Americas (AMRO)/World Health Organization, and Other Centers.

12. Other Highlights

ZIKA Virus (ZIKV)

In February 2014, autochthonous circulation of Zika virus (ZIKV) in the Region of the Americas was first confirmed on Easter Island, Chile. In May 2016, the first autochthonous cases of Zika virus in Brazil were confirmed, and in October 2016,

Brazilian public health authorities detected an unusual increase in microcephaly cases in both public and private healthcare facilities in Pernambuco state, Northeast Brazil. In December 2016 neurological syndrome, congenital malformations and Zika virus infections were detected signifying serious implications for public health in the Americas.

Epidemiological alerts and updates were published under the International Health Regulations structure to promote both Member State awareness and provide technical guidance starting on 7 May 2016 and subsequently for the periods of 16 October, 17 November and 1 December 2016.

Given the rapid dissemination of Zika virus in the Region of the Americas as well as the detection of severe outcomes potentially related to Zika virus infection, the PAHO Director activated PAHO/WHO's Incident Management System (IMS) on 8 December 2016 in order to make the best possible use of the expertise of the PAHO Secretariat to expedite support to the Member States. At this time, the Director designated \$500,000 to the PAHO Epidemic Emergency Fund to initiate operations. PAHO provided dynamic leadership and timely technical support and guidance to Member States to prevent and manage the ZIKV outbreak and associated complications and mitigate the socioeconomic consequences. Highlights of actions include: just over \$15M mobilized to support the response efforts and strengthen arbovirus vector control in the region; multidisciplinary technical field missions with over 170 staff and experts, including through the GOARN network, deployed to 30 countries and territories; 20 regional and sub-regional workshops in various technical areas; fifteen new or revised WHO/PAHO technical guidelines to guide Member States' health services in relation to ZIKV and compilations. Since epidemiological week 44 of 2016, no additional countries or territories of the Americas have confirmed autochthonous vector-borne transmission of Zika virus disease.

The Incident Management System (IMS) reports to the Director and is supported by the Emergency Operations Center platform. It articulates the work of all technical departments involved in the response and is also linked to the WHO IMS system activated in WHO Headquarters and the five other WHO Regional Offices.

Modernization of the PASB Management Information System

Pursuant to the instructions of the 50th Directing Council of the Pan American Health Organization (PAHO) in 2010, the Pan American Sanitary Bureau (PASB) launched a project to modernize the PASB Management Information System (PMIS). The PMIS was designed to play an increasingly critical role in providing effective support for delivering technical cooperation to Member States by leveraging available technology to streamline administrative processes, maximize transparency, foster accountability through clearly defined roles and responsibilities, as well as facilitate the delegation of authority to improve the efficient execution of technical and administrative functions.

The Organization is pleased to report that the Project to implement PMIS has been successfully completed. On 1 January 2016, the Phase 2 financials portion of the system joined the Phase 1 Human Resources and Payroll System live in production. 2016 saw the completion of the non-Go-Live critical components that were not addressed prior to Go Live in January 2016, in particular the annual financial closure and reporting processes. Considerable effort was also devoted to systems stabilization, training and enhancements. PMIS is now fully operational in 4 languages, handling 24 currencies and 180 business processes, and being used by over 2,000 staff and consultants in 30 locations throughout the Americas.

Mais Medicos

The Mais Médicos Project, as part of the larger National Program carrying the same name, continued to develop successfully throughout 2016, maintaining the provision of basic health care to 3,785 municipalities in Brazil. This Project includes the recruitment and placement of 11,429 Cuban doctors among these municipalities and 34 indigenous health districts. The Project aims at developing strategies to ensure universal access to health care provided by the Brazil Unified Health System (SUS - Brazilian acronym). Since 2015, the National Program has some 7,000 additional medical doctors, both Brazilian and other foreign nationals, totaling 18,240 doctors. It also aims to improve the infrastructure and expand access to medical education. These other components of the National Program are being executed directly by the Ministry of Health and the Ministry of Education. In all, more than 60 million people in Brazil are benefiting from the Program, and around 40 million are served by Cuban medical doctors, through PAHO technical cooperation.

PAHO's added value to the Project has included the selection of Cuban medical professionals according to criteria established by the Government of Brazil, as well as the implementation of the Induction Module (a three-week course which covers information on SUS structure and protocols as well as additional training on Portuguese language). An additional Induction Module at the municipal level is carried out immediately after the initial Induction program. PAHO also monitors the registration of the participating Cuban doctors in the specialization course for Family Health, following the requirements established by the Brazilian Ministry of Education.

Total funds implemented by PAHO in 2016 pertaining to this Project amounted to \$ 465.0 million, including Program Support Costs. All staff requirements for Project implementation have been fulfilled. A new Term of Agreement (TA 10) has been signed in order to formalize decisions that have been taken during the Tripartite Meeting in September 2016. The project monitoring and evaluation framework has been successfully implemented, through the application of measuring tools and methodology, fostering and financing research, and sharing relevant knowledge and results. The Cuban Doctors' database and IVS related application have been upgraded during 2016 and, according to internal audit results, was proven to be effective in improving accountability and transparency. The risk monitoring has been periodically reviewed by the PAHO Risk Committee chaired by the Director of Administration. A new version of the contingency plan has been elaborated, taking into consideration the complex political situation in Brazil. During 2016, IES/WDC performed four internal audits, and the PAHO external auditors visited PWR Brazil in January 2017. All auditors' recommendations have been implemented or are presently in the process of implementation.

By the end of 2016, all Brazilian municipalities that had requested to participate in the Program established by the Federal Government of Brazil were accommodated. No relevant changes have been recorded from the 2016 situation: 89% of the 11,429 participating doctors were located in priority areas. Doctors exiting the project represent a small percentage of total doctors (less than 10%), while among Brazilian Doctors this percentage is much higher (around 40%). A solid scientific instrument (Primary Care Assessment Tool) has been implemented to evaluate quality of PHC practices of Cuban Doctors. More than 8,000 doctors participated to this evaluation. Results were very satisfactory: Cuban Doctors had either the same or better performance than their Brazilian colleagues. The vast majority of the participating doctors are working in basic healthcare teams (traditional basic healthcare team, the family health teams, or the indigenous health districts) located in vulnerable areas. PAHO monitors the compliance of the municipalities with the commitment of providing lodging and food, as well as transportation to the participating doctors as a specific contribution to complement the effort of the Federal government in covering the salaries of these physicians.

13. Accounting Policies and Basis of Preparation

The Financial Statements of the Pan American Health Organization (the Organization) have been prepared on the accrual basis of accounting in accordance with International Public Sector Accounting Standards (IPSAS), using the fair value valuation convention. Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standard (IFRS) has been applied.

These Financial Statements were prepared under the assumption that the Organization is a going concern and will continue in operation and will meet its mandate for the foreseeable future. The Governing Bodies of the Organization have not communicated through any means that there is an intention to terminate the Organization or to cease its operations. Furthermore, at the time of the preparation of these Financial Statements the Executive Management of the Organization was not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the ability of the Organization to continue as a going concern.

PAN AMERICAN HEALTH ORGANIZATION
FINANCIAL REPORT OF THE DIRECTOR and REPORT OF THE EXTERNAL AUDITOR
1 January 2016 – 31 December 2016

The Financial Statements of the Organization were authorized for issue by the Director of the Organization under the authority vested in her by the Pan American Sanitary Conference as stated in the Resolution CSP28.R7 in September 2012. This issuance approval is dated 27 April 2017. No other authority has the power to amend the Financial Statements after issuance.



Carissa F. Etienne

Director

Pan American Health Organization

Letter of Transmittal

In accordance with the provisions of Regulation XIII of the Financial Regulations, I have the honor of submitting the Financial Report of the Pan American Health Organization for the financial period 1 January 2016 to 31 December 2016.



Carissa F. Etienne

Director

Pan American Health Organization

Certification of Financial Statements

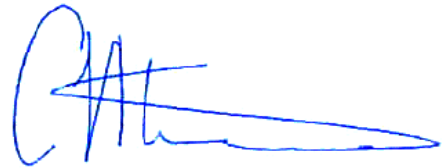
The Financial Statements and supporting Notes are approved:



Xavier Puente Chaudé

Director

Financial Resource Management



Carissa F. Etienne

Director

Pan American Health Organization

27 April 2017

Statement on Internal Control

Scope of Responsibility

As Director of the Pan American Sanitary Bureau (PASB), I am responsible for maintaining a sound system of internal control that supports the fulfillment of PAHO's mandate and objectives while safeguarding the funds and assets administered by PASB, in keeping with the responsibilities entrusted to me by the PAHO Constitution, the Governing Bodies, and the Financial Regulations of the Organization.

Accountability is an integral component of the PASB Results-based Management (RBM) framework and, as such, empowers managers to take the necessary steps to achieve their expected results while exercising due diligence in actions and decisions and compliance with applicable rules and regulations. Delegation of authority is a prerequisite for the successful implementation of RBM. Good governance is enabled by the appropriate delegation of authority and, as Director, I have approved a Delegation of Authority framework that delineates clear lines of authority over all available resources, both human and financial, and includes the responsibility and accountability of personnel across the Organization.

Accountability at PAHO carries with it the obligation to report on the discharge of one's delegated responsibilities through established mechanisms, including the annual certification of financial information and assessment of the implementation status of the Biennial Work Plan.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve expected results and strategic objectives. It can therefore provide only reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritize the risks to fulfilling the Organization's mandate and objectives, evaluate the likelihood of those risks being realized and the impact should they be realized, and manage them efficiently, effectively, and economically. The system of internal control was in place in PASB for the financial reporting period 1 January 2016 through 31 December 2016, and has remained so up to the date of the approval of the Financial Report of the Director.

The foundation for the system of internal control in PASB lies in the Constitution of the Pan American Health Organization and the Financial Regulations. From this, the Organization has developed and employed additional tools to further inform and guide the control framework, among them the Country Cooperation Strategy (CCS), Staff Rules and Staff Regulations, the E-Manual and Standard Operating Procedures, Personnel Performance and Evaluation System (PPES), Performance Monitoring and Assessment (PMA), and the Financial Accountability Framework.

Risk Management Capacity

As the Director of PASB, I have taken note that a system of core and cross-functional teams has been created that has overall responsibility for identifying and assessing risks associated with the implementation of the Program of Work and the overall operations of the Organization. Core teams include the Ethics Office (ETH), the Office of Legal Counsel (LEG), the Office of Country and Subregional Coordination (CSC), the Department of Planning and Budget (PBU), the Department of External Relations, Partnerships and Resource Mobilization (ERP), the Department of Human Resources Management (HRM), the Department of Information Technology Services (ITS), the Department of General Services Operations (GSO), and the Department of Financial Resources Management (FRM). These core teams are responsible for establishing the control environment and providing the discipline and structure for achieving the primary objectives of the system of internal control.

Some examples of key cross-functional teams include the Integrity and Conflict Management System (ICMS), the Asset Protection and Loss Prevention Committee (APLPC), the Crisis Management Team, the Standing Committee on Enterprise Risk Management, the PAHO Management Information System (PMIS) Advisory Committee, the Property Survey Committee, the PAHO Infrastructure Investment Projects Committee (PIIC), the Investment Committee, the Disaster Task Force, and the Epidemic Alert and Response Task Force.

Furthermore, the Office of Internal Oversight and Evaluation Services serves as an advisor to the Director, as well as an advisor and observer on the ICMS, the APLPC, the Property Survey Board, and the PMIS Advisory Committee.

Risk and Control Framework

The risk and control framework is developed and implemented by the Governing Bodies and the Pan American Sanitary Bureau (PASB), the Secretariat of the Organization. These organs, as stipulated in Article 3 of the Constitution of PAHO, determine the Organization's general policies, including financial policy, and review and approve the multi-year strategy and biennial program and budget of the Organization.

The Secretariat submits regular reports to the Governing Bodies on the financial, program, and budgetary status of the Organization, including an annual report by the External Auditors of PAHO. Furthermore, the Office of Internal Oversight and Evaluation Services issues an annual report on its activities, with the status of outstanding audit recommendations. The Auditor General also provides the Director with an overall opinion on PAHO's internal control environment.

In addition, the Departments of Financial Resources Management and Planning and Budget submit monthly reports to Executive Management covering the Organization's current financial position, the likelihood that financial and budgetary plans will be successfully implemented, and the risks attached. ITS submits a monthly report to Executive Management on the implementation and enhancement of the PMIS and the associated risks. These reports are discussed in detail to ensure that the members of Executive Management have appropriate and comprehensive information necessary to the decision-making process. Finally, a corporate Performance Monitoring Assessment process is conducted semiannually, which involves Executive Management, entity managers, and technical staff to assess progress in the implementation of the Program of Work and Strategic Plan.

A fully functional Enterprise Risk Management (ERM) system is critical to controlling the pace and manner of change in the Organization resulting from the adoption of new technology, the growing technical cooperation requirements of the Member States, the growth of resources under administration, and adaptation to UN transformation. In 2011, PAHO's Executive Management team approved the conceptual framework of the ERM.

The objectives of PAHO's risk management approach are twofold: to support informed decision-making and to embed risk management in corporate operational processes. In this regard, the ERM program has two lines of work; one related to the risk register (RR) and the other to corporate risk. The RR was created with the purpose of integrating the identification of risks and opportunities into managerial thinking for the planning, implementation, and monitoring of the Biennial Work Plans (BWP) at the entity level. By definition, the risk register has a two-year horizon and should be considered a tool for supporting management processes and identifying systemic issues. The other purpose is related to the corporate risks of the Organization. The corporate risks are the concern of the top level of PAHO's Secretariat (Executive Management) and focus on risks that might affect the Organization's ability to perform and fulfill its mission and mandate. The horizon for these risks is three to five years. It is important to understand the distinction between these two levels in the ERM Program in terms of accountability, monitoring, and mitigation plans or activities.

To this end, the Enterprise Risk Management program includes a Corporate Risk Management policy that establishes tools to promptly and systematically identify, assess, respond to, and monitor risks in a structured manner. In compliance with the ERM policy, risk assessments were part of the 2016-2017 biennial operational planning process and the 2016 year-end Performance and Monitoring Assessment.

Furthermore, updated guidelines for risk management were developed and have replaced the former risk management manual. These guidelines clearly define roles and responsibilities for the different levels in risk management (Risk Focal Points, Cost Centers, etc.), the ERM approach and scope, and other general business rules.

During the course of 2016, the ERM Standing Committee (ERMSC) reviewed the risk profiles of the top corporate risks identified. These profiles indicate the scope of the risk and mitigation actions and indicators to measure and monitor it. Every six months, the ERMSC and Executive Management review the progress and evolution of the top corporate risks. The Audit Committee also monitors the status of the top corporate risks identified, as well as the implementation of their mitigation plans.

Review of Effectiveness

As Director of the Pan American Sanitary Bureau, I am responsible for reviewing the effectiveness of the system of internal control. My review is informed by the work of the Office of Internal Oversight and Evaluation Services, senior managers in the Organization with responsibility for developing and maintaining the internal control framework, and the comments of the External Auditors in their management letters and audit reports. I have been advised about the implications of the results of my review of the effectiveness of the system of internal control by the Auditor General and the Audit Committee. A plan to address identified weaknesses and ensure continuous improvement of the system is in place.

The Auditor General reports directly to me. IES conducts independent and objective assurance and advisory activities, which are designed to improve and add value to the Organization’s operations. Using a systematic risk-based approach, IES seeks to assist the Organization in meeting its objectives by auditing the effectiveness and efficiency of organizational governance, internal controls, operations, and processes. IES undertakes internal audit assignments, for which very precise objectives are established through an assessment of the relevant risks. At the conclusion of an oversight assignment, IES prepares a detailed report addressed to me and copied to pertinent individuals in the Secretariat. The assignment reports include findings and recommendations to help management address risks, maintain or enhance internal controls, and encourage effective governance. IES systematically follows up on all the recommendations it makes. In addition, it provides support for evaluation activities throughout the Organization, recording and monitoring all evaluation assignments undertaken across the Organization.

The PAHO Audit Committee, established pursuant to Resolution CD49.R2, serves in an independent expert advisory capacity to assist the Director and the PAHO Member States. It provides independent assessment and advice on the operation of the Organization’s financial control and reporting structures, risk management processes, and the adequacy of the Organization’s systems of internal and external controls. The Audit Committee meets twice a year.

The system of internal control was in place for the year ending 31 December 2016 and has remained so up to the date of the approval of the Financial Report of the Director. However, with the significant growth in the Organization, a number of weaknesses in the system of internal control were identified that have necessitated additional work so that adequate internal control assurances could be provided.

Significant Internal Control Issues	Action Taken to Address Issues
<p>1. Corporate Administrative Systems Implementation of the new RP system (PMIS) completed in January 2016. Since then, PMIS has been fully operational with ongoing stabilization and continuous improvements.</p> <p>The PMIS platform is continuously evolving and improving. The software vendor delivers automatic weekly updates to the system, and also delivers releases of updated versions of the software twice a year. These updates include enhancements requested by PAHO to address identified internal control issues. A system is in place to review the impact of updates on established business processes and communicate changes to all users.</p> <p>Following the initial launch of the system, a number of unforeseen scenarios needed to be handled with workarounds until solutions were developed. In addition, on occasion unexpected system performance impacted business processes.</p> <p>Once staff began using the system, it became apparent that training before going live required supplementation with a hands-on training program once the system was operational.</p>	<ol style="list-style-type: none"> 1- PMIS Governance defined and implemented. This consists of: a) an Advisory Committee to set priorities; b) Monthly reports and consultations with EXM; c) weekly Business Owner meeting; d) PMIS working groups engaging users and business owners; e) Director’s special forum convened to address PMIS user concerns. 2- A comprehensive process was put in place to manage periodic systems updates and releases. 3- Close coordination with software vendor to address unexpected system behaviors. 4- Knowledge transfer plan defined and ongoing to build PMIS institutional expertise. 5- Extensive PMIS user training plan delivered across the Organization 6- Comprehensive PMIS documentation made available to all staff through a web portal. 7- Business processes continuously streamlined in response to guidance from the Advisory Committee.

Significant Internal Control Issues	Action Taken to Address Issues
<p>2. Implementation of Voluntary Contribution Agreements Effective implementation of the Program and Budget is critical to the reputation and sustained growth of the Organization. The balance of Voluntary Contributions commitments that remain unimplemented, as well as the funds returned to donors, has remained a concern. A balance of project acceptance and design, timely receipt of committed funds, rational business practices, policies and procedures, and the absorptive capacity of beneficiaries is required to reach optimal project implementation goals.</p>	<p>Over the years, the PAHO Secretariat has noted a growing need to address a range of gaps in supporting the management of Voluntary Contributions, with particular emphasis on implementation monitoring and impact evaluation.</p> <p>Implementation of the PMIS and related award management reporting functionality will provide the necessary tools to better manage the financial components of Voluntary Contributions. Grant coordinators and implementing entities are provided with a range of reports that allow them to monitor unspent balances, expiration dates, and related attributes to enable corrective actions.</p> <p>In an effort to support high-level monitoring of Voluntary Contributions' implementation, ERP collaborated with ITS, PBU, and FRM to develop an executive-level report. This report improves transparency and provides more consistent information.</p> <p>A review of PMIS award management design is planned for March 2017 to address functionality issues related to recording cash receipts by award and breaking down commitments by budgetary or fiscal period.</p> <p>Award expiration dates continue to be monitored closely to ensure that funds from donor agreements are fully implemented as per donor terms and conditions. A review of expired and expiring grants suggests that financial implementation is generally satisfactory; however, exceptions are noted.</p> <p>Separately, the Organization is considering other options to track the programmatic implementation of Voluntary Contributions to allow more comprehensive monitoring of the work under way, beyond financial expenditure. Recognizing the Organization's results-based approach, this component of project management could support the monitoring of activities, or short-term/immediate results.</p> <p>ERP completed an assessment of project management, with a view to developing a corresponding toolkit and roadmap for an overall framework. This assessment a) identified some organizational best practices in grant monitoring and management; b) collected useful tools and consistent practices used to ensure effective oversight of individual grants, as well as a broader perspective on macro-level monitoring within an entity; and, c) summarized existing reports designed to monitor the financial aspects of grants.</p>
<p>3. Succession Planning The ongoing retirement of senior managers has the potential to result in a loss of institutional memory.</p>	<p>HRM presented the business case of the PAHO Succession Planning to Executive Management on 13 December 2016. The proposal took into consideration the recommendations of the United Nations Joint Inspection Unit in its report JIU/REP/2016/2.</p> <p>HRM proposes basing the identification of key positions for</p>

Significant Internal Control Issues	Action Taken to Address Issues
	<p>succession planning on the criteria of criticality and retention risk. It was agreed with Executive Management that the scope of the program would include the positions of department directors, unit chiefs, and PWRs.</p> <p>HRM is currently developing an Operational Plan for comprehensive PAHO Succession Planning.</p> <p>Succession Planning will supplement the existing HR Planning process, already integrated into BWP planning, with the object of replacing retiring staff in an optimally timely manner.</p>
<p>4. Emergency Response As the preeminent health agency in the Region of the Americas, PAHO must assume a leadership role in addressing emergencies. The impact and severity of recent emergencies in the Region have underscored the need for a strong, decentralized team of specialists to analyze and coordinate response requirements and information.</p>	<p>The implementation of PAHO’s institutional response to emergencies and disasters (IREDD) policy, approved in 2012, continues to strengthen and enhance the ability to respond to emergencies and disasters in the Region. In 2016, a new Department of PAHO Health Emergencies (PHE) was created bringing together the disaster, emergency and epidemic response functions; PHE provided technical support across the Region, which included a regional training event on emergency response procedures for 49 professionals from 20 countries. The workshop, held in Panama, 19-23 September 2016, was aimed at strengthening PAHO’s capacity to assist Member States in coordinating and responding to emergencies and disasters of any nature and keep the Regional Response Team active and up-to-date. Additionally, 16 PAHO staff members from both the regional and country levels received training on the Incident Command and Crisis Leadership System in Washington, D.C. in November 2016. Two PAHO staff members also took the Health Emergencies in Large Populations (HELP) course offered by the International Committee of the Red Cross (ICRC). The HELP course has provided humanitarian workers with an intensive training experience in public health principles and disaster epidemiology.</p> <p>Furthermore, PHE was successful in mobilizing resources in response to Member States’ requests for support in emergencies in 2016. The following are some examples: Ecuador, which was hit by a 7.8 magnitude earthquake in April, received support for rapid assessments and coordination, with more than US\$ 1.5 million mobilized to support technical cooperation in health; Following Hurricane Earl, Belize received support for rapid assessments and coordination; The Bahamas, Cuba, the Dominican Republic and Haiti received support in the wake of Hurricane Matthew for rapid assessments and coordination, WASH, vector control, logistics, health services restoration and the vaccination of more than 800,000 people against cholera (just under \$2M was mobilized to support response operations); Following Hurricane Otto, Costa Rica received technical assistance from the CO, with support from EOC & PHE Central America. Given the nutrition crisis in Guatemala, over US\$1.1 million was mobilized for lifesaving interventions and preventive action to address the health and nutritional needs of specific groups</p>

Significant Internal Control Issues	Action Taken to Address Issues
	suffering from or at risk of acute malnutrition and to support the coordination and preparedness efforts of the Ministry of Health and other partners; To address the migrant crisis in Colombia, with people arriving from Venezuela, and in Costa Rica and Panama, with Cubans transiting from Ecuador to the USA, support provided for health service coordination and organization.
<p>5. International Economic Environment Global economic challenges, including significant fluctuations in exchange rates and raw material prices, impact many Member States and pose several risks to the Organization's ability to fund the Budget:</p> <ul style="list-style-type: none"> • Member States have continued to espouse a policy of zero-to-minimal nominal budget growth. • The low interest rate environment has reduced the investment income earned on U.S. dollar investments and available to supplement the Member States' Assessed Contributions. • Exchange rates in some countries have fluctuated significantly during the year, resulting in additional uncertainties regarding the value of some transactions locally. 	<p>The Organization has a conservative Investment Policy, overseen by the Investment Committee. The Investment Committee meets in person at least twice a year to review the performance of the investment portfolio and regularly invites experts to these meetings to discuss the various risks in the portfolio and their forecast of the economic environment. The Investment Committee has contracted three external investment managers to manage approximately \$350 million of the \$600 million portfolio, thus taking advantage of expertise, economies of scale, and opportunities in the market to maximize the yield on available resources while preserving the principal.</p> <p>The Organization monitors exchange rates in the country offices and manages local currency bank balances accordingly. Exchange rate gains and losses are allocated based on the source of the funds. However, as the Budget is denominated in U.S. dollars, fluctuations in local exchange rates will still impact the country offices' "purchasing power," even if their revenue and expenses are denominated in local currency, although with lower associated exchange risks. Country offices work closely with the Department of Planning and Budget to address these issues.</p>
<p>6. Funding of Long-Term Employee Liabilities With the implementation of IPSAS in 2010, the Organization recognized its assets and liabilities, resulting in a more transparent picture of its true financial status. The long-term liabilities associated with After-Service Health Insurance (ASHI) and the Termination and Repatriation Entitlements Plan (TAREP) were recorded in the Statement of Financial Position in 2010, and irrevocable trusts were established for the financial resources available to fund these liabilities (plan assets). In 2016, in cooperation with the World Health Organization (WHO), a comprehensive plan was established to fully fund the ASHI liability over a determined period of time.</p> <p>The 2016 actuarial study determined that the PAHO ASHI Defined Benefit Obligation (DBO) totaled \$252.1 million as of 31 December 2016. Also as of 31 December 2016, the ASHI Trust and the SHI Equity Account assets totaled \$60.1million. After other adjustments, the net unfunded liability totaled \$219.0 million. This amount represents an estimate of the additional funding required by PAHO to meet the future cost of providing health benefits to current retirees and active staff eligible to retire from PAHO with these benefits over time. In</p>	<p>In addition to the usual payroll contributions to the ASHI Fund Trust, since 2010 PAHO has made an additional contribution equivalent to 4% of the base pay of PAHO staff in order to provide funding towards this liability. In 2016, this contribution totaled approximately \$2.1 million. In addition, the net investment revenue for the PAHO ASHI Trust Fund in 2016 was \$1.2 million.</p> <p>In consultation with WHO, and referencing actuarial projections and recommendations, PAHO has adopted a strategy combining the liabilities and assets of the WHO SHI Trust Fund and PAHO's ASHI Trust Fund to achieve efficiencies in meeting funding objectives. This funding strategy is expected to enable PAHO to achieve full funding of its DBO liability jointly with WHO in the next 25 years. PAHO and WHO will annually review progress toward this goal, taking actuarial assumptions about the future evolution of market rates of return and health care cost trends into account.</p> <p>As part of this process, on November 2016, PAHO and WHO signed a Memorandum of Understanding (MOU) on the Assets</p>

Significant Internal Control Issues	Action Taken to Address Issues
<p>addition, at the end of December 2016, PAHO had an ASHI Equity Account with 4.5 million to be added to the ASHI Trust assets.</p> <p>Concerning the Termination and Repatriation Entitlements Plan (TAREP), at the end of 2016 its Defined Benefit Obligation was \$16.8 million and its Trust assets were \$11.3 million, resulting in a net unfunded liability of \$1.7 million. The TAREP Trust received \$235,000 in net investment revenue on its assets.</p>	<p>of the WHO Staff Health Insurance. When the MOU enters into force in 2017:</p> <p>a) PAHO will transfer the balance of the PAHO ASHI Trust Fund and PAHO's SHI Equity account to the WHO SHI Trust Fund, to be invested as SHI assets under the SHI investment policy. The assets will be recorded as PAHO SHI assets, and PAHO will continue to record its share of any SHI actuarial deficit in its annual financial statement.</p> <p>b) PAHO will transfer the 4% ASHI contribution levied on payroll to the WHO SHI Trust Fund on a monthly basis and any surplus of health insurance contributions of active staff over expenses from the previous calendar year on an annual basis.</p> <p>c) PAHO will participate in the SHI Trust Fund-related deliberations of the WHO Investment Committee.</p> <p>d) A joint actuarial valuation will be performed on an annual basis to achieve efficiencies and reduce administrative costs.</p> <p>In addition, the SHI Global Oversight Committee has adopted several decisions to control future health care costs in the United States in order to contain the future increase in the DBO.</p>
<p>7. IT Security of PAHO Network</p> <p>The IT security controls have substantially improved over the last two years and now provide adequate protection to PAHO's network. PAHO did not experience any significant information security breach in 2016.</p> <p>Nevertheless, in the current digital age, the threat of a cyber-attack or information security breach is always present. Such an event could leave IT systems temporarily inoperable, expose confidential information, and/or inflict significant reputational damage on the Organization.</p> <p>Ensuring that IT security controls are continuously monitored and enhanced is key to mitigating the risk of an incident.</p>	<p>In 2016, established information security controls were improved and new ones were implemented:</p> <ol style="list-style-type: none"> 1) Information Security advisory services were procured from UNICC; 2) An information security roadmap aligned with the ISO 27001 industry standard was created; 3) Managed Firewall security services were procured from a leading provider to further enhance network security throughout the Organization. This service blocks new threats and has significantly improved the security controls in place. 4) Cloud-based IT Disaster Recovery As A Service (DRAAS) is being implemented <p>In addition, existing controls have been reviewed and enhanced and are continuously monitored. These include: a) enterprise antivirus; b) vulnerability scans; c) monitoring tool; d) back-up system; e) password policies,</p> <p>In 2016, temporary expert information security services were procured, while a new dedicated Information Security post was created and recruitment begun.</p>

Conclusion

I am confident that as a result of the action taken to address the significant issues noted above, the system of internal control will continue to be strengthened. Therefore, in my opinion, the Organization's system of internal control was effective throughout the financial reporting period 1 January 2016 through 31 December 2016 and remains so on the date I sign this statement.



Carissa F. Etienne

Director

Pan American Health Organization

Opinion of the External Auditor



**TRIBUNAL DE CUENTAS
DE ESPAÑA**

The Pan American Health Organization

Opinion of the External Auditor on the 2016 Financial Statements

Opinion

We have audited the consolidated financial statements of the Pan American Health Organization for the year ended 31 December 2016. These comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, Statement of Cash Flow, Statement of Comparison of Budget and Actual Amounts and the related notes. These financial statements have been prepared following the Organization's accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Pan American Health Organization as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

In our opinion the accounting policies have been applied on a basis consistent with that of the preceding financial period in all material respects, the revenue and expenditure have been applied to the purposes intended by either the Pan American Sanitary Conference or the Directing Council and the financial transactions conform to the Financial Regulations and legislative authorities that govern them.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit in accordance with Article XIV of the Financial Regulations. We conducted the audit in accordance with International Standards on Auditing of the International Federation of Accountants (IFAC), the Audit Standards and Guidelines formulated by the United Nations Board of Auditors and the International Standards of Supreme Audit Institutions (ISSAIs).

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect any existing material misstatements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economics decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition, we were required to obtain sufficient evidence to give reasonable assurance that the revenue and expenditure reported in the consolidated financial statements have been applied to the purposes intended by either the Pan American Sanitary Conference or the Directing Council and that the financial transactions are in accordance with the Financial Regulations and legislative authorities that govern them.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Director's Responsibility for the Financial Statements

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards and the requirements of the Financial Regulations as authorized by either the Pan American Sanitary Conference or the Directing Council. The Director is also responsible for such internal control as She determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

External Auditor's Report

In accordance with Article XIV of the Financial Regulations and the Letter of Engagement, we have also issued an External Auditor's Report on our audit of the Pan American Health Organization's financial statements.

Madrid, April 27, 2017



Ramón Álvarez de Miranda García

President of the Spanish Court of Audit

Statement of Financial Position

(Expressed in thousand US Dollars)

	<u>Reference</u>	<u>31 December 2016</u>	<u>31 December 2015</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	Note 3	128 286	142 241
Short Term Investments	Note 4.1	239 705	256 843
Accounts Receivable	Note 6.1	349 612	358 292
Inventories	Note 7	8 896	8 639
Total Current Assets		<u>726 499</u>	<u>766 015</u>
Non-Current Assets			
Long Term Investments	Note 4.2	297 674	223 054
Accounts Receivable	Note 6.2	152 887	63 613
Property, Plant and Equipment	Note 8.1	108 376	110 035
Intangible Assets	Note 9	763	1 024
Total Non-Current Assets		<u>559 700</u>	<u>397 726</u>
TOTAL ASSETS		<u>1 286 199</u>	<u>1 163 741</u>
LIABILITIES			
Current Liabilities			
Accrued Liabilities	Note 10	13 175	93 682
Accounts Payable	Note 11.1	62 352	16 033
Employee Benefits	Note 12	10 970	13 053
Deferred Revenue	Note 13.1	502 770	453 345
Total Current Liabilities		<u>589 267</u>	<u>576 113</u>
Non-Current Liabilities			
Accounts Payable	Note 11.2	7 796	7 796
Employee Benefits	Note 12	210 430	210 838
Deferred Revenue	Note 13.2	216 125	139 389
Total Non-Current Liabilities		<u>434 351</u>	<u>358 023</u>
TOTAL LIABILITIES		<u>1 023 618</u>	<u>934 136</u>
NET ASSETS / EQUITY			
Fund Balances and Reserves			
Fund Balances	Note 14	112 230	89 257
Reserves	Note 14	150 351	140 348
NET FUND BALANCES and RESERVES		<u>262 581</u>	<u>229 605</u>

PAN AMERICAN HEALTH ORGANIZATION
 FINANCIAL REPORT OF THE DIRECTOR and REPORT OF THE EXTERNAL AUDITOR
 1 January 2016 – 31 December 2016

Statement of Financial Performance

(Expressed in thousand US Dollars)

	<u>Reference</u>	<u>31 December 2016</u>	<u>31 December 2015</u>
REVENUE			
Revenue from Non-Exchange Transactions			
Assessed Contributions	Note 15	97 793	105 620
Voluntary Contributions	Note 15	571 460	619 977
Other Revenue	Note 15	63 019	86 349
Revenue from Exchange Transactions			
Procurement of Public Health Supplies	Note 15	686 518	646 219
Other Revenue	Note 15	7 965	10 646
Miscellaneous Revenue	Note 15	21 572	(8 789)
TOTAL REVENUE		<u>1 448 327</u>	<u>1 460 022</u>
EXPENSES			
Staff and Other Personnel Costs	Note 16	173 921	185 546
Supplies, Commodities, Materials	Note 16	680 525	644 790
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization	Note 16	1 919	7 072
Contract Services	Note 16	80 303	72 136
Travel	Note 16	36 247	67 967
Transfers and Grants to Counterparts	Note 16	441 327	480 879
General Operating and Other Direct Costs	Note 16	12 248	10 478
TOTAL EXPENSES		<u>1 426 490</u>	<u>1 468 868</u>
NET SURPLUS / (DEFICIT)		<u>21 837</u>	<u>(8 846)</u>

PAN AMERICAN HEALTH ORGANIZATION
 FINANCIAL REPORT OF THE DIRECTOR and REPORT OF THE EXTERNAL AUDITOR
 1 January 2016 – 31 December 2016

Statement of Changes in Net Assets

(Expressed in thousand US Dollars)

	<u>Reference</u>	<u>31 December 2016</u>	<u>31 December 2015</u>
Net assets at the beginning of the year		229 605	215 891
Settlement of Employee Benefit Liability	Note 12.3.9	11 264	11 502
Gain/(Loss) on Revaluation of Investments (Recognition) / De-recognition of Liability through Reserves	Note 4.2	(1 692)	(616)
Fixed Assets Revaluation Adjustments	Note 24	1 567	1 721
Adjustment for closing WHO Terminal and Non-Statutory Entitlements Funds	Note 8.1		3 401
			<u>6 552</u>
Total of items (revenue/expenses) recognized		<u>11 139</u>	<u>22 560</u>
Surplus/(deficit) for the Financial Period		<u>21 837</u>	<u>(8 846)</u>
Total recognized revenue and expenses for the year		<u>32 976</u>	<u>13 714</u>
Net assets at the end of the year		<u><u>262 581</u></u>	<u><u>229 605</u></u>

PAN AMERICAN HEALTH ORGANIZATION
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 1 January 2016 – 31 December 2016

Cash Flow Statement

(expressed in thousand US dollars)

	<u>31 December 2016</u>	<u>31 December 2015</u>
Cash Flows from Operating Activities:		
Surplus (Deficit) for the period	21 837	(8 846)
Depreciation and Amortization	2 384	7 646
(Increase) / Decrease in Accounts Receivable	(80 594)	44 018
(Increase) / Decrease in Inventories	(257)	(771)
Increase / (Decrease) in Accrued Liabilities	(80 507)	51 001
Increase / (Decrease) in Accounts Payable	46 319	6 774
Increase / (Decrease) in Employee Benefits	8 773	23 791
Increase / (Decrease) in Other Liabilities	1 567	1 721
Increase / (Decrease) in Deferred Revenue	126 161	(182 151)
Increase / (Decrease) Transfer of WHO Terminal and Non-Statutory Entitlements Funds		6 552
	<u>45 683</u>	<u>(50 265)</u>
Cash Flows from Investment and Financing Activities:		
(Increase) / Decrease in Short Term Investments	15 447	10 742
(Increase) / Decrease in Long Term Investments	(74 620)	44 699
(Increase) / Decrease in Property, Plant and Equipment and Intangibles Assets	(465)	(618)
	<u>(59 638)</u>	<u>54 823</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	(13 955)	4 558
Cash and Cash Equivalents at the beginning of the Year	<u>142 241</u>	<u>137 683</u>
Cash and Cash Equivalents at the end of the Year	<u><u>128 286</u></u>	<u><u>142 241</u></u>

PAN AMERICAN HEALTH ORGANIZATION
 FINANCIAL REPORT OF THE DIRECTOR and REPORT OF THE EXTERNAL AUDITOR
 1 January 2016 – 31 December 2016

Comparison of Budget and Actual Amounts

(Expressed in thousand US Dollars)

Category/Program Area	Program and Budget	Approved Transfers	Resulting Budget	2016 Expenses	Program and Budget Balance	2016 Expenses as % of Program and Budget
1. Communicable Diseases	102 389		102 389	34 482	67 907	34%
2. Non-communicable Diseases and Risk Factors	58 028		58 028	16 805	41 223	29%
3. Determinants of Health and Promoting Health throughout the Life Course	81 242		81 242	20 323	60 919	25%
4. Health Systems	109 196		109 196	34 102	75 094	31%
5. Preparedness, Surveillance, and Response	59 811		59 811	20 250	39 561	34%
6. Corporate Services/Enabling Functions	202 134		202 134	79 329	122 805	39%
Total for Base Programs (Categories 1-6)	612 800		612 800	205 290	407 510	34%
Special Programs and response to emergencies	35 000		35 000	14 368	20 632	41%
TOTAL	647 800		647 800	219 658	428 142	34%

The PAHO Program and Budget was approved through Resolution CD54/R16 as an integrated budget, independent of the sources of financing. The amounts indicated under the Program and Budget represents total resource requirements. There were no budget transfers during fiscal year 2016; the resulting budget is therefore the same as the originally approved budget. The 2016 expenses represent actuals from all funding sources, assessed contributions and miscellaneous revenue, voluntary contributions, as well as special funds from both the Pan American Health Organization and the World Health Organization. The levels of funding and expenses by source are presented in other reports.

Notes to the Financial Statements at 31 December 2016

1. Mission of the Pan American Health Organization

The mission of the Organization is *“To lead strategic collaborative efforts among Member States and other partners to promote equity in health, to combat disease, and to improve the quality of, and lengthen, the lives of the peoples of the Americas.”*

The Pan American Health Organization (the Organization) is an international public health agency with more than 100 years of experience in working to improve health and living standards in the countries of the Americas. It serves as the specialized organization for health of the Inter-American System. It also serves as the Regional Office for the Americas of the World Health Organization and enjoys international recognition as part of the United Nations system.

The Pan American Sanitary Bureau (PASB) is the Secretariat of the Organization. The Bureau is committed to providing technical support and leadership to the Organization's Member States as they pursue their goal of Health for All and the values therein.

The headquarters of the Organization is located in Washington, D.C. In addition, the Organization has Representative Offices throughout the Americas, which are in charge of implementing its values, mission, and vision in the Western Hemisphere.

2. Accounting Policies

2.1 Basis of Preparation

The financial statements of the Pan American Health Organization have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS), using the historical cost convention except for land and buildings which are shown at fair value. Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standard (IFRS) has been applied.

The Financial Statements of the Organization were certified and approved for issue by the Director of the Organization under the authority vested in her by the Pan American Sanitary Conference, as stated in Resolution CSP28.R7 in September 2012. This issuance approval is dated 27 April 2017. No other authority has the power to amend the Financial Statements after issuance. (Reference: IPSAS 14, paragraph 26).

The Organization previously prepared its financial statements on the modified cash basis under the United Nations' System Accounting Standards (UNSAS). Based on the decision to change to accrual accounting under IPSAS, amendments to the Financial Regulations and Rules were made and adopted by the Directing Council at its 49th meeting on 28 September 2009 and by the 145th Executive Committee on 2 October 2009, to become effective 1 January 2010. The first-time adoption of International Public Sector Accounting Standards effective 1 January 2010 reflected the change from a modified cash basis of accounting to an accrual basis of accounting. The accounting period is 1 January through 31 December. The financial period 1 January through 31 December 2016 represents the first year of the 2016 – 2017 biennium, which is the third biennium in which the IPSAS standards were implemented.

The functional and reporting currency of the Organization is the United States Dollar (US\$). Disclosed amounts in the Financial Statements and Explanatory Notes are rounded in order to be expressed in thousands. The rounding practice may result in tables that may not sum precisely to the rounded totals.

These financial statements were prepared on the assumption that the Organization is a going concern and will continue in operation and fulfill its mandate for the foreseeable future (IPSAS 1). The Governing Bodies of the Organization have not communicated any intention to terminate the Organization or cease its operations.

In accordance with IPSAS 1, a complete set of financial statements has been prepared as follows:

- 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
- f. Notes, comprising a summary of significant accounting policies and other relevant information.

In compliance with IPSAS 1, paragraph 28, the Organization has fully adopted IPSAS.

For detailed information on IPSAS implementation in the organization, refer to pages 40 to 45 of the Financial Report of the Director and Report of the External Auditor for the fiscal period 1 January 2015 to 31 December 2015.

2.2 Cash and Cash Equivalents

Cash and cash equivalents, which are financial assets, comprise cash on hand, cash at banks, money markets and short-term deposits with original maturities of 90 days or less. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

Short-term deposits are stated at amortized cost using the effective interest method, with interest income recognized on an effective yield basis.

Cash and Cash Equivalents are held for purposes of meeting short-term cash commitments rather than for investment purposes.

2.3 Investments

Investments are financial assets and are recognized when the Organization becomes a party to the contractual provisions of the investment. Investments are classified as either available for sale or held to maturity. Available-for-sale investments are accounted for on a purchase date basis. Held to maturity investments are recognized on settlement date.

Investments are classified as being available for sale where the Organization has not committed to hold such items to maturity. Available-for-sale items are stated at fair value (including transaction costs that are directly attributable to the acquisition of the financial asset) with value changes recognized in the Statement of Changes in Net Assets. Available-for-sale assets are actively traded on the market, and the valuation of these assets is determined by price quotes on the open market for identical financial instruments. Impairment losses are recognized when the book value of an asset exceeds the fair market value on other than temporary basis. PAHO monitors the fair market value of its investments monthly and investigates the underlying cause of a decline in value. The investment policy specifies credit rating limitations. If the impairment is the result of a credit downgrade below investment policy guidelines, the investment must be liquidated.

Impairment charges and interest calculated using the effective interest method are recognized in the surplus or deficit. When an available-for-sale asset is disposed of, the cumulative gain or loss previously recognized in the Statement of Changes in Net Assets is included in the surplus or deficit for the period.

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Organization has the intention and ability to hold to maturity. Held-to-maturity investments are comprised of U.S. agency paper such as that of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac).

Held-to-maturity investments are stated at amortized cost using the effective interest method, with interest income recognized on an effective yield basis in the Statement of Financial Performance.

The effective interest method is applied by determining the interest rate that is required to exactly discount all of the future cash flows associated with the bond to arrive at the initial carrying value of the bond (inclusive of any costs necessarily incurred in its acquisition). Therefore, where a bond is acquired at a discount to its nominal value, that discount will increase the effective interest rate and be recognized over the life of the bond.

2.4 Loans and Receivables

Loans and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables. Loans and other receivables are stated at amortized cost calculated using the effective interest method, less any impairment.

Interest income is recognized on the effective interest basis, other than for short-term receivables where the recognition of interest would be immaterial.

2.5 Risk Management Policies

The Organization holds funds not required for immediate operating needs as investments in order to earn revenue on surplus liquidity which, in accordance with Financial Regulations X and XI and Financial Rules X and XI of the Pan American Health Organization, funds a portion of the Regular Program Budget. Investments are made subject to the Organization's Investment Policy, which prescribes guidelines intended to protect invested principal, maintain adequate liquidity, and realize a return commensurate with investment risk constraints. Policy guidelines define duration, diversity and credit quality, which are consistent with limiting credit, market, and interest rate risk exposures. The Organization's credit risk is mitigated by Investment Policies that impose limits on the amount of credit exposure to any-one-counterparty, limiting investments on a single non-government issuer to no more than 25%.

In accordance with the Investment Policy requirements, internally managed investments are restricted to A1/P1 and AAA/Aaa rated financial instruments. Fixed Income Notes consist primarily of U.S. Agency Paper which carries the implicit guarantee of the U.S. Government.

Funds placed with external investment managers are restricted to instruments rated A1/P1 or BBB- credit quality or higher in accordance with their mandates. Mechanisms are in place to divest the portfolio of an investment that falls below the minimum requirements. In the event a security's rating falls below the minimum requirements for credit quality, the external manager immediately notifies PAHO and initiates actions to liquidate the security.

Maximum maturity for the short-term investment of operating cash is not to exceed one year. Long-term investment of strategic funds is limited to an effective maturity of no more than five years.

Depository accounts are held at financial institutions with investment grade ratings by primary rating agencies, where such ratings exist. In instances in which no rating is available, the overall financial strength of the institution is evaluated prior to depositing funds the institution. Non-U.S. dollar accounts are monitored daily to ensure that balances are kept at minimum operating requirements levels.

The PAHO Investment Committee approves financial instruments, as well as partner financial institutions, in accordance with the Investment Policy guidelines noted above in order to mitigate credit risk.

2.6 Accounts Receivable

Accounts receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Current receivables are for amounts due within 12 months of the reporting date, while non-current receivables are those that are due more than 12 months from the reporting date of the financial statements. Receivables are stated at amortized cost calculated using the effective interest method, less any impairment losses (which are recognized in the Statement of Financial Performance). However, for current receivables there is no material difference between the amortized costs; thus, these receivables have been recognized at cost (less any impairment losses).

Receivables from exchange transactions are recognized when the Organization is owed assets or services (usually in the form of cash) arising from a transaction that directly gives approximately equal value to another entity in exchange (IPSAS 9).

Receivables from non-exchange transactions are established when the Organization is owed assets or services (usually in the form of cash) that arise from a transaction that does not directly give approximately equal value in exchange; or the Organization has given value to another entity without directly receiving approximately equal value in exchange (IPSAS 23).

The main types of receivables are:

- **Assessed Contributions (non-exchange transactions)**

These contributions are formal commitments from Member and Participating States and Associate Members for the biennial budget period. Assessed contributions are recognized as receivables when they fall due and payable on 1 January of each year. There is no provision in the Financial Regulations to write off an assessed contribution; therefore, no impairment loss has been recognized.

- **Tax Equalization Fund (non-exchange transactions)**

Receivables under the Tax Equalization Fund are due from Member States that levy income tax on emoluments received from the Organization by their nationals or others liable to such taxes. The credit from the staff assessment plan is charged with the estimated amount to be levied by those Member States.

Under the Tax Equalization Fund, the assessed contributions of all Members are reduced by the income generated by the staff assessment plan. In determining the reduction of assessed contributions to be applied to the Member States concerned, the Tax Equalization Fund is credited with the revenue from the staff assessment plan, the credits being recorded in the name of individual Members States, in proportion to their assessments for the biennium.

The amounts been charged, in turn, are used by the Organization to reimburse income tax paid by the staff concerned.

- **Voluntary Contributions (non-exchange transactions)**

The Organization enters into Voluntary Contribution agreements which are comprised of (1) the Voluntary Contributions Fund, which includes financial resources from governments, international organizations, and private and public sector organizations governments, PAHO- Member states and Non-PAHO member states; international organizations, United Nations and non-United Nations; for profit organizations; non-government organizations; foundations, and other Voluntary Contributions; (2) the National Voluntary Contributions Fund, which was established on 1 January 2010 and includes financial resources from governments exclusively for internal projects; and (3) the Voluntary Contributions-Emergency Preparedness and Disaster Relief Fund, which includes financial resources from governments, international organizations, and private and public sector organizations which includes financial resources from governments, PAHO- Member states and Non-PAHO member states; international organizations, United Nations and non-United Nations; for profit organizations; non-government organizations; foundations, and other Voluntary Contributions. Upon signature by both parties and approval by the Organization's Office of Legal Counsel of the agreements, the full value of the agreement is recognized as a receivable and as deferred revenue (Note 2.13)

To determine the current portion of accounts receivable from Voluntary Contributions as of 31 December 2016, the Organization classified all the accounts receivable balances of Voluntary Contributions expiring prior to 31 December 2017, as well as those grants with an indefinite status, as current accounts receivable. In addition, accounts receivable balances of Voluntary Contributions agreements extending beyond 2017 were allocated between current and non-current accounts receivable using a straight- line- calculation based on the number of years remaining. The non-current portion of accounts receivable will reflect the balance of

the total accounts receivable amount for Voluntary Contributions, less the calculation of the current accounts receivable.

- **Procurement of Public Health Supplies (exchange transactions)**

The Procurement of Public Health Supplies is critical to the Organization to achieve its mission of supporting Member States through technical cooperation for public health programs, including the procurement of vaccines and syringes, medical supplies, diagnostic kits, medications, and equipment.

The accounts receivable from the Member States in the Procurement of Public Health Supplies is comprised of two funds: the Revolving Fund for Vaccine Procurement and the Regional Revolving Fund for Strategic Public Health Supplies. Receivables are established for each participating Member State upon notification that goods were delivered by the supplier and payment to the supplier has been approved. This triggers the issue of an invoice addressed to the relevant Member State.

- **Inter-organization Funding Activities**

The Inter-organization accounts receivable represents the amount due to the Organization from the World Health Organization as the net result of inter-agency transactions.

- **Advances to Staff**

Advances are made to individuals in accordance with the Financial Regulations and Rules of the Organization for entitlements (i.e., education grants, travel, income tax settlements, insurance claims, etc.) and are recognized as receivables, until they are charged to expense upon receipt of the required claim or supporting documentation.

The Organization will establish allowances for doubtful accounts based on the evidence that certain receivables are uncollectable. A formal procedure must be followed, based on the delegation of authority regarding the amounts to be written off, prior to offsetting the uncollectable receivable against the established allowance.

2.7 Inventories

Medications and medical supplies owned and controlled by the Organization are recorded as inventories with the intention that they be held for distribution in the ordinary course of operations. They are valued at the lower of cost or net realizable value at the end of the financial period. The Organization-owned medications and medical supplies quantities, derived from the Organization's tracking systems, are validated by physical stock counts. These medications and medical supplies are expensed when distributed directly by the Organization or handed over to government or non-government institutions. Inventories held for distribution without charge are valued at the lower of cost or replacement cost. Inventories are held at the PROMESS warehouse in Haiti, a strategic storage facility. If the Organization receives inventories acquired through non-exchange transactions, they will be valued at fair value of acquisition. Due to the specific circumstances in Haiti, the cost formula is "First to expire, First out" for the inventories of pharmaceutical drugs and medications.

The Expanded Textbook and Instructional Materials Program (PALTEX) was established by the Pan American Health Organization (PAHO) in the mid-1960s as a technical cooperation program aimed at improving the quality of health science educational processes in Latin America. PALTEX is a publishing program that acquires, produces, and distributes quality textbooks and instructional materials in Spanish and Portuguese at affordable prices.

Inventories, procured with Voluntary Contributions on behalf of a project do not form part of the Organization's inventory. The Organization is simply the implementing agent and is responsible only for the disposition of the items within the terms of the agreement. If the items are not consumed within the project period, the final disposition will be determined by the donor. At no time does the Organization retain control of these items; therefore, the correct accounting treatment is to expense these items at the time of purchase.

2.8 Property, Plant and Equipment

Property, plant, and equipment assets with a value greater than the \$20 000 threshold are recognized as non-current assets in the Statement of Financial Position. They are initially recognized at cost, unless acquired through a non-exchange transaction, in which case they are recognized at fair value as of the date of acquisition. The Organization applies the cost model to its plant and equipment—i.e. the items are carried at cost, less accumulated depreciation and any accumulated impairment losses. The Organization applies the revaluation model to land and buildings only.

The Organization considers all its Property, Plant and Equipment to be non-cash generating assets.

Depreciation is charged on property, plant, and equipment (except for land) to write down the cost/fair value of the asset to its residual value over the estimated useful life, using the straight-line method with a full year’s depreciation charged in the year of acquisition. In 2014, during the design of the new Enterprise Resource Planning system, it was determined that, for the depreciation calculation of the acquisition year, the new system will support only half-year depreciation instead of the usual full year that had been applied previously. In order to fully leverage the automation capabilities of the new ERP, the decision was made to change the depreciation policy to half year. The estimated useful lives for fixed asset classes are as follows:

<u>Assets Class and Description</u>	<u>Estimated Useful Life (years)</u>
Buildings	40 years
Computer Equipment	3 years
Office Equipment	3 years
Motor Vehicle	5 years
Audio Visual Equipment	3 years
Lease-hold Improvements	3 years
Office Fixture and Fittings	3 years

Property, plant, or equipment procured with Voluntary Contributions on behalf of a project are not the Organization’s assets and are meant solely for the use of the project beneficiary. The Organization is the implementing agent and is responsible simply for the disposition of the items within the terms of the agreement. The Organization does not retain ownership of these items; therefore, these items are expensed at the time of purchase. If the items are not consumed within the project period, the final disposition will be determined by the donor.

Transitional provisions were applied in the initial recognition of Property, Plant, and Equipment (PP&E) purchased or donated before 1 January 2010. Except for land and buildings, assets acquired prior to 1 January 2010 were expensed at the date of purchase and were not recognized as assets. The Organization will periodically revalue its land and buildings, including leased property. External experts will be utilized to determine updated market value. All improvements, renovations, etc. made to the buildings since the prior appraisal will be expensed in the year they occur and included in the future revaluation

The Organization recognized the effect of the initial recognition of Property, Plant, and Equipment (PP&E) as an adjustment to the opening balance of accumulated surpluses or deficits. In regard to IPSAS 17, paragraph 99, Transitional Provision, the Organization did not recognize the accumulated depreciation of buildings that were recognized, as it was not practical to do so.

Leasehold improvements are recognized as assets and valued at cost, and depreciated over the lesser of the remaining useful life of the improvements or the lease term.

Donated land and buildings are valued at fair market value and recognized as non-current assets.

2.9 Leases

The Organization is the owner and lessor of the land parcel for the building at 2121 Virginia Avenue, N.W., Washington, D.C.

The Organization is the lessee for the first two floors of the same building mentioned above under an operating lease. The Organization also leases various office premises for the Representative Offices throughout the Americas. These are all cancelable agreements. Total annual lease payments have been disclosed in Note 16 on Expenses as a footnote.

Assets held under finance leases are included within Property, Plant, and Equipment and are depreciated on a straight-line basis over their estimated useful lives. Assets are recognized at fair value or, if lower, the present value of the minimum lease payments. Where assets are provided to PAHO with no or nominal lease payments, the fair value of the asset has been recognized.

On 1 January 2016 the Organization migrated its administrative, budgetary and financial operations to a new Enterprise Resource Planning System. These software services are provided through an operating lease which is expensed on an annual basis. No capitalization or recognition of an intangible asset was recorded.

A liability is also recognized for the same amount. Rental payments are apportioned between the finance element, which is charged in the statement of financial performance, and the capital element, which reduces the lease liability.

2.10 Intangible Assets

Intangible assets, which are above the pre-established thresholds of \$30 000 for intangible assets purchased externally and \$100 000 for intangible assets developed in-house, are stated at historical cost less accumulated amortization and any impairment losses. Amortization is determined for intangible assets over their estimated useful life using the straight-line method. Amortization is charged on Intangible Assets to write down the cost/fair value of the asset to its residual value over the estimated useful life, using the straight-line method, with a full year's amortization charged in the year of acquisition. The estimated useful lives for intangible asset classes are as follows:

<u>Class</u>	<u>Estimated useful life (years)</u>
Software acquired externally	7
Internally developed software	5
Licenses and rights, copyrights and other intangible assets	3

On 1 January 2016 the Organization migrated its administrative, budgetary and financial operations to a new Enterprise Resource Planning System. These software services are provided through an operating lease which is expensed on an annual basis. No capitalization or recognition of an intangible asset was recorded.

2.11 Accounts Payable

Accounts Payables are financial liabilities in respect of goods or services that have been received by the Organization and are recognized at amortized cost, which for payables are equal to cost. Accounts payable include the following:

- Amounts due to donors, partners, and stakeholders representing the unspent Voluntary Contributions for expired agreements.
- The inter-organization accounts payable represent the amount due from the Organization to the World Health Organization as the net result of inter-agency transactions.
- Invoices received and approved for payment but not yet paid.

2.12 Accrued Liabilities

Accrued liabilities are financial liabilities in respect of goods or services that have been received or provided to the Organization during the reporting period and that have not yet been invoiced, or invoices have been received but not approved for payment. They are recognized at amortized cost, which for accruals are equal to cost.

2.13 Deferred Revenue

Deferred revenue derives from legally binding agreements between the Organization and partners, such as governments, PAHO-Member states and Non-PAHO member states; international organizations, United Nations and non-United Nations; for profit organizations; non-government organizations; foundations, and other Voluntary Contributions, where the partners provide funding to the Organization to support technical cooperation initiatives (voluntary contributions).

Deferred revenue is recognized when (1) a contractual agreement is confirmed in writing by both parties—i.e., the Organization and the donors, partners, or stakeholders, and (2) the funds are conditional. Conditionality of voluntary contribution agreements is determined by factors like:

- The agreement has a stated purpose.
- Funds provided under the agreement must be used for activities as required/described in the agreement.
- The agreement has a budget.
- The agreement has an effective date and an end date.
- The agreement requires technical and financial reporting.
- Upon completion, any unused funds will be returned to the donor, partner, or stakeholder.

Revenue is recognized in the Statement of Financial Performance based on the level of funds implemented during the financial period.

Funds received from governments and institutions participating in the Procurement of Public Health Supplies, in advance of the procurement of the goods, are treated as deferred revenue. Once confirmation is received that goods were delivered by the supplier and payment to the supplier has been approved, the revenue is recognized in the Statement of Financial Performance.

To determine the current portion of deferred revenue from Voluntary Contributions as of 31 December 2016, the Organization classified all the deferred revenue balances of Voluntary Contributions expiring prior to 31 December 2017, as well as those grants with an indefinite status, as current deferred revenue. In addition, deferred revenue balances of Voluntary Contributions agreements extending beyond 2017 were allocated between current and non current deferred revenue using a straight line calculation based on the number of years remaining. The non-current portion of deferred revenue will reflect the balance of the total deferred revenue amount for Voluntary Contributions, less the calculation of the current deferred revenue.

2.14 Employee Benefits

The Organization recognizes expenses and liabilities in respect of the following employee benefits:

- 1) Employee benefits earned in the current financial period are current liabilities recognized at an undiscounted cost.
- 2) Post-employment benefits— e.g., ASHI—are recognized at present value of the liability.
- 3) Other separation-related employee benefits are recognized at present value of the liability.

The Organization periodically contracts the actuarial services of external experts to provide confident figures on the liabilities regarding employee benefits. This information is used to calculate different contribution percentages to be applied for staff costs.

The Organization also uses this information for investment purposes to ensure that the Plan's investments meet the liquidity requirements of the respective liabilities.

2.15 Provisions and Contingent Liabilities

Provisions are made for future liabilities and expenses where the Organization has a present legal or constructive obligation as a result of past events, and it is probable that the Organization will be required to settle the obligation, and the value can be reliably measured.

Other commitments that do not meet the recognition criteria for liabilities are disclosed in the Notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the Organization or the value cannot be reliably estimated.

2.16 Contingent Assets

In accordance with IPSAS 19, Contingent Assets will be disclosed when there is enough information that the inflow of economic benefits or service potential is probable.

2.17 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the Organization during the year that represent an increase in net assets (IPSAS 23). The Organization recognizes revenue following the criteria established by IPSAS 9, "Revenue from Exchange Transactions," and IPSAS 23, "Revenue from Non-Exchange Transactions."

Exchange transactions are transactions in which the Organization receives assets or services, or has liabilities extinguished, and directly gives approximately equal value primarily in the form of cash, goods, services, or use of assets to another entity in exchange (IPSAS 9).

In a non-exchange transaction, the Organization either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange (IPSAS 9).

The main sources of revenue for the Organization include but are not limited to: Assessed Contributions, Voluntary Contributions, Procurement of Public Health Supplies, Other Revenue, and Miscellaneous Revenue.

- **Revenue from Assessed Contributions (non-exchange transactions)**
Revenue from assessed contributions is recognized as of 1 January of each year when the Member States' assessed contribution commitment to the Organization is incurred.
- **Revenue from Voluntary Contributions (non-exchange transactions)**
Voluntary Contributions, confirmed in writing by both parties, are recognized as receivables and deferred revenue (liabilities) because these funding agreements are conditional. As the Voluntary Contribution projects are implemented, the deferred revenue is then recognized as revenue. Voluntary Contributions categories are explained in Note 2.6.
- **Revenue from the Procurement of Public Health Supplies (exchange transactions)**
Revenue is recognized in respect of the procurement of public health supplies, because the Organization bears the risks and rewards of the purchased goods. Revenue on these transactions is recognized upon notification that goods were delivered by the supplier and payment to the supplier has been approved. The Procurement of Public Health Supplies is comprised of three funds: the Revolving Fund for Vaccine Procurement; Reimbursable Procurement; and the Regional Revolving Fund for Strategic Public Health Supplies. (See Note 2.6 Accounts Receivables, in respect of the Revolving Funds, and Note 2.13 Deferred Revenue, in respect of Reimbursable Procurement).
- **Other Revenue (non-exchange transactions)**
As the Regional Office of the Americas (AMRO) of the World Health Organization, the Organization

receives funding allocations from WHO for the implementation of technical cooperation activities.

Funds received by the Organization from WHO include the following allocations:

- Allocations of WHO regular budget
- Allocations of WHO voluntary contributions
- Allocations of other WHO internal funds
- **Other Revenue (exchange transactions)**
The Organization, under its specific mandates, carries out other technical cooperation activities for which revenue is separately disclosed. These activities include the following: Sales of services and program support costs.

When necessary, as per IPSAS 18, internal transfers will be eliminated to avoid duplication of revenue.

- **Miscellaneous Revenue (exchange transactions)**
Miscellaneous revenue includes foreign currency revaluations, exchange rate gains and losses, interest earned, realized gains and losses, and gains and losses from the sale of property, plant, and equipment.
- **Special Activities Segment**
Special Activities are activities approved by the Organization's Governing Bodies for specific objectives and entitlements. (i.e., staff entitlements, terminal entitlements, after-service health insurance.) Therefore, all employee benefits liabilities have been included in this segment.

2.18 Foreign Currency Transactions and Balances

The functional and reporting currency of the Organization is the United States dollar (US\$). Transactions in currencies other than US\$ are converted to US\$ at the prevailing market rate at the time of the transaction. The Organization has determined that the United Nations Operational Rates of Exchange (UNORE) are aligned closely with the prevailing market rates due to frequent analysis and adjustments and thus function as an approximation of the market rate at the time of the transaction. At the end of each reporting period, the Organization analyzes the performance of the UNORE in comparison with the prevailing market rate in order to determine the alignment and make any required adjustments. Assets and liabilities in currencies other than US\$ are converted to US\$ at the prevailing market rate at the end of the reporting period. Resulting gains or losses are accounted for in the Statement of Financial Performance within Miscellaneous Revenue.

2.19 Segment Reporting

A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and to make decisions about the future allocation of resources. The Organization classifies all projects, operations, and fund activities into five segments: 1) Core Activities Segment; 2) Partnership Activities Segment; 3) Enterprise Activities Segment; 4) Special Activities Segment; and 5) Sub-regional Centers Activities Segments and Inter-party Transactions. The Organization reports on the transactions and balances of each segment during the financial period.

In every financial period, the Organization processes internal transactions not involving the use of cash (transfers) within any given segment and between different segments (i.e., Program Support Cost, Provision for Termination and Repatriation Entitlements, After-Service Health Insurance, Master Capital Investment Fund, etc.). The effect of these transfers is an over-statement (duplication) of both revenue and expense by the same amount, which are valued at the cost incurred at the time of the original transaction. The Inter-Party Transactions column in the Statement of Financial Performance allows for the elimination of such duplication.

The following segments were identified to provide a better understanding of the different activities of the Organization:

Core Activities Segment—Activities critical to the Organization's Strategic Plan that are mandated and appropriated by the Organization's Governing Bodies (i.e., activities funded with assessed contributions and other revenue for Regular Budget activities).

Partnership Activities Segment—Activities aligned with the Organization’s Strategic Plan and supported by partners, donors, and stakeholders (i.e., activities developed in partnership with external donors who provide the voluntary contributions and to whom the technical and financial reports are provided).

Enterprise Activities Segment—Activities performed by the Organization to strengthen technical cooperation with the ministries of health and facilitate their access to essential public health supplies (i.e., procurement activities funded by the Member States for the access to essential public health supplies).

Special Activities Segment—Activities approved by the Organization’s Governing Bodies for specific objectives and entitlements. (i.e., staff entitlements, terminal entitlements, after-service health insurance).

Sub-Regional Centers Activities Segment – The Organization does not have regional centers to consolidate Effective January 1, 2013.

Intra-party Transactions – internal transfers. According to IPSAS 18, the Organization eliminates these activities.

2.20 Budget Comparison

The Organization’s budget and financial statements are prepared using different accounting bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, and Cash Flow Statement are prepared on a full accrual basis, whereas the Comparison of Budget and Actual Amounts are prepared on a cash basis.

As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing, and entity differences. There may also be differences in formats and classification schemes adopted for presentation of financial statements and the budget.

The Organization’s Governing Bodies approve the Biennial Program and Budget Plan, which includes assessed contributions, projected voluntary funds, and estimated miscellaneous income. The Biennial Program and Budget Plan may subsequently be amended by the Governing Bodies.

The Comparison of Budget and Actual Amounts compares the final budget to actual amounts disbursed, calculated on the same Strategic Objective categories as the corresponding budgetary amounts. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are timing differences for the Organization for purposes of comparison of budget and actual amounts because the budget is prepared on a biennial basis and the financial statements are prepared on an annual basis. Furthermore, other differences result from depreciation and amortization.

Entity differences occur when the budget omits programs or entities that are part of the entity for which the financial statements are prepared. Presentation differences are due to differences in the format and classification schemes adopted for presentation of the Statement of Financial Performance and the Comparison of Budget and Actual Amounts.

2.21 In-Kind Contributions

In-kind contributions of services that support approved operations and activities, including the use of premises, utilities, personnel, transportation services, etc., are identified by categories of services under the respective Member State providing the in-kind contribution during the reporting accounting period. These are not recognized in the financial statements because the fair value of the services or assets cannot be reliably measured.

Donated land and buildings are recognized on the Statement of Financial Position at fair market value.

Donated inventories are capitalized subject to the materiality and conditions of the goods. The Organization will only accept donated goods in alignment with its core activities.

3. Cash and Cash Equivalents

	<u>31 December 2016</u>	<u>31 December 2015</u>
Cash on Hand, US\$	90 394	69 620
Cash on Hand, Other Currencies	40 367	15 172
Money Market Funds	1 312	58 163
Less: Plan Assets	<u>(3 789)</u>	<u>(714)</u>
Total	<u>128 286</u>	<u>142 241</u>

4. Investments

4.1 Short-Term Investments

Short-term investments are those with final maturities at purchase between 91-365 days.

	<u>31 December 2016</u>	<u>31 December 2015</u>
Certificates of Deposit	305 786	256 843
Less: Plan assets	<u>(66 081)</u>	
Certificates of Deposit	<u>239 705</u>	<u>256 843</u>

Accrued interest of \$ 1 351 476 (2015: \$400 813) is included in the balance of short-term investments in the Statement of Financial Position \$281 271 of the accrued amount is attributable to Plan Assets.

4.2 Long-Term Investments

Long-term fixed income notes within the Organization's general portfolio are held to maturity and stated at amortized cost using the effective interest method. Long-term fixed income notes within the ASHI/TAREP portfolio, comprising the plan assets held in an irrevocable trust, are stated at fair value with value changes recognized in the fund balance.

	<u>31 December 2016</u>	<u>31 December 2015</u>
Net Increase in Long-term Investments		
Increase (decrease) in Long-term Investments	73 974	(44 698)
Unrealized Net (Gains)/Losses	<u>1 692</u>	<u>616</u>
Net Increase in Long-term Investments	<u>75 666</u>	<u>(44 082)</u>
Cash Flows from Long-term Investments		
Interest Revenue	4 052	2 711
Realized Net Gains/(Losses)	<u>(180)</u>	<u>(364)</u>
Total	<u>3 872</u>	<u>2 347</u>

Valuation of Long-term Investments	<u>31 December 2016</u>		<u>31 December 2015</u>	
	Cost	Market	Cost	Market
Fixed Income Notes	1 563	1 535	59 526	59 161
Managed Portfolios	300 039	297 674	223 727	223 054
Total	301 602	299 209	283 253	282 215

Reconciliation of Long-term Investments	<u>31 December 2016</u>	<u>31 December 2015</u>
Fixed Income Notes (Market)	1 535	59 161
Less: Plan Assets (see note 12.3.5)	(1 535)	(59 161)
Managed Portfolio (Market)	297 674	223 054
Total for Long-term Investments	297 674	223 054

Long-term fixed income instruments held in the two portfolios are issued by U.S. Government agencies and backed by the full faith and credit of the U.S. Government. Although the credit rating of the U.S. Government was downgraded from its historical AAA rating by one credit rating agency in 2012, there is no evidence to suggest that the borrower will default on these obligations. Accrued interest of \$2 534 has been included in the balance of long-term investments and recognized on the Statement of Financial Performance as Miscellaneous Revenue

Managed Portfolios are classified as available for sale and stated at fair value with value changes recognized in the fund balance. The market value above includes accrued interest of \$1 155 698 (2015: \$488 872) and recognized on the Statement of Financial Performance as Miscellaneous Revenue.

Total gains (losses) on managed portfolios are comprised of the cumulative gain or loss previously recognized in the Statement of Changes in Net Assets and the incremental change in value at the point of sale or maturity. Total gains (losses) are recognized in the surplus or deficit for the period. In accordance with IPSAS accounting principles, a cumulative gain of \$367 305 recognized in the Statement of Changes in Net Assets was recognized during 2016.

5. Financial Instruments

5.1 Nature of Financial Instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition and de-recognition, the basis of measurement, and the basis on which gains and losses are recognized in respect of each class of financial asset and financial liability, are set out in Note 2.3.

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Financial Instruments and Method of Valuation

	2016	2016	2015	2015
	Amortized	Fair Market	Amortized	Fair Market
	Cost	Value	Cost	Value
Cash and Cash Equivalents			142 955	
Cash and Cash Equivalents	128 286			
Cash and Cash Equivalents (Plan Assets)	3 789			
Short-term Investments				
Certificates of Deposit (held to maturity)	239 705			
Certificates of Deposit (held to maturity) (Plan Assets)	66 081		256 843	
Long-term Investments				
Fixed Income Notes (held to maturity)				
Fixed Income Notes (Plan Assets)		1 535		59 161
Managed Portfolios (available for sale)		297 674		223 054
Total	437 860	299 209	399 798	282 215

5.2 Interest Rate Risk

The Organization is exposed to interest rate risk through both short-term and long-term investments. Principal amounts are stated at amortized cost for investments held to maturity and at fair value for investments available for sale.

	Effective	Effective		Floating	Non-Interest
	Maturity	Interest Rate	Fixed Interest	Interest	Bearing
Total Cash and Cash Equivalents	<90 days	0.40%		1 812	130 262
Short-term Investment					
Certificates of Deposit	50.31 days	3.26%	305 786		
Long-term Investments					
Plan Assets	5.93 years	2.14%	1 535		
Managed Portfolios	1.92 years	1.83%	297 674		
Total			604 995	1 812	130 262

The Organization holds certain fixed income notes that the issuer has a right to redeem prior to the maturity date.

Callable Instruments

Issuer	Principal	Rate	Maturity	Call Dates
Federal Home Loan Bank	1 563	2.14%	5-Dec-22	12-Jan-17
Total	1 563			

Changes in market interest rate impact the fair value and future cash flows of investment instruments. This impact is irrelevant for held-to-maturity investments but would affect the Statement of Financial Position for available-for-sale fixed rate investments and the Statement of Financial Performance for floating rate available-for-sale investments. The portion of PAHO's available-for-sale

portfolio comprised of floating rate instruments is insignificant, and rate fluctuations would not have a material effect. However, a market rate shift for fixed rate available-for-sale investments could materially impact the Statement of Financial Position.

A fluctuation of market interest rates of 100 basis points would have the following impact on the fair market value of fixed rate available-for-sale investments:

Fair Market Value of fixed rate investments at 12-31-16	Increase of 100 basis points	Change in Fair Market Value	Decrease of 100 basis points	Change in Fair Market Value
297 674	290 729	(6 831)	304 595	6 921

5.3 Credit Risk

The maximum credit risk represents the carrying amount of loans and receivables. PAHO's investment guidelines stipulate limits on the amount of credit exposure to any one counterparty. However, there may be some counterparty risk associated with the concentration of financial instruments and cash deposits in the banking sector. These significant concentrations in the banking sector equal 58% of the total cash, short-term and long-term investments.

The minimum credit quality requirements for all investments, as defined by the Investment Policy, falls within the investment grade range. Although the credit rating of the U.S. Government was downgraded from its historical AAA rating by one credit rating agency in 2012, there is no evidence to suggest that the borrower will default on these obligations.

PAHO's long-term investments and managed portfolios are held as follows:

Investment Type	2016	2015
Money Market Funds	5 224	4 287
Government & U.S. Agency Issues	211 484	230 384
Mortgage- and Asset-backed Securities	14 156	2 468
Corporate Notes	66 565	42 890
Municipal Government Bonds	999	2 097
Total Long Term Investments	298 428	282 126

5.4 Exchange Rate Risk

The Statement of Financial Position does not reflect significant exposure to exchange rate risk as foreign currency deposits at any given time are either immaterial or are designated for foreign currency expenditures. During the course of the year, a considerable portion of expenditures (40%) is disbursed in currencies other than the United States dollar. These disbursements are not hedged, but are met by local currency receipts and the purchase of local currency as needed in the market at the time of disbursement.

Contributions may be received in foreign currency, provided the amount can be absorbed by country offices within a thirty day window. The majority of funds held in Brazilian accounts are committed to specific programs that stipulate disbursements in local currency within six months. An exception to the Cash Management Guidelines, which limit the balance of local currency maintained locally, has been approved by the Investment Committee for the Brazilian program to eliminate the need to enter the market to buy or sell local currency. It is, therefore, not anticipated that Brazilian deposits would be subject to exchange rate risk.

Some local currency deposits held in Dominican Republic, Cuba and Venezuela totaling the equivalent of \$ 3.3 million are subject to restrictions that make it difficult to repatriate those funds to PAHO headquarters. These restrictions may increase the exchange risk for the organization.

6. Accounts Receivable

6.1 Accounts Receivable - Current

	31 December 2016	31 December 2015
Assessed Contributions	40 500	44 254
Tax Equalization Fund	8	
Voluntary Contributions	208 168	181 419
Procurement Funds	73 928	96 144
Balance due from the World Health Organization due to inter-office transactions	10 836	15 284
Balance due from the PAHO Foundation	560	561
Expanded Textbook and Instructional Materials	49	34
Advances to Staff	5 562	5 369
Prepaid Expenses	6 605	11 024
Miscellaneous Receivables	3 397	4 203
Total	349 612	358 292

6.1.1 Accounts Receivable from Assessed Contributions

Statement of Assessed Contributions as of 31 December 2016

(Expressed in thousand US Dollars)

	Arrears	2016	Total 2016	Total 2015
PAHO				
Argentina				2 316
Aruba		21	21	16
Brazil		11 976	11 976	10 672
Colombia		1 263	1 263	1 009
Costa Rica		5	5	
Dominican Republic		1	1	
El Salvador	110	83	193	219
France		4	4	
Grenada		21	21	21
Guatemala				
Peru				
Puerto Rico	162	79	241	162
Sint Maarten	16	21	37	16
Suriname		25	25	
United Kingdom				
United States		20 356	20 356	25 556
Venezuela	4 266	2 091	6 357	4 266
TOTAL	4 554	35 946	40 500	44 254

6.1.2 Accounts Receivable from Voluntary Contributions

	31 December 2016	31 December 2015
Voluntary Contributions		
Voluntary Contributions - Emergency		
Preparedness and Disaster Relief	559	630
Voluntary Contributions	67 333	24 145
Voluntary Contributions - National Voluntary Contributions	140 276	156 644
Total	208 168	181 419

6.1.3 Accounts Receivable from the Procurement of Public Health Supplies

The Accounts Receivable from Member States in the Procurement of Public Health Supplies is comprised by two funds: the Revolving Fund for Vaccine Procurement and the Regional Revolving Fund for Strategic Public Health Supplies.

Receivables under the category of Procurement of Public Health Supplies are considered to be current assets, as follows:

a. Revolving Fund for Vaccine Procurement

The establishment of the Revolving Fund for Vaccine Procurement was authorized by Resolution CD25 R27 of the 25th Directing Council (1977). The Revolving Fund finances the procurement of vaccines for participating Member States/Institutions unable to deposit funds with the Organization in U.S. currency in advance of procurement.

b. Regional Revolving Fund for Strategic Public Health Supplies

The Regional Revolving Fund for Strategic Public Health Supplies was established in 1999 by the Director under the authority vested in him by Financial Regulation 9.3 (originally 6.7), following the request of the Organization's Member States. The objectives of the Fund include reducing the cost of strategic public health supplies, making these supplies continuously available to the participating Member States, assisting the Member States in improving their planning capabilities to use these supplies, and broadening the scope of the Member States' public health programs. Specific details on the governments and institutions are not disclosed in these financial statements, although such information can be found in the unaudited informational annexes.

Receivables from the Procurement of Public Health Supplies are as follows:

	31 December 2016	31 December 2015
Procurement of Public Health Supplies		
Revolving Fund for Vaccine Procurement	71 997	91 269
Regional Revolving Fund for Strategic Public Health Supplies	1 931	4 875
Total	73 928	96 144

6.2 Accounts Receivable Non-Current

	31 December 2016	31 December 2015
Voluntary Contributions	144 271	58 600
Revolving Fund for Vaccine Procurement	4 602	
Termination and Repatriation Entitlements (see Note 12.3.2)	4 014	5 013
Total	152 887	63 613

6.2.1 Accounts Receivable from Voluntary Contributions Non-Current

	31 December 2016	31 December 2015
Voluntary Contributions		
Voluntary Contributions	46 791	20 568
National Voluntary Contributions	97 480	38 032
Total	144 271	58 600

7. Inventories

	31 December 2016	31 December 2015
PROMESS	485	909
Expanded Textbook and Instructional Materials Program	8 411	7 730
Ending Balance of inventory	8 896	8 639

7.1 Inventories PROMESS

The following table shows the movement of the PAHO inventory for medications and medical supplies at the PROMESS warehouse in Port-au-Prince, Haiti, during the financial period. The table shows the reconciliation of the inventory, which reflects the pending balance and additions during the period, reduced by the value of the goods distributed during the year.

	31 December 2016	31 December 2015
PROMESS		
Beginning inventory	909	788
Additions	767	827
Distributions	(1 191)	(706)
Ending Balance of inventory	485	909

In addition to the PAHO inventory, the PROMESS warehouse provides warehousing services for essential public health medications and medical supplies to international agencies and non-governmental organizations (NGOs) providing assistance to the Haitian government. Furthermore, PROMESS also warehouses the medications and medical supplies provided by donors, partners, and stakeholders to the Haitian government through the Organization.

7.2 Inventories Expanded Textbook and Instructional Materials Program

	<u>31 December 2016</u>	<u>31 December 2015</u>
PALTEX		
Beginning inventory	7 730	7 080
Additions	3 575	3 718
Distributions	(2 740)	(2 939)
Write-Offs	(107)	(95)
Allowance for Obsolete/Damaged Inventory	(47)	(34)
Ending Balance of inventory	<u>8 411</u>	<u>7 730</u>

8. Property, Plant and Equipment

8.1 General Information

The category Property, Plant, and Equipment consists of buildings; computer, office, and audio visual equipment; motor vehicles; leasehold improvements; and mobile buildings, as well as land. Net acquisitions (after disposals) for the year totaled \$94 737 (2015: \$574 856).

Additions or reductions in fixed assets are reported in the Statement of Financial Position, while the depreciation expenses for the period are reported in the Statement of Financial Performance

Buildings; computer, office and audio visual equipment; motor vehicles; leasehold improvements; and mobile buildings are capitalized if their cost is greater than or equal to the threshold limit set at \$20 000. They are depreciated over the asset's estimated useful life using the straight-line method. The threshold level is reviewed periodically. Assets are reviewed annually to determine whether there is any impairment in their value.

Pursuant to IPSAS 17, paragraph 44, land and buildings were revalued at the end of 2015 according to expert appraiser reports. In the case of one country, no revaluation was recorded due to the hyperinflationary economy and existence of different exchange rates. This decision was made in compliance with IPSAS 1, paragraphs 31 and 32, which recommend avoiding certain practices when they could be misleading.

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	Land	Build- ings	Computer Equip- ment	Office Equip- ment	Motor Vehicles	Audio Visual Equip- ment	Lease- hold Improve- ments	Mobile Build- ings	Total
Cost as of 1 January	64 026	44 867	657	89	1 846	317	266	27	112 095
Additions				76	51				127
Disposals					(32)				(32)
Impairments									
Adjustments									
Net Revaluations									
Cost as of 31 December	64 026	44 867	657	165	1 865	317	266	27	112 190
Depreciation as of 1 January			490	41	983	272	266	8	2 060
Charged in current period		1 313	120	32	285	30		6	1 786
Disposals					(32)				(32)
Adjustments									
Net Revaluations									
Depreciation as of 31 December		1 313	610	73	1 236	302	266	14	3 814
Net book value as of 31 December 2016	64 026	43 554	47	92	629	15		13	108 376
Net book value as of 31 December 2015	64 026	44 867	167	48	863	45		19	110 035

8.2 Transferred Assets with Conditions

In accordance with the donation document filed in Public Record, the Government of Brazil Development Company for the New Capital of Brazil, Successors and Assigns granted PAHO ownership of the land on which the PAHO/WHO Representative Office buildings in Brazil are located. The document further stipulates that PAHO may not transfer, rent, or lend the donated land under penalty of revocation of the donation. In the event that the land is sold for the same purpose (i.e., establishment of a headquarters facility), PAHO must obtain written consent from the Government and pay the Government the present value of the land. This does not include the buildings and other immovable property thereon. Because of the restriction on the sale of the land and the requirement to pay the Government of Brazil the present value of the land, the Organization recognized such property in the Statement of Financial Position as both an asset and a liability. (Note 11.2).

8.3 Revaluation of Land and Buildings:

Following the Organization's Accounting Policies (Note 2.8), a revaluation exercise is performed on periodic basis. The last full revaluation occurred at the end of 2015

The new 2015 appraisal amounts for each property of the Organization are as follows:

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Buildings	
Argentina	1 600
Barbados	2 332
Brazil	4 418
Jamaica	1 464
Guatemala	2 437
Guyana	614
Haiti	1 061
Washington DC	28 110
Paraguay	464
Peru	1 441
Venezuela	926
	<hr/>
Sub-total Buildings	44 867
	<hr/>
Land	
Brazil	7 796
Haiti	1 229
Washington DC	44 440
Peru	8 914
Venezuela	1 647
	<hr/>
Sub-total Land	64 026
	<hr/>
Total	108 893
	<hr/> <hr/>

As of 31 December 2015, the Organization adjusted the figures related to the Revaluation Surplus in order to be compliant with the Revaluation Model for its Property, Plant, and Equipment, as prescribed by IPSAS 17 paragraphs 44 to 58. The overall result of the adjustment of the revaluation of buildings ended in the recognition in 2015 of a loss of US\$ 4 808, reflected in the Statement of Financial Performance.

9. Intangible Assets

The Organization separately discloses Intangible Assets that are: (a) Available for use and subject to amortization; and, (b) Under development and have not been completed.

	31 December 2016	31 December 2015
Intangible Assets Available for use		
Cost as of 1 January	3 689	3 689
Additions		
Adjustments		
Deletions		
Cost as of 31 December	3 689	3 689
Amortization as of 1 January	2 665	1 960
Charged in current period	598	705
Adjustments		
Amortization as of 31 December	3 263	2 665
Net book value as of 31 December for Intangible Assets Available for use	426	1 024
Intangible Assets under Development	337	
Total Intangible Assets	763	1 024

10. Accrued Liabilities

	31 December 2016	31 December 2015
Accrued Liabilities-Regular Budget Fund	503	4 262
Accrued Liabilities-Other Sources - PAHO	12 284	87 577
Accrued Liabilities-Other Sources - WHO	388	1 843
Total	13 175	93 682

11. Accounts Payable

11.1 Accounts Payable Current

	31 December 2016	31 December 2015
Assessed Contributions Received in Advance	96	7
Voluntary Contributions Expired Agreements	5 501	2 794
Voluntary Contributions Pending Signature of Agreement		626
Procurement of Public Health Supplies	49 024	3 682
Miscellaneous	7 731	8 924
Total	62 352	16 033

11.2 Accounts Payable-Non Current

	31 December 2016	31 December 2015
Liability Restricted Assets-Land in Brasilia, Brazil (Note 8.2)	7 796	7 796
Total	7 796	7 796

12. Employee Benefits

Under the Staff Rules of the Pan American Health Organization, the Organization provides employee benefits that can be categorized as short-term liabilities and others that can be categorized as long-term liabilities. The employee benefits categorized as short-term liabilities are the education grant, education grant travel, and the assignment grant. The employee benefits that can be categorized as long-term liabilities include certain terminal payments, such as payment for annual leave, the repatriation grant, repatriation travel, or other separation indemnities, as appropriate.

In order to accrue the funds required for these short-term and long-term liabilities, the Organization has established three funds. The Staff Entitlements Fund, established in January 2008, funds the short-term liabilities of the education grant, education grant travel, and assignment grant. The After-Service Health Insurance Fund, established in 2010, reflects the financing and liability of the Organization for current and prior staff members' health insurance for future years. The Termination and Repatriation Entitlements Fund, established in April 1972, reflects the financing and liability of the Organization for terminal entitlements, including annual leave, repatriation grant, repatriation travel, and household removal.

As of 31 December 2016, the status of the current and non-current employee benefits liabilities is as follows:

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2016	Total 2015
Current liability	8 614	2 356	10 970	13 052
Non-current Liability	210 430		210 430	210 838
Non-current (Asset) (Note 6.2)		(4 014)	(4 014)	(5 013)
Total	219 044	(1 658)	217 386	218 877

- Gains and losses (unexpected changes in surplus or deficit) are recognized over time via the Corridor Method.
- The expected rate of return on assets was based on the e-tool of Aon Hewitt Corporation, previously known as Aon Hewitt Associates LLC, (30-year time horizon for ASHI only) and the current portfolio.
- There is no reimbursement right.
- The expected Organization's contributions during 2016 are estimated at \$4 062 000 for After-Service Health Insurance and \$2 355 555 for Termination and Repatriation Entitlements.

12.1 Actuarial Valuations of Post-Employment and Other Separation-Related Benefits

Post-employment Benefits and Other Separation-Related Benefits are defined benefit plans of After-Service Health Insurance and Termination and Repatriation Entitlements. During 2016, the rates of contribution to these two long-term liability funds were 5% of net base pay plus post adjustment being credited to the Termination and Repatriation Fund, and 4% of the net pay credited to the After-Service Health Insurance.

The WHO/PAHO Staff Health Insurance Plan (SHI) allows eligible retirees, beneficiaries, and their eligible family members to participate in the Plan. The Termination and Repatriation Entitlements Fund finances the end-of-service payments for the Organization's staff members upon separation. These benefits, which include accrued annual leave, household removal, repatriation grant, repatriation travel, and termination indemnities, are payable when staff members leave the Organization's employment.

The assets shown for the After-Service Health Insurance Plan do not include any part of the assets held in the aggregate World Health Organization (WHO) Staff Health Insurance Fund (SHI) managed by the WHO. The staff members of the WHO and its administered entities, including the Organization, contribute to this SHI Fund. However, the Fund's assets have not been irrevocably allocated between WHO, the Organization (i.e., PAHO), and the rest of the WHO and its administered entities. Therefore, under IPSAS 25, no portion of the Fund qualifies as a plan asset for the Organization's After-Service Health Insurance Fund.

The Defined Benefit Obligation (DBO) as of 31 December 2016, as calculated by Aon Hewitt Corporation, decreased to \$16 769 017 for terminal entitlements and decreased to \$ 252 127 583 for after-service health insurance. The Termination and Repatriation Fund had assets of \$ 11 293 572; therefore the net liability was \$ 5 475 445 as of 31 December 2016. As the Organization's After-Service Health Insurance Fund had assets of \$ 60 111 537, the net liability for the After-Service Health Insurance decreased to \$192 016 046 as of 31 December 2016

Two of the more significant contributory factors in the decrease in the obligation for Termination and Repatriation Entitlements were the reduction on pay changes, different than expected, as well as the DBO decreased due to benefit payments in excess of the benefit accruals and interest on the liability (Service Cost and Interest Cost) during 2016. Some of the major factors in the decrease of the obligation for After-Service Health Insurance were: Updated Claims and Trend Assumptions; the DBO decreased as the net result of favorable claims experience and updated assumptions for how claims will change over time (Claims Costs and Administrative Expenses, and Medical Trend Rates); as well as a favorable Population Changes. The DBO also decreased due to participants declining coverage upon retirement and other population changes different than expected, partially offset by new hires and rehires.

12.2 Other Long-Term Employee Benefits

Other long-term employee benefits consist of home leave travel, which is accrued on a monthly basis. Employees entitled to this benefit are meant to earn it and take it every two years.

12.3 Actuarial Assumptions and Methods

Each year the Organization identifies and selects assumptions and methods that will be used by the actuaries in the year-end valuation to determine the expense and contribution requirements for the Organization's after-service benefit plans (post-employment benefits and other terminal entitlement benefits). Actuarial assumptions are required to be disclosed in the financial statements in accordance with IPSAS 25. In addition, each actuarial assumption is required to be disclosed in absolute terms.

12.3.1 Actuarial Assumptions

The following assumptions and methods have been used to determine the value of post-employment and other separation-related employee liabilities for the Organization at 31 December 2016.

Assumption	After Service Health Insurance Fund	Termination and Repatriation Entitlements Fund
Accounting Standard	International Public Sector Accounting Standard 25; first adopted by the Organization on 1 January 2010	
Measurement Date	31 December 2016	
Discount Rate	4.3 %	3.4 %
Expected Rate of Return on Assets	3.4 %	3.4 %
General Inflation	2.5 %	2.5 %
Medical Costs Increases	<p>U.S. Pre-65—4.65% in 2017 and 2018, increasing to 5.0% in 2019, then decreasing in 0.1% increments every other year starting in 2022 to 4.0% in 2040.</p> <p>U.S. Post-65—4.8% in 2017 and 2018, increasing to 5.0% in 2019, then decreasing in 0.1% increments every other year starting in 2022 to 4.0% in 2040+.</p> <p>Non-U.S. Americas—6.5% in 2017, decreasing in approximately 0.1% increments every year starting in 2018 to 4.0% in 2040+.</p>	Not Applicable
Future Participant Contribution Rate Changes	<p>Rates are assumed to increase by 4.0% per year in 2017 through 2041, based on the planned increases from the 31 December 2010 funding valuation. 1.0% per year thereafter, as we understand that rate increases are expected to decrease to 1.0% per year at that point. Increases are compounded geometrically.</p>	Not Applicable
Average Retirement Age	Average remaining years of service: 10.67	Average remaining years of service: 9.04
Life Expectancy	<p>Mortality rates match those in the 31 December 2015 valuation of the United Nations Joint Staff Pension Fund.</p>	Not Applicable
Average Medical Costs	\$8,901 per person per year in 2016	Not Applicable

The following tables provide additional information and analysis on employee benefits liabilities calculated by actuaries.

12.3.2 Reconciliation of Funded Status

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2016	Total 2015
Defined Benefit Obligation (DBO)				
Inactive	90 579		90 579	192 611
Active	161 549	16 769	178 318	124 609
Defined Benefit Obligation including actuarial loss	252 128	16 769	268 897	317 220
Less: Plan Assets	(60 112)	(11 294)	(71 406)	(59 875)
Net Defined Benefit Obligation including actuarial loss	192 016	5 475	197 491	257 345
Less: Unrecognized Actuarial Gain/(Loss)	24 122	(7 133)	16 989	(42 060)
Unrecognized Prior Service Credit/(Cost)	2 906		2 906	3 592
Net Liability/(Asset) Recognized in the Statement of Financial Position	219 044	(1 658)	217 386	218 877
Split between:				
Current Liability	8 614	2 356	10 970	13 053
Non-Current Liability / (Asset)	210 430	(4 014)	206 416	205 825
Net Liability/(Asset) Recognized in the Statement of Financial Position	219 044	(1 658)	217 386	218 878

12.3.3 Annual Expense for Calendar Year 2016

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2016	Total 2015
Current Service Cost	7 018	1 589	8 607	8 613
Interest Cost	13 293	538	13 831	13 585
Expected Return on Assets	(1 853)	(402)	(2 255)	(1 835)
Amortization of (Gain)/Loss	448	697	1 145	4 725
Recognition of Prior Service Cost	(1 422)		(1 422)	(789)
Changes in Accounting Methods				4 961
Total Expense Recognized in the Statement of Financial Performance	17 484	2 422	19 906	29 260

12.3.4 Reconciliation of Defined Benefit Obligation

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2016	Total 2015
Defined Benefit Obligation as of 1 January	300 203	17 017	317 220	332 131
Service Cost	7 018	1 589	8 607	8 613
Interest cost	13 293	538	13 831	13 585
Benefits Paid	(10 250)	(2 380)	(12 630)	(13 045)
Administrative Expenses	(491)		(491)	
Contributions by Plan Participants	1 857		1 857	(225)
Plan Amendments	(736)		(736)	1 767
Actuarial (Gain) / Loss	(58 766)	5	(58 761)	(30 567)
Changes in Accounting Methods				4 961
Defined Benefit Obligation including Actuarial Loss as of 31 December	252 128	16 769	268 897	317 220
Less: Plan Assets	(60 112)	(11 294)	(71 406)	(59 875)
Net Defined Benefit Obligation including Actuarial Loss as of 31 December	192 016	5 475	197 491	257 345
Less: Unrecognized Gain/(Loss)				
Unrecognized Net (Loss) at End of Prior Year (Loss) Arising during Current Year	(34 400)	(7 659)	(42 059)	(77 572)
Actuarial (Loss) on Defined Benefit Obligation	58 766	(5)	58 761	30 567
Actuarial (Loss) on Plan Assets	(692)	(166)	(858)	220
Gain Recognized during Current Year	448	697	1 145	4 725
Unrecognized Actuarial (Loss) at End of Year	24 122	(7 133)	16 989	(42 060)
Unrecognized Prior Service Credit	2 906		2 906	3 592
Net Liability Recognized in the Statement of Financial Position as of 31 December	219 044	(1 658)	217 386	218 877

12.3.5 Reconciliation of Plan Assets

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2016	Total 2015
Plan Assets as of 1 January	48 816	11 059	59 875	54 688
Benefits Paid	(10 740)	(2 380)	(13 120)	(13 269)
Contributions by Plan Participants	1 857		1 857	1 767
Contributions by the Employer	13 437	2 380	15 817	10 171
PAHO/WHO SHI Fund Contribution	5 581		5 581	4 463
Expected Return on Assets	1 853	402	2 255	1 834
Actuarial Gain / (Loss) - on Plan assets	(692)	(167)	(859)	221
Plan Assets as of 31 December	60 112	11 294	71 406	59 875
Made up of:				
Long Term Investments - Fixed Income Notes (Note 4.2)	1 293	243	1 536	59 161
Short Term Investments -Certificates of deposit (Note 4.1)	55 508	10 573	66 081	
Cash and Cash Equivalents (Note 3)	3 311	478	3 789	714
	60 112	11 294	71 406	59 875

12.3.6 After-Service Medical Plan - Sensitivity Analysis

Three of the principal assumptions in the valuation of the After-Service Medical Plan are: 1) the rate at which medical costs are expected to change in the future; 2) the return on the assets; and 3) the discount rate used to determine the present value of benefits that will be paid from the plan in the future. Because the medical inflation rate and the discount rate have a very significant impact on the determination of the Organization's long-term valuation, it is helpful to conduct sensitivity analysis on them. The sensitivity analysis identifies the impact that the medical inflation rate and the discount rate variables will have on the total valuation. The Aon Hewitt Corporation determined the impact of increasing or decreasing assumptions on the valuation.

12.3.7 Medical Sensitivity Analysis - After - Service Health Insurance *

	Current Medical Inflation Assumption Minus 1%	Current Medical Inflation Assumption	Current Medical Inflation Assumption Plus 1%
2016 Service Cost plus Interest Cost	16 892	20 310	24 728
Defined Benefit Obligation as of 31 December 2016	217 580	252 128	295 287

12.3.8 Discount Rate Sensitivity Analysis – After-Service Health Insurance *

	Current Discount Rate Assumption Minus 1%: 3.3%	Current Discount Rate Assumption: 4.3%	Current Discount Rate Assumption Plus 1%: 5.3%
Defined Benefit Obligation as of 31 December 2016	297 646	252 128	216 536

*The Sensitivity Analyses above do not address the Termination and Repatriation Entitlements Fund, because the benefits from this Fund are distributed upon retirement or shortly thereafter.

12.3.9 Settlement of Employee Benefit Liability

	31 December 2016		31 December 2015
Termination and Repatriation Entitlements Plan			
Settlement of Benefits	2 380		3 281
After- Service Health Insurance			
Administrative Expenses paid by the Organization			224
SHI Fund Contribution	5 581		4 463
Contribution to PAHO's ASHI Fund paid by the Organization	3 303	8 884	3 534
Total	11 264		11 502

12.4 United Nations Joint Staff Pension Fund

1. The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

2. The Organization's financial obligation to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

3. The actuarial valuation performed as of 31 December 2015 revealed an actuarial surplus of 0.16% (a deficit of 0.72% in the 2013 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as of 31 December 2013 was 23.54% of pensionable remuneration, compared to the actual contribution rate of 23.70%. The next actuarial valuation will be conducted as of 31 December 2017.

4. At 31 December 2015, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 141.1% (127.5% in the 2013 valuation). The funded ratio was 100.9% (91.2% in the 2013 valuation) when the current system of pension adjustments was taken into account.

5. After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2015, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded

the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

6. During 2016, contributions paid to the UNJSPF by the Organization amounted to \$15 690 234 (2015: 16 107 684) and by the participants, \$ 7 859 840 (2015: \$8 053 842), including \$14 723 (2015: none) in pension restoration payments.

7. The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board on the audit every year. The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at www.unjspf.org.

13. Deferred Revenue

13.1 Deferred Revenue – Current

	<u>31 December 2016</u>	<u>31 December 2015</u>
Voluntary Contributions		
Voluntary Contributions - Emergency Preparedness and Disaster Relief	704	1 645
Voluntary Contributions National Voluntary Contributions	84 420	29 517
National Voluntary Contributions	213 992	210 030
Procurement of Public Health Supplies		
Revolving Fund for Vaccine Procurement	164 751	159 271
Regional Revolving Fund for Strategic Public Health Supplies	5 272	47 581
Reimbursable Procurement	33 631	5 301
Total	<u>502 770</u>	<u>453 345</u>

13.2 Deferred Revenue – Non-Current

	<u>31 December 2016</u>	<u>31 December 2015</u>
Voluntary Contributions		
Voluntary Contributions	61 165	36 076
National Voluntary Contributions	154 960	103 313
Total	<u>216 125</u>	<u>139 389</u>

14. Fund Balances and Reserves

Fund balances represent the unexpended portion of contributions that are intended to be utilized in future operational requirements of the programs or projects.

Reserves are established by the Governing Bodies as facilities for funding and/or financing the Organization's programs and projects. They currently are:

- Working Capital Fund
- Holding Account
- Tax Equalization Fund
- Master Capital Investment Fund
- Special Fund for Program Support Costs
- Voluntary Contributions – Emergency Preparedness and Disaster Relief

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- Governing Bodies Authorized Fund
- Special Fund for Health Promotion
- Budgetary Surplus Fund
- Epidemic Emergency Fund
- Food Safety Five – Years Plan Fund
- PMIS Funding PAHO IPSAS Surplus Fund
- Revenue Surplus Fund
- IPSAS Surplus Fund

Summary of Fund Balances and Reserves

	Balance as of 31 December 2016	Balance as of 31 December 2015		
Fund Balances:				
Strategic Public Health Supplies-Capitalization	13 071	10 518		
PAHO After-Service Health Insurance	(219 044)	(220 578)		
Voluntary Contributions	46	46		
Income from Services	5 399	4 650		
Provision for Staff Entitlements	1 935	1 612		
Revolving Fund for Vaccine Procurement	163 930	147 404		
PAHO Regular Budget	115 227	112 088		
Provision for Termination and Repatriation Entitlements	6 728	5 703		
PAHO Post Occupancy Charge	10 763	12 437		
Expanded Textbook and Instructional Materials Program	14 175	15 377	112 230	89 257
Reserves:				
Working Capital Fund	20 745	20 745		
Tax Equalization Fund	(298)	3 921		
Master Capital Investment Fund	15 227	16 912		
Special Fund for Program Support	100 045	78 859		
Voluntary Contributions - Emergency Preparedness and Disaster Relief	2 629	2 629		
Governing Bodies Authorized Fund	(531)	(524)		
Special Fund for Health Promotion	951	1 000		
Budgetary Surplus Fund	132	132		
Epidemic Emergency Fund	1 336	1 875		
Food Safety Five-Years Plan Fund	131	206		
PMIS Funding PAHO IPSAS Surplus Fund	2 120	6 729		
Revenue Surplus Fund	7 864	7 864	150 351	140 348
Total	262 581	229 605		

14.1 Working Capital Fund

The Working Capital Fund was established for the primary purpose of providing funds as required to finance the Regular Budget pending receipt of contributions from Member and Participating States and Associate Members.

Noting that since 1978-1979, the Organization's budget had grown from \$64 849 990 to \$159 457 717 in 1994-1995, the 37th Directing Council (1993) authorized the Director to gradually increase the level of the Working Capital Fund from \$11 000 000 to an authorized level not to exceed \$15 000 000. The 44th Directing Council (2003) increased the authorized level of the Working Capital Fund from \$15 000 000 to \$20 000 000. The 53rd Directing Council, per Resolution CD53.R10 dated 2 October 2014, approved an increase in the authorized level from \$20 000 000 to \$25 000 000.

In accordance with Financial Regulation 4.5, any deficit of revenue over expenses of the Regular Budget appropriation at the end of the current budgetary period shall be funded first by the Working Capital Fund to the extent possible, and then by borrowing or by other authorized means. Non-budgetary items, such as depreciation, amortization and contributions in-kind, do not constitute part of the Regular Budget and are therefore excluded from revenue and expense for the purposes of calculating the Regular Budget Appropriation surplus or deficit.

	Total as of 31 December 2016	Total as of 31 December Biennium 2014-2015
Balance as of 1 January - Biennium	20 745	15 864
2014 Surplus / (Deficit)		9 743
2015 Surplus / (Deficit)		(9 238)
2014-2015 Surplus / (Deficit)		505
2014 Non-budgetary Items *		1 300
2015 Non-budgetary Items *		6 714
2014-2015 Non-budgetary items *		8 014
2014 Transfer to Revenue Surplus Fund		(3 722)
2015 Transfer to Revenue Surplus Fund		(4 052)
2014-2015 Transfer to Revenue Surplus Fund		(7 774)
Regular Budget Appropriation Surplus/(Deficit)		745
Repayment of the Loan from the Revolving Fund for Vaccine Procurement		4 136
Balance as of 31 December	20 745	20 745

* Non-budgetary Items are comprised, of but not limited to, depreciation, amortization and in-kind contributions .

14.2 Holding Account

The balance of this account was recorded pursuant to the Financial Regulations in effect until the adoption of IPSAS in 2010, when the Regulations were revised. This balance will be utilized in future financial periods, subject to a decision by the Governing Bodies.

14.3 Tax Equalization Fund

The Tax Equalization Fund, as established by Resolution CD18.R7 of the 18th Directing Council (1968), is credited with the revenue derived from the staff assessment plan. The credits to the Fund are recorded in the name of each Member State in proportion to its assessment for the financial period concerned and reduced by the amount needed to reimburse income taxes levied by the Member State on Organization staff. Adjustments are made in the next financial period to take account of the actual charges in respect of amounts reimbursed to staff members who are subject to national taxes.

Member States participating in the Tax Equalization Fund had the following balances at the end of the reporting period.

Member States	Balance 1 January 2016	Credits from the Tax Equalization Fund	Apportionment to Member States	Available to Cover Tax Reimbursements to Staff	Taxes Reimbursed to Staff	Balance 31 December 2016
Canada	109	947	947		46	63
Colombia	16	117	117			16
United States	3 819	5 322	3 922	1 400	5 573	(354)
Venezuela	(23)	192	167	25	25	(23)
Other		2 374	2 374			
Total	3 921	8 952	7 527	1 425	5 644	(298)

There is no outstanding accounts receivable for the Tax Equalization Fund because the liabilities for the reimbursement of income taxes are included in the accounts receivable for assessed contributions due from the relevant Member States.

14.4 Master Capital Investment Fund

The Organization's Master Capital Investment Fund (MCIF) was established by Resolution CSP27. R19 of the 27th Pan American Sanitary Conference, 59th Session of the Regional Committee, in October 2007. This fund was initially created with two sub-funds, Real Estate and Equipment, and Information Technology, in lieu of the Organization's Building Fund and the Capital Equipment Fund, effective 1 January 2008. The purpose of the Fund is to finance the repairs of the Organization's office buildings and the systematic replacement of computer and telecommunications equipment software and systems to support the Organization's information technology infrastructure.

In 2012, under Resolution CSP28.R17 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee of WHO for the Americas, the establishment of three additional sub-funds was authorized: Real State Maintenance and Improvement, Revolving Strategic Real Estate and Vehicle Replacement.

14.5 Special Fund for Program Support Costs

The Special Fund for Program Support Costs was established in 1976 by the Director under the authority of Financial Regulation 9.3 (originally 6.7) and subsequently reaffirmed by Resolution CSP20.R32 of the 20th Pan American Sanitary Conference (1978).

Trust Fund projects are charged a program support cost on a percentage of the direct project cost incurred, and this income is credited to the Fund. Other activities include sales of publications, support to fellowships, and others. The Fund is used to provide support for indirect costs associated with non-regular budget activities or projects. Reimbursable Procurement is charged a service charge based on the value of procurement, and this income is also credited to this Fund.

14.6 Special Fund for Natural Disaster Relief

In accordance with Resolution CD24.R10 of the 24th Directing Council (1976), the Special Fund for Natural Disaster Relief was created to provide funds that can be used promptly by the Organization's Emergency Preparedness and Disaster Relief team.

14.7 Governing Bodies Authorized Fund

Noting the revised document on proposed uses of program budget income exceeding the authorized effective working Regular Budget for the financial period 2006-2007 (Document CD48/22), the 48th Directing Council resolved to establish the Governing Bodies Authorized Fund to fund proposed initiatives that will strengthen the Organization, that minimize added re-current costs, are sustainable within normal operations, and for which other funding resources are scarce or unavailable.

14.8 Special Fund for Health Promotion

At its 13th Meeting in 1961, the Directing Council established the Special Fund for Health Promotion, with the objective of strengthening the health program of the Americas.

14.9 Epidemic Emergency Fund

The Epidemic Emergency Fund was established by Resolution CSP28.R16 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee. This fund is used as a revolving fund to advance monies to affected countries in the event of an epidemic outbreak or public health emergency. Advanced funds would be recovered from appeals and other forms of voluntary contributions received in response to the emergency.

14.10 Food Safety Five-Year Plan Fund

The Food Safety Five-Year Plan Fund was established by Resolution CSP28.R16 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee. This fund supports food safety initiatives.

14.11 Pan American Sanitary Bureau Management Information System (PMIS) Fund

The Pan American Sanitary Bureau Management Information System (PMIS) Fund was established by Resolution CSP28.R16 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee. The PMIS fund was established for the implementation of enterprise resource planning (ERP) software for the Organization.

14.12 IPSAS Surplus Fund

The IPSAS Surplus Fund was established by Resolution CSP28.R16 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee. This fund will be used to meet future unforeseen strategic and/or administrative initiatives. Future proposals for the use of this reserve may also include increases in any other existing funds.

14.13 Budgetary Surplus

The Financial Regulations, approved by Resolution CD49.R1 of the 49th Directing Council, 61st Session of the Regional Committee, stipulate that “Any balance of the Regular Budget appropriation not committed by the end of the current budgetary period, shall be used to replenish the Working Capital Fund to its authorized level, after which any balance will be available for subsequent use in accordance with the resolutions adopted by the Conference or Directing Council.”

14.14 Revenue Surplus

The Financial Regulations approved by Resolution CD49.R1 of the 49th Directing Council, 61st Session of the Regional Committee, stipulate that “Any excess of revenue over the Regular Budget appropriation at the end of a budgetary period shall be considered a revenue surplus and shall be available for use in subsequent periods to cover the unfunded portion of the Strategic Plan, as determined by the Director and with the concurrence of the Subcommittee on Program, Budget, and Administration.”

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15. Revenue

	2016		2015	
	Gross Revenue	Net Revenue	Gross Revenue	Net Revenue
Revenue from Non-Exchange Transactions				
Assessed Contributions				
PAHO Regular Budget	96 368	96 368	96 200	96 200
Tax Equalization Fund	1 425	1 425	9 420	9 420
Subtotal	97 793	97 793	105 620	105 620
Voluntary Contributions				
Voluntary Contributions	30 330	27 713	36 152	33 158
Voluntary Contributions - National Voluntary Contributions	537 632	511 931	582 682	554 737
Voluntary Contributions - Emergency				
Preparedness and Disaster Relief	3 490	3 248	1 143	1 060
Special Fund for Program Support	28 568	28 568	31 022	31 022
Subtotal	600 020	571 460	650 999	619 977
Other Revenue				
AMRO Regular Budget	31 022	31 022	52 986	52 986
AMRO Voluntary Funds for Health Promotion	22 954	22 954	27 083	26 689
Epidemic Emergency Fund			580	580
AMRO Special Account for Servicing Costs	9 043	9 043	5 756	5 756
AMRO Contribution for Renovation of Assets			203	
Staff Development and Learning Fund			338	338
AMRO Post Occupancy Charges			3 180	
Subtotal	63 019	63 019	90 126	86 349
Revenue from Exchange Transactions				
Procurement of Public Health Supplies				
Revolving Fund for Vaccine Procurement	589 110	582 273	567 744	561 155
Reimbursable Procurement on Behalf of Member States	4 114	3 956	6 208	5 971
Regional Revolving Fund for				
Strategic Public Health Supplies	93 295	92 236	72 267	71 461
Special Fund for Program Support	8 053	8 053	7 632	7 632
Subtotal	694 572	686 518	653 851	646 219
Other Revenue				
PAHO Regular Budget			164	164
Voluntary Contributions				
Income for Services	2 947	2 411	3 705	3 262
Special Fund for Program Support			59	59
Expanded Textbook and Instructional Materials Program	4 118	4 027	5 862	5 862
Health Promotion	18	18	13	13
Provision for Termination and Repatriation Entitlements	3 448		5 439	
Provisions for Staff Entitlements	5 650		4 032	
PAHO Post Occupancy Charge	8 546		7 357	
After Service Health Insurance	2 135		3 132	
Master Capital Investment Fund	1 006	1 006	1 357	1 286
AMRO Terminal Payments Account			314	
AMRO Non-Payroll Statutory Entitlements			1 055	
Special Fund for Program Support	503	503		
Subtotal	28 371	7 965	32 489	10 646
Miscellaneous Revenue				
PAHO Regular Budget				
Interest Earned	12 937	12 937	8 125	8 125
Saving on or cancellation of prior periods' obligations	3 330	3 330		
Valuation Gains and Losses	(581)	(581)	(636)	(636)
Investment Management Fees	(606)	(606)	(519)	(519)
Other Miscellaneous	97	97	82	82
Special Fund for Program Support	6 395	6 395	(15 838)	(15 838)
Expanded Textbook and Instructional Materials Program			76	76
Voluntary Contributions			1	1
Voluntary Contributions - Emergency				
Preparedness and Disaster Relief			(80)	(80)
Subtotal	21 572	21 572	(8 789)	(8 789)
TOTAL REVENUE	1 505 347	1 448 327	1 524 296	1 460 022

16. Expenses

	2016		2015	
	Gross Expenses	Net Expenses	Gross Expenses	Net Expenses
Staff and Other Personnel Costs				
International and National Staff	149 664	129 885	183 219	161 486
Consultants			19 290	19 290
Temporary Staff	44 036	44 036	4 770	4 770
Subtotal	193 700	173 921	207 279	185 546
Supplies, Commodities, Materials				
Vaccines / Syringes / Cold Chain	572 584	565 747	607 208	600 619
Medications and Medical Supplies	94 856	93 639	23 725	23 488
Other Goods and Supplies	21 561	21 139	22 108	20 683
Subtotal	689 001	680 525	653 041	644 790
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization				
Equipment, Vehicles, Furniture ²	(127)	(127)	(503)	(574)
Intangible Assets ²	(338)	(338)		
Depreciation / Amortization	2 384	2 384	7 646	7 646
Subtotal	1 919	1 919	7 143	7 072
Contract Services				
Contracts	80 303	80 303	74 892	72 136
Subtotal	80 303	80 303	74 892	72 136
Travel				
Duty Travel	36 452	36 247	9 197	8 804
Courses and Seminars ³			59 163	59 163
Subtotal	36 452	36 247	68 360	67 967
Transfers and Grants to Counterparts				
Letters of Agreements	441 327	441 327	480 879	480 879
Subtotal	441 327	441 327	480 879	480 879
General Operating and Other Direct Costs¹				
Maintenance, Security and Insurance	12 248	12 248	10 526	10 478
Subtotal	12 248	12 248	10 526	10 478
Indirect Support Costs				
Program Support Costs	28 560		31 022	
Subtotal	28 560		31 022	
Total Expenses	1 483 510	1 426 490	1 533 142	1 468 868

Note¹ General Operating Expense and Other Direct Costs Include Lease Payments for \$2 395 086. (2015: \$2 215 405).

Note² The balance includes the capitalization of assets in the Statement of Financial Position.

Note³ Effective fiscal period 2016 with the implementation of Workday, the components associated with Courses and Seminars will be reflected in the proper expense line. The predominate components used for Courses and Seminars are travel and Contract Services.

17. Comparison of Budget and Actual Amounts

The reconciliation between the actual amounts on a comparable basis in the Comparison of Budget and Actual Amounts and the actual amounts in the Cash Flow Statement for the year ended 31 December 2016 is presented below:

(Expressed in thousand US Dollars)

	31 December 2016			31 December 2015		
	Operating	Investing and Financing	Total	Operating	Investing and Financing	Total
Actual amount on comparable basis from Statement of Budget and Actual Amounts	(219 658)		(219 658)	(270 741)		(270 741)
Basis Differences						
Timing Differences						
Presentation Differences	1 599 951	(59 638)	1 540 313	1 444 003	54 823	1 498 826
Entity Differences	(1 334 610)		(1 334 610)	(1 223 527)		(1 223 527)
Actual amount in the Statement of Cash Flow	45 683	(59 638)	(13 955)	(50 265)	54 823	4 558

The budget and financial statements are prepared using a different accounting basis. The financial statements are prepared on an accrual basis and the Comparison of Budget and Actual Amounts is prepared on a cash basis. The chart above illustrates the actual amount of cash disbursements based on the budget, reconciled to the actual cash change in the Statement of Cash Flow.

Basis differences occur when comparing two different bases. There are no basis differences for the reconciliation of a cash budget position to a cash flow position. The Comparison of Budget and Actual Amounts reflects disbursements in comparison with the budget and does not include cash receipts; therefore, the cash receipts are reflected as a presentation difference. Entity differences are activities included in the financial statements and omitted from the budget.

18. Segment Reporting

18.1 Statement of Financial Position by Segments

	Total Core Activities Segment	Total Partnership Activities Segment	Total Enterprise Activities Segment	Total Special Activities Segment	Intra-Party Segment	Total 2016	Total 2015
ASSETS							
Current Assets							
Cash and Cash Equivalents	128 286					128 286	137 683
Short Term Investments	239 705					239 705	268 202
Owed From Other Segments *		178 338	462 269	37 722	(678 329)		
Accounts Receivable	64 748	208 287	74 745	1 832		349 612	412 938
Inventories	485		8 411			8 896	7 868
Total Current Assets	433 224	386 625	545 425	39 554	(678 329)	726 499	826 691
Non-Current Assets							
LongTerm Investments	297 674					297 674	267 753
Accounts Receivable		144 271	4602	4 014		152 887	52 985
Net Fixed Assets	106 397			1 979		108 376	120 250
Intangible Assets	395		337	31		763	1 728
Total Non-Current Assets	404 466	144 271	4 939	6 024		559 700	442 716
TOTAL ASSETS	837 690	530 896	550 364	45 578	(678 329)	1 286 199	1 269 407
LIABILITIES							
Current Liabilities							
Accrued Liabilities	2 537	5 480	285	4 873		13 175	42 681
Owed To Other Segments *	678 329				(678 329)		
Accounts Payable	5 591	6 163	49 806	792		62 352	9 259
Employee Benefits				10 970		10 970	11 616
Deferred Revenue		299 117	203 653			502 770	600 662
Total Current Liabilities	686 457	310 760	253 744	16 635	(678 329)	589 267	664 218
Non-Current Liabilities							
Accounts Payable	7 796					7 796	15 089
Employee Benefits				210 430		210 430	199 986
Deferred Revenue		216 125				216 125	174 223
Total Non-Current Liabilities	7 796	216 125		210 430		434 351	389 298
TOTAL LIABILITIES	694 253	526 885	253 744	227 065	(678 329)	1 023 618	1 053 516
NET ASSETS / EQUITY							
Fund Balances and Reserves							
Fund Balances	115 227	46	196 575	(199 618)		112 230	84 093
Reserves	28 210	3 965	100 045	18 131		150 351	131 798
NET FUND BALANCES and RESERVES	143 437	4 011	296 620	(181 487)		262 581	215 891

* Owed to/from Other Segments is due to PAHO holding pooled cash on behalf of other segments. This cannot be allocated directly to a cash segment. These are eliminated on consolidation.

18.2 Statement of Financial Performance by Segments

	Total Core Activities Segment	Total Partnership Activities Segment	Total Enterprise Activities Segment
REVENUE			
Revenue from Non-Exchange Transactions			
Assessed Contributions	96 368		
Voluntary Contributions		571 452	28 568
Other Revenue	31 022	22 954	9 043
Revenue from Exchange Transactions			
Procurement of Public Health Supplies			694 572
Other Revenue			7 568
Miscellaneous Revenue	15 177		6 395
TOTAL REVENUE	142 567	594 406	746 146
EXPENSES			
Staff and Other Personnel Costs	93 803	36 308	28 452
Supplies, Commodities, Materials	4 711	10 342	672 731
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization	2 055		(252)
Contract Services	11 452	55 743	2 830
Travel	11 354	23 246	1 046
Transfers and Grants to Counterparts	2 385	438 955	(13)
General Operating and Other			
Direct Costs	5 551	1 790	1 540
Indirect Support Costs		28 560	
TOTAL EXPENSES	131 311	594 944	706 334
NET SURPLUS/ (DEFICIT)	11 256	(538)	39 812

Statement of Financial Performance by Segments

Total Special Activities Segment	Intra-Party Segment	Total 2016	Total 2015
1 425		97 793	105 620
	(28 560)	571 460	619 977
		63 019	86 349
	(8 054)	686 518	646 219
20 803	(20 406)	7 965	10 646
		21 572	(8 789)
22 228	(57 020)	1 448 327	1 460 022
35 137	(19 779)	173 921	185 546
1 217	(8 476)	680 525	644 790
116		1 919	7 072
10 278		80 303	72 136
806	(205)	36 247	67 967
		441 327	
3 367		12 248	480 879
	(28 560)		10 478
50 921	(57 020)	1 426 490	1 468 868
(28 693)		21 837	(8 846)

19. Losses, Ex-Gratia Payments and Write-Offs

In 2016 the Organization recorded the following accounting entries:

- \$216 was recorded as Losses/Damage of the PALTEX program as a result of physical inventory counts during annual visit to the points of distributions. (2015: \$13 413)
- \$147 148 was recorded as write-off to refunds of letters of agreement not implemented by the recipient institutions. (2015: none)
- \$68 963 was written off as uncollectable debts from staff, former staff, and retirees of the Organization. (2015: \$ 98 872)
- \$2 791 was written off for other small amounts. (2015: none)
- No Administrative waivers were recorded for courses and seminars implemented by Member States. (2015: \$3 974)
- No Ex-Gratia Payments were recorded. (2015: \$22 342)

20. Cases of Fraud and Presumptive Fraud

In 2016, a total of 29 cases of fraud, theft and loss of property were reported. The PALTEX program had eight cases involving the loss or theft of textbooks totaling \$23 114. PAHO recovered or anticipates recovering \$22 898 in full from the point of sales locations in question leaving a net loss of \$216 to the Organization. There were 17 cases involving the loss or theft of PAHO property from PAHO personnel in the country offices and Headquarters. The total net loss to the Organization of this lost or stolen property was \$8 997.

Finally, there were four cases involving the misuse of PAHO purchasing or travel credit cards committed by people outside the Organization. In these four cases, the fraudulent charges amounting to \$8 453, were reimbursed by the financial institutions concerned.

21. Related-Party and Other Senior Management Disclosure

Key management personnel are the Director, Deputy Director, Assistant Director, and Director of Administration, as they have the authority and responsibility for planning, directing, and controlling the activities of the Organization.

The aggregate remuneration paid to key management personnel, as established by the United Nations International Civil Service Commission (ICSC), includes: gross salaries, post adjustment, entitlements such as representation allowance and other allowances, assignment and other grants, rental subsidy, personal effects shipment costs, income tax reimbursement, and employer pension and current health insurance contributions. These remunerations are provided in conformity with the standards established by the ICSC and are applicable to all United Nations personnel.

Key management personnel are also qualified for post-employment benefits at the same level as other employees. These benefits cannot be reliably quantified.

Key management personnel are ordinary members of the United Nations Joint Staff Pension Fund (UNJSPF).

21.1 Key Management Personnel

Key Management Personnel	2016	2015
Number of Positions	4	4
Compensation and Post Adjustment	772	772
Entitlements	258	283
Pension and Health Plans	240	242
Total Remuneration	1 270	1 297
Outstanding Advances against Entitlements	-	-

22. Events after Reporting Date

The Organization's reporting date is 31 December of each year. On the date of signature of these accounts by the External Auditor, no material events, favorable or unfavorable, have occurred between the date of the Statement of Financial Position and the date when the financial statements have been authorized for issue that would have impacted these statements.

23. Provisions

As at 31 December 2016, the Organization had not recognized any provisions.

24. (Recognition)/De-recognition of Liability through Reserves

The de-recognition of the Staff Health Insurance (SHI) liability to Reserves was the result of a 4% increase in first-tier rates of contribution to the SHI Fund during 2015, resulting in a reduction in the regional deficit for active staff. The regional deficit is covered by second-tier contributions (25% of the first-tier rate) from active staff, in accordance with paragraph F.395 of the WHO Staff Health Insurance Rules. The excess of second-tier contributions over the amount required to fund the regional deficit is reflected in the increase of the SHI reserve balance. The total de-recognition for 2016 was \$1 566 783, reflected in the Statement of Changes in Net Assets.

25. In-Kind Contributions

Host governments and cooperating partners at the country level provide different in-kind contributions, which are utilized by the Organization's Country Offices for their general and daily operations. These contributions are not recognized in the Organization's financial statements due to the complexity of standardizing a fair value throughout all the Organization's Country Offices. In-kind contributions received by the Organization include personnel, office premises, office services, use of office equipment and vehicles.

Country Office or Center	Services received In-Kind Contributions				
	Personnel	Office Premises	Office Services	Office Equipment	Vehicles
Argentina	X				
Bahamas	X	X	X		
Barbados	X	X	X		
Belize	X		X		
Bolivia	X				
Brazil					
Chile	X	X			
Colombia					
Costa Rica	X	X	X		
Cuba	X				
Dominican Republic	X	X			
Ecuador	X				
El Salvador	X				
Guatemala	X				
Guyana	X	X	X		
Haiti	X		X		
Honduras	X				
Jamaica	X		X		
Mexico	X				
Nicaragua	X	X	X		
Panama	X	X	X		
Paraguay	X				
Peru					
Suriname	X	X	X		
Trinidad and Tobago	X	X	X		
Uruguay	X		X		
Venezuela	X				
PANAFTOSA	X	X	X	X	X
BIREME	X	X	X		
CLAP	X				

Report of the External Auditor



TRIBUNAL DE CUENTAS
DE ESPAÑA

The Pan American Health Organization

Long Form Report on the 2016 Financial
Statements audit

The aim of the audit is to collaborate with the audited organization in order to reach its objectives, while supporting compliance with principles of transparency, legality and sound financial management.

The Spanish Court of Audit (SCA), headed by its President, provides external audit services to international organizations, working independently of its role as the Supreme Audit Institution of Spain. The President and the SCA are independent of the Spanish Government and ensure the proper and efficient spending of public funds and accountability to the Spanish Parliament. The SCA audits the accounts of all public sector bodies as well as political parties, collaborates in works related to its role as an active member of INTOSAI and EUROSAI and takes part in audit works within European Union projects and beyond.

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1. Executive Summary

1.1. Introduction

- 1 We have provided an unmodified audit opinion on the 2016 financial statements of the Pan American Health Organization (hereinafter PAHO) which present fairly, in all material respects, the financial position and the results of operations and cash flows for the financial period ended December 31, 2016; and we confirm that this audit revealed no weaknesses or errors which we considered to be material to the accuracy, completeness and validity of the financial statements.
- 2 Due to unforeseen circumstances related to the new enterprise resource planning system at PAHO, the financial statement reports were made available to the Court of Audit behind schedule. To ensure that the Court of Audit had sufficient time to conduct its audit, PAHO proposed an extension of the deadline for presenting the Audit Opinion and the Long-Form Audit Report for 2016 and, subsequently, Article Seven of the Engagement Letter signed on 21 June 2016 was amended, as follows:
“The Audit Opinion and the Long-Form Audit Report for 2016 shall be completed-signed and dated- and provided by the Court of Audit to the Director of PAHO together with the audited financial statements, no later than 28 April 2017”.

1.2. Overall Results of the Audit

- 3 We have audited the financial statements of PAHO in accordance with the International Standards on Auditing of the International Federation of Accountants (IFAC), the Audit Standards and Guidelines formulated by the United Nations Board of Auditors and the International Standards of Supreme Audit Institutions (ISSAIs).
- 4 The audit opinion confirms that these financial statements: present fairly, in all material respects, the financial position as at December 31, 2016 and the results for the year then ended; have been properly prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and the stated accounting policies; and, in all material respects, the transactions underlying the financial statements have been made in accordance with the Financial Regulations and applied to the purposes intended either by the Pan American Sanitary Conference or the Directing Council.
- 5 Our audit procedures were designed primarily for the purpose of forming an audit opinion. They included a review of the internal controls and accounting systems and procedures, only to the extent considered necessary for the effective performance of the audit. The audit work did not involve a detailed review of all aspects of PAHO’s budgetary and financial information systems. Our findings therefore should not be regarded as representing a comprehensive statement of all the weaknesses which exist, or all improvements which could be made to the systems and procedures operated.

- 6 The main observations and recommendations from our audit are set out below. Our recommendations are summarized in Annex A. Follow up of actions taken by management in response to the recommendations included in the 2015 Long Form Report are set out in Annex B.
- 7 The 2016 financial statements correspond to the fifth year of the Spanish Court of Audit's appointment as the external auditor of PAHO.
- 8 We would like to thank PAHO for their professional and constructive approach to the external audit relationship. We trust that PAHO's management keep consistently engaged with the audit process and seek to improve processes and procedures in response to our audit recommendations.

1.3. Summary of Main Findings

- 9 In this report we have commented upon the Organization's financial position and presented our findings with respect to Country Offices (CO) and governance matters.
- 10 In the Brazilian CO we have specifically analyzed the management of the Mais Medicos project during 2016, in particular regarding its internal control framework. We conclude that this framework remains strong, all the posts created to support the Project were in place, new tools have been implemented, and most of our recommendations were in progress of implementation or had already been addressed. However, some aspects of the management of this Project should be improved, for instance, a special review and follow up of participating doctor's dropouts, the capability of the Cuban doctors' database, as well as the classification of the expenses.
- 11 In regard to lawsuits against the Mais Medicos project, in 2016 and so far in 2017, at least 50 Cuban doctors have filed lawsuits related to the request to obtain a contract extension in their contracts and to achieve equal working conditions to other non-Cuban doctors within the same project. Furthermore, the main lawsuit still remains unresolved. However, other lawsuits at the Brazilian Labor Court ended without any impact to the project.

PAHO will have to continue following up the development of the situation and keeping the contingency plan updated, including potential consequences of the lawsuits presented in 2016.
- 12 The Pan American Sanitary Bureau Management Information System (PMIS) was launched in January 2016. For the first time the PAHO'S 2016 Financial Statement has been produced using the new Workday System (WD). Despite the great effort made by the Organization, we consider that there are still a series of weaknesses which have an impact on the overall perception of the usefulness of the system and the quality of data produced.
- 13 Since PMIS/WD is a critical project for the Organization, we strongly encourage PAHO to maintain institutional support, in the form of a permanent task, to fully exploit benefits deriving from the availability of management information.

- 14 Under the Pan American Sanitary Bureau (PASB) Staff Rules and Regulations, the Organization funds employee benefits and entitlements for current employees and for retirees. At the end of 2016, the net value of current and non-current liability reached 218.88 USD million for the Staff Health Insurance. This obligation resulted from an actuarial calculation of the current value of the present and future obligations related to the Staff Health Insurance of the staff members and retirees. In November 2016, a Memorandum of Understanding has been signed with the objective to unify and simplify future management of the SHI Fund's overall liabilities and to enable PAHO ASHI assets transferred to the WHO SHI Fund to be managed more efficiently.

2. Financial review

- 15 The Director's Comments on the Financial Statements provide a comprehensive analysis of the financial performance of the Organization for 2016. We have reviewed the financial information provided and checked its consistency with the information contained in the Financial Statements, and hereby we present some further analysis to enhance their understanding.

- 16 Based on our audit of the Financial Statements we have identified several matters that we consider worth highlighting in this report:

- In the financial year 2016, the first year of the budgetary biennium, PAHO had a net surplus of 21.8 USD million. That represented a major change to the previous year, which presented a deficit of 8.8 USD million. The main causes of this change are detailed below.
- Total revenue decreased from 1.460 USD million in 2015 to 1.448 USD million in 2016, which was a 0.8% decrease.
- During 2016, the total revenue from the Procurement of Public Health Supplies increased by 6.2%, to 686.5 USD million compared to 646.2 USD million in 2015. Through extensive international bidding PAHO is able to purchase, at affordable prices, vaccines, public health supplies and equipment on behalf of Member States and international institutions. These revenues are the first source of income, which represents 47.4% of the overall balance of revenues.
- Revenue generated by Voluntary Contributions decreased by 7.8% compared to the prior year, down to 571.5 USD million in 2016. This type of revenue was the second source of revenue in the year 2016, which represented over 39.5% of total revenue.
- Miscellaneous Revenues increased in 2016 from negative 8.8 USD million at the end of 2015 to positive 21.6 USD million at December 31, 2016. Miscellaneous revenues mainly include foreign currency revaluations, interest earned, exchange rate gains and losses.

The principal explanation of this increase of revenues was the result of a growth in the value of non-USD investments and available liquid funds of 6.4 USD million compared to a previous 15.8 USD million decrease in 2015.

The interest earned also raised from 8.1 USD million in 2015 to 12.9 in 2016 which represents an increase of 59.2%.

- PAHO’s expenses decreased by 2.9% from 1,468.9 USD million in 2015 to 1,426.5 million as at December 31, 2016.
- Procurement expenses (supplies, materials and commodities) increased by 5.5% from 644.8 USD million 2015 to 680.5 USD in 2016. These expenses were the first source of expenditure, which represented 47.7% of the overall balance of expenses.
- The disbursements in grants and transfers to counterparts have decreased by 8.2%, from 480.9 USD million in 2015 to 441.3 USD million in 2016. The 95.8% of this amount corresponds to Mais Medicos project (422.7 USD million expenditures in 2016 in these types of payments).
- Staff and other personnel costs have decreased by 6.3%, from 185.5 USD million in 2015 to 173.9 USD million in 2016.
- The cost deriving from depreciation and amortization has reached the amount of 1.9 USD million in 2016. The difference from the previous year (7.1 USD million) is due to result of a negative revaluation of land and buildings carried out at the end of the previous accounting period.
- Travel costs have decreased by 46.7%, from 68 USD million in 2015 to 36.2 USD million in 2016. Contract services have increased from 72.1 USD million in 2015 to 80.3 USD million in 2016 (by 11.3%).
- PAHO’s total current assets have decreased by 39.5 USD million, from 766 USD million to 726.5 USD million in 2016.
- Short term investments decreased from 256.8 USD million in 2015 to 239.7 in 2016. Current Account Receivables have decreased from 358.3 USD million in 2015 to 349.6 USD million in 2016.
- The current account of receivables from voluntary contributions rises by 14.7%, from 181.4 million USD in 2015 to 208.2 in 2016, although the account receivables from Mais Medicos project descended from 111.9 USD million in 2015 to 102.6 in 2016.
- The Long Term Investments balance stands at 297.7 USD million, which is expected to be adequate to meet PAHO needs disclosed as long term liabilities.
- Mainly due to 2016 amortization, the value of Property, Plant and Equipment has decreased from 110.3 USD million in 2015 to the current 108.4 USD million.

- PAHO’s current liabilities have increased from 576.1 USD million in 2015 to 589.3 USD million in 2016.
- Employee benefits, current and non-current liabilities have decreased by 1.1%. Thus, the amount of 223.9 USD million shown in 2015 has descended to 221.4 USD million of liability at the end of 2016.
- In a short-term perspective, PAHO has enough resources to fund the staff’s employee benefits. However, future funding of this liability may be a financial challenge for PAHO.
- PAHO has sufficient financial resources to meet its obligations (262.6 USD million in Fund Balances and Reserves, 14.4% more than in 2015).

3. Country Offices

3.1. Introduction

- 17 PAHO operates in more than 30 countries throughout the Region of the Americas. Its operations and projects’ implementation at country level are managed by its network of CO and Centers. PAHO funds its activity using regular budget allocations, as well as specific project funds. The cumulative disbursements of these offices in 2016 (including the Mais Medicos project) were around 632 USD million (2015: 613 USD million), which constituted a significant part of PAHO’s reported activity. Therefore, we carried out on-the-spot visits to obtain an assurance that locally managed operations, incurred expenditure and established control mechanisms were performed correctly.
- 18 Our selection of CO was determined by a risk assessment which took into consideration the level of expenditure and the date of our previous audit visit (if any), among other considerations (e.g. interviews with Headquarters’ staff and managers). We also took into consideration the recommendations of the Audit Committee and the results of control visits performed by the Office of Internal Oversight and Evaluation Services.
- 19 During 2016 we visited CO in Brazil, Argentina and Uruguay. At the end of each visit we produced a report stating our findings and recommendations. The reports were presented to the respective PAHO-WHO representative in those CO. Subsequently, CO Management has been requested to respond and prepare an action plan to be implemented, addressing detected weaknesses. It was the seventh consecutive year that external auditors have visited the CO in Brazil. This Office was accountable for the largest part of PAHO’s expenditure.
- 20 In addition, in the course of the audit procedures carried out in Headquarters (HQ) we have reviewed relevant documentation regarding the activity of the CO.

3.2. *Mais Medicos* Project

- 21 The participation of PAHO in the *Mais Medicos* project was established by the *Termo de Cooperacao 80*, which was signed in April 2013 between PAHO and the Brazilian Department of Health. This *Termo de Cooperacao* was signed for five years (until April 2018), with a possibility to extend it for five years more (2023). The aim of this Project is to expand access to the primary health care for the Brazilian population. In order to implement that agreement, PAHO and the Cuban Government agreed on the participation of Cuban doctors in the Project. In March 21, 2017 the 10^o *Termo do Ajuste* was signed, which will be in place until April, 2018.
- The total implementation of the Project, since its beginning, in terms of financial resources, amounted to 1,827 USD million (5,24 BRL million) as of December 2016, out of which at least 465.3 USD million were disbursed in 2016 (1,614.7 BRL million).
- 22 We analyzed the PAHO management process of the *Mais Medicos* project in 2016, both in Headquarters and in the CO in Brazil. We acknowledge improvements made in the area of human resources as well as in the functionality of IT tools. However, we still found some areas of improvement.
- 23 One of the key elements of the current internal control framework of the Project is a database used by the CO in Brazil to track and monitor the operational activity of Cuban doctors participating in the program. PAHO has improved the functionality of this tool, addressing most of the recommendations made by the external and the internal auditors. However, the database can still be improved by eliminating some errors in the supporting documentation, in particular those related to the collection of data about training courses, the dates of arrivals of new doctors and the wide range of types of incidents and errors in the data entry in the “Incident Management Module” of COLPADI.
- 24 As regards the Cuban doctor’s dropouts, the External Auditor reconciled the official list of dropouts sent to the “Ministério da Saúde” with the COLPADI database and the Invoice Verification System (IVS). We noticed that in some cases there was a lack of coincidence between the data of dropouts in the official list sent to the “Ministério da Saúde” and the data recorded in the COLPADI database. We also noted that in two cases the dropouts indexed in the official list as well as in COLPADI were not expressly included as dropouts in the IVS.
- 25 We detected that some *Mais Medicos* project operations, amounting to 2,6 USD million, were funded through sources different from those indicated in *Termo de Cooperacao 80*.
- 26 In regard to a constitutionality lawsuit against the Project, we consider that the level of risk of an unfavorable decision being announced has decreased. Notwithstanding the foregoing, there are still open lawsuits and, in addition, due to the specific country’s juncture, PAHO has to keep an updated contingency plan to face the potential adverse situations which may arise.
- 27 We noticed that at least 50 Cuban doctors had filed lawsuits related to the *Mais Medicos* project. The claim of the lawsuits was to get a contract extension in their contracts and to

achieve equal working conditions to other doctors within the same project. Those lawsuits would imply a potential risk if those medical workers won their lawsuits and got court ruling stating that they must receive equal working conditions to other doctors participating in the program. This hypothetical event could provoke a massive number of lawsuits of the same nature, which would be a serious issue for the functioning of the Mais Medicos project.

Recommendation 1: We recommend reviewing the data inputs in COLPADI database to ensure their quality and accuracy, especially as regards the data of the new participating doctors. The PWR-BRA management should analyze the capability of the incidents module, homogenizing typologies of incidents, as well as reviewing unresolved incidents and their corresponding data.

Recommendation 2: We recommend a special review and follow up of participating doctor's dropouts. The consistency of information in the Official list of dropouts, COLPADI database and Invoice Verification System should be double checked.

Recommendation 3: We recommend avoiding using general grants or budget lines to fund activities which are specifically within the scope of Mais Medicos project.

Recommendation 4: We recommend continuing closely monitoring relevant decisions of the Brazilian courts about Cuban doctor's claims. At the same time, PAHO should elaborate a contingency plan in case of favorable sentences for plaintiffs. We also recommend continuing monitoring closely relevant decisions of the Brazilian Federal Supreme Court and keep the contingency plan updated.

4. Governance Matters

28 There are mechanisms on which the Governing Bodies of international organizations rely to supervise the effectiveness of their activity. We have analyzed these mechanisms as part of our audit.

4.1. Pan American Sanitary Bureau (PASB) Management Information System (PMIS)

4.1.1. Background

29 In 2010 the 50th Directing Council formally authorized a process of modernization of the Pan American Sanitary Bureau (PASB) and approved a budget of 22,5 USD million for the implementation of the PAHO Management Information System (PMIS), an ERP computer system.

30 The implementation started in the beginning of 2014 and it was divided in two stages: phase 1 deployed Human Resources and Payroll module and phase 2 implemented the remaining functionalities, like Finance, Procurement, Planning and Budgeting, and finally linked all modules under one integrated system. The PMIS became operational at the beginning of 2016. Its further development and fine-tuning was carried out in parallel to day-to-day operations. Certain functionalities non-critical for the launch (e.g. periodical closures) and integrations with certain external systems (e.g. bidirectional integration of In-Tend) were also

added in 2016. The total implementation cost of the ERP reached 23 million USD. This amount does not include the value of enormous effort and amount of work done internally by PAHO staff.

4.1.2. Audit Review

- 31 The system was successfully launched at the beginning of 2016. At the day of audit visit the system had been already in operation for 14 months, but its fine-tuning was still on-going. The system went through many changes as a result of the elimination of detected bugs, additions or remapping of business processes. Changes also included corrections of faults made at the implementation phase, integration with external modules (e.g. In-Tend) or extensions of existing functionalities.
- 32 Despite the fact that in 2016 PAHO made an important effort to accomplish the implementation and fine tuning process, the system still cannot be considered fully reliable. Large amount of amendments and modifications in such a complicated system is prone to unforeseen errors. Therefore, the system operations may be considered by the organization still as fraught with material risk. Thus, supplementary checks and controls on all possible operational levels are indispensable.
- 33 The PAHO organization structure is strongly based on vertical and self-contained departments subordinate to the top management (e.g. FRM and PBU). This architecture is mirrored in the WD, where key users are often confined by their assigned system rights to exclusively those transactions carried out within their scope of competence. This means that each business owner verifies the correctness of the transactions pertinent only to its own field of competence and, as a consequence, is unable to follow up an operation in its entirety throughout the system.
- 34 We observed that necessary systematic preventive checks were not carried out by the departments. In case of detected errors or system glitches, the Information Technology Services Department was engaged via the ticketing system to follow up on the configuration or the technical problems. However, these interventions had a punctual, ad-hoc character and could not serve as horizontal and systematic control.
- 35 In the report on Status of the PMIS prepared for 11th Session of the Subcommittee on Program, Budget, and Administration of the Executive Committee, PAHO identified a list of system related challenges that were either tackled or they still needed to be addressed in the near future. These are:
- a. Some scenarios not previously contemplated need to be resolved with workarounds, until a satisfactory solution is developed;
 - b. A number of unexpected behaviors of the system impacts business processes;
 - c. Preparation of the coming biennial financial closure with PMIS for the first time.
- 36 During the audit of 2016 Financial Statements, auditors paid special attention to the performance of the new system. The PMIS data processing was identified as a high risk area, thus additional audit procedures were adopted to evaluate the correctness and regularity of

transactions registered therein. Specific tests in this respect were carried out during the audit visits to CO in Brazil, Argentina and Uruguay. Additionally, a substantive testing of a sample of transactions was performed in the Headquarters to detect possible system flaws.

37 As a results of this audit work, we detected a series of weaknesses which have an impact on the overall perception of the usefulness of the system and the quality of data produced. Below we present categories of problems detected during our audit assignment, which were not previously stated in the report:

- a. Reporting in WD is not fully adapted to the needs of the Organization. Although we noted important improvements in 2016, the use of spreadsheets and off the system calculations is common. The reporting capacity provides very little support to the management at the CO level. The system does not provide financial performance reports for the CO (providing management information per project or per person responsible) or exhaustive implementation reports on budget use and balances of the extra budgetary projects.
- b. Similarly to the legacy system, the preparation of the 2016 PAHO Financial Statements was a process that generated a lot of workload, manual operations and off-system-data manipulation.
- c. The accounting system year-end procedures do not include a closure of financial performance accounts. It means that the closing balance for December 31, 2016 of those accounts (revenues and expenses) is different from the opening balance for January 1, 2017. As a result the operation of opening the financial year and transferring the balances is susceptible to clerical errors. Two errors of this nature were detected in the opening balance for 2017.
- d. One of the areas affected by the lack of reliable reporting is treasury. Reports available in the system do not allow for rapid and precise bank reconciliations. This is a serious limitation to the internal control over cash assets, for any organization and, in particular, for an organization that manages over 60 bank's accounts.
- e. The system offers a very basic functionality as regards the revaluation of foreign currencies. This is a serious functional limitation for a system implemented in an Organization which accounts for 24 difference currencies and carries out operations in 30 countries. The implications of this fact are detectable in the accounting where, for instance, an automatic revaluation of receivable and payables is not possible or exchange differences on cash transactions are not calculated automatically.
- f. The system identifies and uses for registering transactions a lot of different dates, for instance contract dates, accounting dates, payment dates, etc. However, it is not clear what dates are taken into account by the system to generate reporting or calculate exchange differences. It is necessary to define precisely what dates are critical for each type of accounting operation. Correct definition and input of dates is fundamental, for instance for registering accounting entries correctly, calculating aging of receivables and payables or determining the results of foreign exchange operations.
- g. Some internal processes still require tuning and optimizing. The assumptions made before the system implementation included reduction of workload and a reduction of administrative tasks due to automatization of back office activities. However, in CO high value operations have to be artificially divided into smaller instalments, no higher than the value of delegation of authority (e.g. 100,000 USD), and have to be repetitively

- registered in WD as multiple entries until the total amount of operation is reached. This unnecessarily multiplies administrative workload for Representatives in CO.
- h. For some accounting transactions in WD, copies of the original document need to be uploaded. However, there are either no rules or specific policy concerning the process of filing in the system. As a result searching for documents in the system is difficult, as there are no standardized file names.
 - i. The accounting schemes configured in the system are normally triggered by the use of appropriate worktags. In fact, there are a lot of worktags defined throughout the system and their use is obligatory to input any operation in the system. Large numbers of worktags, their similar wordings or unclear meanings lead to clerical errors which may have important consequences for the correctness of data registration and accounting entries. Those errors are often difficult to detect and once discovered require tedious manual corrections.
 - j. Despite the effort made to translate WD interface, system alerts, error messages, reports, PAHO Standard Operating Procedures and other related documentation, there is still a significant amount of system communications available only in English. Although this is the working language of the Organization, there are roles in the system, in particular in CO, fulfilled by non-English speaking personnel.

Recommendation 5: We recommend assigning a specific business unit or a team responsible to the horizontal and systematic control.

Recommendation 6: We recommend drafting a list of necessary reports that should be prepared to ensure useful and reliable information for all functional areas. The preparation of the list should be preceded by an in depth analysis (e.g. including a survey) to address needs of all managers, with particular attention being paid to CO.

Recommendation 7: We recommend increasing efforts to limit the off-the-system data manipulation to the minimum.

Recommendation 8: We highly recommend introducing a reliable bank reconciliation report in the system. The report should be used regularly to reconcile on a monthly basis all banks' accounts, comparing data obtained from banks with the ledger entries.

Recommendation 9: We recommend updating the system to enable proper calculation of exchange differences and automatic revaluation of open positions denominated in foreign currencies at the period end closures. If correct treatment of those operations is not possible due to the system limitations, relevant information should be disclosed in the financial statements and in the accounting policy of the Organization.

Recommendation 10: We recommend performing an analysis and mapping of dates used by the system. The work should conclude with an inventory of dates used in the system and description on how each date affects the area of accounting (including calculation of exchange rates), procurement, budgeting and payroll.

Recommendation 11: We recommend further fine tuning of internal business processes and procedures configured in WD. It is important to concentrate on those areas which demand a heavy workload, are repetitive in nature or abundant. The process of optimizing internal workflow should lead to a decrease of administrative burden and automatization of tasks susceptible to clerical errors.

Recommendation 12: We recommend elaborating rules on documents storage in WD. It is necessary to introduce a standardization which enables easy content and period recognition on the basis of file names. Moreover, the rules should also define a minimum standard regarding the

documents that should be attached to each system information. Those rules should be applicable to all documents attached to WD transactions.

Recommendation 13: We recommend tightening system controls on use of worktags. The worktags in use should be revised and if possible, some of them should be disabled for those users or operations where they cannot be used. Analysis of worktags should also include dynamic combinations, e.g. in a situation when a given worktag is automatically disabled depending on other options selected while inputting data (e.g. account number, budget line, project number).

Recommendation 14: We recommend translating end user related system messages and alerts to other languages than English. There are a number of system users in CO which do not speak English, but need to operate the system. Inability to clearly understand the system documentation, messages or instruction may diminish their usefulness and contribute to erroneous data input.

4.2. After Service Health Insurance (ASHI) Fund. Transferring the ASHI liability to the World Health Organization (WHO)

- 38 Under the PASB Staff Rules and Regulations, the Organization funds post-retirement employee benefits and entitlements. In 2010 PAHO established a trust fund, After-Service Health Insurance Fund (ASHI), to fund actuarial liability for PAHO current and prior staff members' health insurance in future years. The liability resulted from an actuarial calculation of the current value of the present and future obligations related to the Staff Health Insurance (SHI) of the staff members and retirees.
- 39 The initial contribution to the ASHI Fund originated from an accumulated surplus of contributions paid to the PAHO Terminal Payments Fund and a one-time distribution of the surplus generated from the implementation of IPSAS (10 million USD). Moreover, PAHO established recurring contributions to the fund from a 4% of the net pay against PAHO staff salaries and earnings on Fund investments. In 2016, this contribution totaled approximately 2.1 USD million. Additionally, in January 2016 PAHO made a one-time contribution to the ASHI Trust Fund, by transferring \$8 million from the SHI Equity Fund.
- 40 At the end of 2016, the net value for current and non-current liabilities assumed by PAHO reached the value of \$252.2 million for the SHI. The assets of the ASHI Trust Fund totaled to \$60.1 million. Thus the unfunded gap amounted to \$192.1 million as of December 31, 2016.
- 41 We acknowledge the PAHO commitment to reduce the unfunded net liability which arose when IPSAS were implemented in 2010. However, reaching a full funding of the liability continues to be a challenge. To address this issue, PAHO decided to pool the PAHO ASHI Trust Funds- Plan Assets- with WHO Staff Health Insurance under the WHO management.
- 42 In November 2016 a Memorandum of Understanding was signed to unify and simplify the future management of the SHI Fund's overall liabilities and to enable PAHO ASHI assets transferred to the WHO SHI Fund to be more efficiently managed. Upon entry into force of

the Memorandum (on the date on which the Director General approves amendments to the SHI Rules reflecting the financial arrangements described in the Memorandum):

- a. PAHO will transfer the balance of the PAHO ASHI Trust Fund Plan Assets and PAHO's SHI Equity account \$60,111,536.77 to the WHO SHI Trust Fund, to be invested as SHI assets under the SHI investment policy.
 - b. PAHO will transfer monthly to the WHO SHI Trust Fund the 4% ASHI contribution levied on payroll and, on an annual basis, any surplus of health insurance contributions.
 - c. PAHO will participate in the meetings of the WHO Investment Committee on investment recommendations relating to the WHO SHI Trust Fund and PAHO will receive quarterly reports on investment performance.
 - d. A joint actuarial valuation will be performed on an annual basis and will include PAHO census data, to achieve efficiencies and reduce administrative costs.
- 43 For the years 2010-2015 there were two types of employee benefits liabilities for the staff members employed in PAHO. One, was reported in the PAHO Financial Statements and was included in the actuarial liability for the ASHI for non-WHO funded posts (around 75% of total staff-members).The second one have been reported in the WHO Financial Statements and its Staff Health Financial Statements for the liability corresponding to the WHO funded posts, around 25% of total staff members according to the information provided to the actuary. The calculation was prepared taking into account the specific posts funded by WHO. In 2016 the latter include a portion of PAHO staff members whose remuneration costs are funded by the WHO resources allocated to the Region of the Americas (AMRO), but based in an estimation of the percentage of total human resources costs funded by WHO, not through a population census.
- 44 The significant PAHO resources earmarked to reduce the unfunded ASHI liability (60 USD million) and the high value of the actuarial liability require a close monitoring. In addition, once the enforcement the terms of reference of the Memorandum begins, it will be important to understand its effects. Specifically, regarding accounting matters and subsequently on presentation of the actuarial liability in the Financial Statement as well as in the management of the assets allocated to fund the ASHI. This should be planned well in advance, taking into account the entry into force a new IPSAS 39 standard on Employee's Benefits.
- 45 However, a portion of ASHI fund under WHO management will still remain, which will be reported in the WHO financial reports as AMRO ASHI liability (as it was shown in the actuarial report).

Recommendation 15: We recommend implementing adequate procedures between both Organizations to allow PAHO preparing its financial statements, in particular ensuring timely reception of reliable investment reports regarding the PAHO Plan Assets performance.

Recommendation 16: PAHO should actively participate in the meetings of the WHO Investment Committee in order to ensure that the interests of PAHO are considered and protected.

Recommendation 17: PAHO should develop a schedule to reach a 100% funding of the ASHI liability in a period of time.

5. Follow up of prior year recommendations

- 46 In our report for 2015 we made a number of recommendations about PAHO's management. As part of our work we have followed up the progress that PAHO has made in their implementation. The detailed follow up, including both the response from PAHO and our comments thereon, is set out in Annex B.
- 47 Overall, we are of the opinion that PAHO has responded appropriately to our previous recommendations and is taking steps to address the issues raised. We conclude that PAHO has responded very positively to our recommendations, since all of them have been closed or are in progress. We also took note of the adequate implementation of our recommendations on PMIS and *Mais Medicos*, since both projects are critical to the Organization.

Acknowledgement

- 48 We wish to highlight our appreciation for the co-operation and assistance provided by the Director and the staff of the Organization over the course of our audit.

Madrid, April 27, 2017



Ramón Álvarez de Miranda García

President of the Spanish Court of Audit

Annex A. - Summary of Audit Recommendations

Recommendation 1: We recommend reviewing the data inputs in COLPADI database to ensure their quality and accuracy, especially as regards the data of the new participating doctors. The PWR-BRA management should analyze the capability of the incidents module, homogenizing typologies of incidents, as well as reviewing unresolved incidents and their corresponding data.

Recommendation 2: We recommend a special review and follow up of participating doctor's dropouts. The consistency of information in the Official list of dropouts, COLPADI database and Invoice Verification System should be double checked.

Recommendation 3: We recommend avoiding using general grants or budget lines to fund activities which are specifically within the scope of Mais Medicos project.

Recommendation 4: We recommend continuing closely monitoring relevant decisions of the Brazilian courts about Cuban doctor's claims. At the same time, PAHO should elaborate a contingency plan in case of favorable sentences for plaintiffs. We also recommend continuing monitoring closely relevant decisions of the Brazilian Federal Supreme Court and keep the contingency plan updated.

Recommendation 5: We recommend assigning a specific business unit or a team responsible to the horizontal and systematic control.

Recommendation 6: We recommend drafting a list of necessary reports that should be prepared to ensure useful and reliable information for all functional areas. The preparation of the list should be preceded by an in depth analysis (e.g. including a survey) to address needs of all managers, with particular attention being paid to CO.

Recommendation 7: We recommend increasing efforts to limit the off-the-system data manipulation to the minimum.

Recommendation 8: We highly recommend introducing a reliable bank reconciliation report in the system. The report should be used regularly to reconcile on a monthly basis all banks' accounts, comparing data obtained from banks with the ledger entries.

Recommendation 9: We recommend updating the system to enable proper calculation of exchange differences and automatic revaluation of open positions denominated in foreign currencies at the period end closures. If correct treatment of those operations is not possible due to the system limitations, relevant information should be disclosed in the financial statements and in the accounting policy of the Organization.

Recommendation 10: We recommend performing an analysis and mapping of dates used by the system. The work should conclude with an inventory of dates used in the system and description on how each date affects the area of accounting (including calculation of exchange rates), procurement, budgeting and payroll.

Recommendation 11: We recommend further fine tuning of internal business processes and procedures configured in WD. It is important to concentrate on those areas which demand a heavy workload, are repetitive in nature or abundant. The process of optimizing internal workflow should lead to a decrease of administrative burden and automatization of tasks susceptible to clerical errors.

Recommendation 12: We recommend elaborating rules on documents storage in WD. It is necessary to introduce a standardization which enables easy content and period recognition on the basis of file names. Moreover, the rules should also define a minimum standard regarding the documents that should be attached to each system information. Those rules should be applicable to all documents attached to WD transactions.

Recommendation 13: We recommend tightening system controls on use of worktags. The worktags in use should be revised and if possible, some of them should be disabled for those users or operations where they cannot be used. Analysis of worktags should also include dynamic combinations, e.g. in a situation when a given worktag is automatically disabled depending on other options selected while inputting data (e.g. account number, budget line, project number).

Recommendation 14: We recommend translating end user related system messages and alerts to other languages than English. There are a number of system users in CO which do not speak English, but need to operate the system. Inability to clearly understand the system documentation, messages or instruction may diminish their usefulness and contribute to erroneous data input.

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Recommendation 17: PAHO should develop a schedule to reach a 100% funding of the ASHI liability in a period of time.

Annex B. - Implementation of Prior Year Recommendations

We reviewed management's implementation of recommendations made in our 2015 Long Form Report. We have summarized the response and provided our evaluation, based on the audit work we have undertaken in respect of internal controls.

RECOMMENDATION	MANAGEMENT RESPONSE	SCA COMMENT
<p>Recommendation 1</p> <p>We recommend developing a written, comprehensive business continuity plan or a disaster recovery plan and respective procedures for the IT tool used for the management of the Project. Recovery procedures should include the execution of periodic system recovery tests in a separate pre-production IT environment.</p>	<p>PWR Brazil developed a comprehensive Business Continuity Plan (BCP) in 2011 which describes all necessary procedures for recovery and protects information during a disaster; this BCP was updated in 2012.</p> <p>A detailed update has not been necessary as there is not a high risk of disasters in the area of Brasilia which could impact the operation of the Representation. Additionally, during the last three years all the identified risks relating to IT infrastructure and systems were mitigated to the extent possible.</p> <p>However, in order to update the BCP, the PWR-BRA will execute the following Action Plan:</p> <ul style="list-style-type: none"> • Hire a BCP Consultant: develop the TORs, publish the post and issue the contract (2 months) • BCP Consultancy to review the BCP (4-5 months) <p>Execute the recommended actions to mitigate the identified risks in BCP (2017)</p>	<p>CLOSED</p>
<p>Recommendation 2</p> <p>We recommend performing a comprehensive data analysis and validation of the main database in order to resolve data quality issues. The analysis should focus, in particular, on removing duplicates and checking the integration of database structure. Moreover, at the same time validation rules should be introduced or reviewed in order to prevent registration of invalid data.</p>	<p>During the debriefing session the PWR was informed verbally that some information in database was wrong, duplicated or missing. This information relates to identity numbers or passport numbers, which have no economic impact.</p> <p>To validate this observation the IES Office has scheduled its second audit visit for 2016, which has been completed and we are waiting for the final report.</p>	<p>CLOSED (RAISED IN 2016 LFR)</p>
<p>Recommendation 3</p> <p>We recommend funding all expenses within the scope of the Mais Medicos project with the specific allocated resources, avoiding the exceptions and the use of other Termos de Cooperaçao to fund activities of the Project.</p>	<p>The same recommendation was already raised in the 2014 External Auditor's Report, and the situation has not changed.</p> <p>The Brazilian indigenous health program, implemented by the Ministry of Health-BRA is a specific subsystem and is not directly linked to the municipalities (due to its geographical nature and administrative arrangements, which also implies a specific federal subsidy). For this reason, there are</p>	<p>CLOSED (RAISED IN 2016 LFR)</p>

	<p>no municipalities to provide local contribution of counterpart for the support of Cuban doctors in the districts Indigenous Health (housing, food and transportation). We emphasize that the Indigenous Health Program has a pre-existing TC with PAHO, this has been the source for funding this part of the remuneration of doctors. It is worth noting that most of the doctors, about 11,100 who work for cooperation, given the consideration of municipalities as set out in specific decree published by the Brazilian Government (Pt No. 30 of February 12, 2014). So this situation does not characterize in any way the use of other TCs nor the TC 80 to fund the project, but it is to act according to what was legally agreed with the counterparties.</p> <p>The answer provided for the 2014 External Audit Report was the following:</p> <p><i>“For physicians who perform their activities in indigenous areas need a monetary supplement to compensate the lack of municipalities to provide housing, as stipulated in the agreement. According to financial and regulatory standards of the Government of Brazil, this component cannot be financed from the same budget which goes funding for the TC 80. This is the reason we should continue to fund this component of the corresponding TC and not TC 80.”</i></p>	
<p>Recommendation 4</p> <p>Due to the significant resources engaged in the Mais Medicos Program, it is important to agree with the donor a precise schedule of payments in order to avoid perturbations about funds transfers.</p>	<p>This observation has already been implemented since 2014, on a monthly basis the staff of the Project meets with the Ministry of Health in order to make the necessary revisions of the work plan and cash flows. In 2016, with the change of government, the Representative met with the Minister of Health who ensured the continuity of the project and therefore the normal flow of funds. To date of this report (June 2016) we had no cash flow issues, all transfers have been made in accordance with the agreed schedule.</p>	<p>CLOSED</p>
<p>Recommendation 5</p> <p>We recommend preparing an operation plan on the basis of the “PASB Information Technology Strategy 2015-2019”, defining short term priorities, stating functionalities to be developed in PMIS, responsible business owners, expected deadlines and the anticipated budget.</p>	<p>ITS PMIS Shared Services meets twice a month with key stakeholders and PMIS business owner’s focal points to discuss priorities. Based on these discussions, a list of proposed priorities for each period is submitted to the PMIS Advisory Committee (PMIS AC). This committee meets on a monthly basis and is comprised of business owners and key stakeholders from different areas of the organization. The PMIS AC is chaired by the director of ITS. Once the priorities for next period have been approved by the PMIS AC, ITS PMIS Shared Services manages the necessary works to implement them. During each session of the PMIS AC, ITS PMIS Shared Services presents a progress report on previous priorities and propose a list if new priorities.</p> <p>ITS/PMIS Shared Services and Business Owners work in close collaboration to analyze streamlining opportunities, and to find solutions to reported items that require a decision. A recommendation paper with different possible options is drafted and</p>	<p>CLOSED</p>

	<p>presented to the PMIS AC to make a decision.</p> <p>We have a PMIS Governance document, ToRs for the different groups, and documentation for each set of approved priorities with their function ability, Business Owner, status, and other information. The priority tracker document is reviewed weekly with everyone involved in each task. We also have all the change requests in a global system (TopDesk – Change Management Module) where everything is documented and we track historical and future changes/enhancements/features. Attached: PMIS Governance, ToR for different groups, example of priorities for one month, example of priority tracker.</p>	
<p>Recommendation 6</p> <p>We recommend reinforcing PMIS transactions controls and verification of business processes registration in the system during the first year of its operation. Established controls should be systematic and coordinated at various levels of the organization, combining controls exercised by business owners, horizontal controls and controls independent from business owners (e.g. carried out by internal control or specific team). The objective of those controls should be to obtain reasonable assurance as to the accuracy, reliability and credibility of data gathered and processed by PMIS. The control system, as well as testing scenarios and their results, should be duly documented and validated by the PMIS Advisory Committee.</p>	<p>FRM is modifying the current Financial Accountability tools to support the Internal Control Framework within the context of the implementation of Workday. The team is developing monthly and quarterly control and compliance reports at different levels to ensure accountability and enhanced control for all financial business processes.</p> <p>In addition, all financial transactions performed outside the normal business process or time period (opening balances, catch-up transactions, journal corrections, and new processes) are duly tested and validated in the testing tenant “Sandbox” prior to moving to production. All such changes require the approval of the business process expert and the business process owner.</p>	CLOSED
<p>Recommendation 7</p> <p>We recommend preparing a mapping of all external IT systems which are responsible for generating any relevant data which is processed at any stage by PMIS. Particular attention should be paid to systems used by Country Offices. The mapping should identify and present types of IT systems used, their functions, type and amount of data exchanged, business units responsible and controls put in place to ensure integrity of data exchange.</p>	<p>We have a document mapping all integrations and manual data transfers for main systems. Excel file and diagram attached for reference.</p>	CLOSED
<p>Recommendation 8</p> <p>We recommend continuing the effort to standardize and harmonize the procedures for transferring the retiring staff’s knowledge to its successors.</p>	<p>HRM and AM have drafted a standard exit report. It is pending KBR’s clearance - May 2016 – and should be implemented by 31 December 2016.</p>	IN PROGRESS
<p>Recommendation 9</p> <p>We recommend improving the efficiency and effectiveness in the recruitment process for of the Organization.</p>	<p>After extensive consultation with Collaborative Solutions to implement a new recruitment module in PMIS, it became clear that Workday has too many limitations and does not meet PAHO’s needs. On 4 May 2016, EXM Members endorsed the recommendation to collaborate with WHO on their new recruitment module “Taleo”. WHO’s system will replace e-recruit and e-select. It will handle consultants as well as UN staff. PAHO is participating in the design.</p>	IN PROGRESS

<p>Recommendation 10</p> <p>We recommend that PAHO focus its efforts in order to comply with the estimated deadlines as defined in the project schedule.</p>	<p>Management will continue to work with and monitor country offices and departments at Headquarters, including having an accelerated fund disbursements scheduled (already released) throughout the budgetary period to encourage timely implementation and prevent a high volume of biennium-end expenditures.</p>	<p>IN PROGRESS</p>
<p>Recommendation 11</p> <p>In the event of a transfer of all the ASHI assets and liabilities to the WHO, the PAHO rights and obligations, including the reporting responsibility, should be duly analyzed and precisely defined. Moreover, the PAHO presence in the governing bodies of the Staff Health Management body should be ensured.</p>	<p>A detailed agreement on rights and responsibilities between PAHO and WHO will precede the transfer of ASHI assets and liabilities to WHO. Such agreement will consider the management of investments, the allocation of returns, and the ability to track both the assets and liabilities attributable to PAHO. Amendments to the SHI Rules to accommodate such consolidation will be presented to the SHI governing body, the Global Oversight Committee (GOC). Participation in the GOC is on a two-year rotational basis. Continuous participation will be proposed but cannot be assured. Participation on the WHO Investment Committee will also be proposed.</p>	<p>CLOSED</p>

Unaudited Informational Annex

Segmented Information on the Statement of Financial Performance

PAN AMERICAN HEALTH ORGANIZATION
 FINANCIAL REPORT OF THE DIRECTOR and REPORT OF THE EXTERNAL AUDITOR
 1 January 2016 – 31 December 2016

Core Activities Segment

	PAHO Regular Budget	AMRO Regular Budget	PAHO Governing Bodies Projects	Total 2016	Total 2015
REVENUE					
Revenue from Non-Exchange Transactions					
Assessed Contributions	96 367 542			96 367 542	96 200 000
Voluntary Contributions					
Other Revenue		31 022 083		31 022 083	52 985 702
Revenue from Exchange Transactions					
Procurement of Public Health Supplies					
Other Revenue	257			257	164 273
Miscellaneous Revenue	15 176 825			15 176 825	7 051 699
TOTAL REVENUE	111 544 624	31 022 083		142 566 707	156 401 674
EXPENSES					
Staff and Other Personnel Costs	72 755 568	21 047 244		93 802 812	117 267 619
Supplies, Commodities, Materials	3 664 068	1 084 551	(37 125)	4 711 494	7 887 495
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization	1 940 019		115 250	2 055 269	7 042 230
Contract Services	8 540 349	2 982 127	(70 489)	11 451 987	19 164 814
Travel	7 052 711	4 300 911		11 353 622	11 869 397
Transfers and Grants to Counterparts	1 176 446	1 208 659		2 385 105	3 030 369
General Operating and Other Direct Costs	5 152 396	398 591		5 550 987	5 884 488
Indirect Support Costs					
TOTAL EXPENSES	100 281 557	31 022 083	7 636	131 311 276	172 146 412
NET SURPLUS / (DEFICIT)	11 263 067		(7 636)	11 255 431	(15 744 738)

Partnership Activities Segment

	PAHO Voluntary Contributions	PAHO National Voluntary Contributions	AMRO Voluntary Funds for Health Promotion
REVENUE			
Revenue from Non-Exchange Transactions			
Assessed Contributions			
Voluntary Contributions	30 329 642	537 632 265	
Other Revenue			22 953 777
Revenue from Exchange Transactions			
Procurement of Public Health Supplies			
Other Revenue			
Miscellaneous Revenue			
TOTAL REVENUE	30 329 642	537 632 265	22 953 777
EXPENSES			
Staff and Other Personnel Costs	12 517 792	12 022 833	10 529 298
Supplies, Commodities, Materials	2 925 253	3 264 466	3 055 485
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization			
Contract Services	4 873 211	48 098 904	2 462 376
Travel	4 342 495	14 250 528	4 178 368
Transfers and Grants to Counterparts	2 684 318	433 277 586	2 527 107
General Operating and Other Direct Costs	463 213	920 671	201 143
Indirect Support Cost	2 523 360	25 797 277	
TOTAL EXPENSES	30 329 642	537 632 265	22 953 777
NET SURPLUS / (DEFICIT)			

Partnership Activities Segment

PAHO Epidemic Emergency Fund	PAHO Emergency Preparedness & Disaster Relief	Total 2016	Total 2015
	3 490 060	571 451 967 22 953 777	1 142 690 580 495
			(80,123.00)
	3 490 060	594 405 744	1 643 062
197 836 99 278	1 039 936 997 124	36 307 695 10 341 606	29 644 351 10 487 825
34 468 126 565 77 980 1 984	274 307 347 740 388 078 203 200 239 675	55 743 266 23 245 696 438 955 069 1 790 211 28 560 312	42 566 304 54 072 568 477 626 389 1 814 590 31 021 752
538 111	3 490 060	594 943 855	647 233 779
(538 111)		(538 111)	(645 590 717)

Enterprise Activities Segment

	PAHO Revolving Fund for Vaccine Procurement	PAHO Reimbursable Procurement on Behalf of Member States	PAHO Regional Revolving Fund for Strategic Public Health Supplies	PAHO Income From Services
REVENUE				
Revenue from Non-Exchange Transactions				
Assessed Contributions				
Voluntary Contributions				
Other Revenue				
Revenue from Exchange Transactions				
Procurement of Public Health Supplies	589 109 924	4 113 718	93 295 188	
Other Revenue				2 946 877
Miscellaneous Revenue				
TOTAL REVENUE	589 109 924	4 113 718	93 295 188	2 946 877
EXPENSES				
Staff and Other Personnel Costs				1 147 246
Supplies, Commodities, Materials	572 583 538	4 113 718	90 742 660	1 192 887
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization				
Contract Services				272 735
Travel				459 442
Transfers and Grants to Counterparts				3 246
General Operating and Other Direct Costs				84 663
Indirect Support Costs				
TOTAL EXPENSES	572 583 538	4 113 718	90 742 660	3 160 219
NET SURPLUS / (DEFICIT)	16 526 386		2 552 528	(213 342)

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Enterprise Activities Segment

PAHO Special Fund for Program Support	PAHO Expanded Textbook and Instructional Materials Program	AMRO Special Account for Servicing Costs	Total 2016	Total 2015
28 568 046			28 568 046	31 022 219
		9 043 377	9 043 377	5 755 152
8 053 631			694 572 461	653 850 906
502 850	4 117 566		7 567 293	9 626 672
6 395 262			6 395 262	(15 761 564)
43 519 789	4 117 566	9 043 377	746 146 439	684 493 385
19 004 857	1 483 788	6 816 315	28 452 206	14 736 979
915 214	3 005 718	177 027	672 730 762	633 985 567
(337 402)	85 716		(251 686)	85 714
1 115 993	494 430	946 834	2 829 992	6 464 785
248 754	175 453	162 942	1 046 591	1 461 327
(17 046)	494		(13 306)	222 181
441 143	73 719	940 259	1 539 784	1 862 737
21 371 513	5 319 318	9 043 377	706 334 343	658 819 290
22 148 276	(1 201 752)		39 812 096	25 674 095

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Special Activities Segment

	PAHO Health Promotion	PAHO Food Safety Five-year Plan	PAHO PMIS Funding from PAHO IPSAS Surplus	PAHO Provision for Termination & Repatriation Entitlements	PAHO Provision for Staff Entitlements	PAHO Post Occupancy Charge	PAHO After Service Health Insurance
REVENUE							
Revenue from Non-Exchange Transactions							
Assessed Contributions							
Voluntary Contributions							
Other Revenue							
Revenue from Exchange Transactions							
Procurement of Public Health Supplies							
Other Revenue	18 343			3 447 992	5 649 838	8 546 607	2 134 799
Miscellaneous Revenue							
TOTAL REVENUE	18 343			3 447 992	5 649 838	8 546 607	2 134 799
EXPENSES							
Staff and Other Personnel Costs	22 062	2 146	771 976	4 803 246	5 326 571	1 083 513	17 484 067
Supplies, Commodities, Materials	(2 486)	1 145	3 790			221 716	
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization							
Contract Services	20 315	33 571	3 347 330			5 785 831	
Travel	27 184	38 015	487 878			224 217	
Transfers and Grants to Counterparts							
General Operating and Other Direct Costs	31	301	(1 919)			2 905 469	
Indirect Support Costs							
TOTAL EXPENSES	67 106	75 178	4 609 055	4 803 246	5 326 571	10 220 746	17 484 067
NET SURPLUS / (DEFICIT)	(48 763)	(75 178)	(4 609 055)	(1 355 254)	323 267	(1 674 139)	(15 349 268)

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Special Activities Segment

PAHO Tax Equalization Fund	PAHO Master Capital Investment Fund	AMRO Contribu- tion for Renovation of Assets	AMRO Terminal Payments Account	AMRO Non- Payroll Statutory Entitlements	AMRO Staff Development and Learning Fund	AMRO Post Occupancy Charges Fund	Total 2016	Total 2015
							1 424 999	9 420 000
								3 721 504
	1 006 346						20 803 925	22 698 686
1 424 999	1 006 346						22 228 924	35 840 190
5 643 440	407						35 137 428	45 630 174
	992 558						1 216 723	680 352
	115 452						115 452	14 763
	1 090 873						10 277 920	6 695 778
	28 750						806 044	957 197
	463 444						3 367 326	964 383
5 643 440	2 691 484						50 920 893	54 942 647
(4 218 441)	(1 685 138)						(28 691 969)	(19 102 457)

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Intra-party Segment

	Intra-Party Segment	Total 2016	Total 2015
REVENUE			
Revenue from Non-Exchange Transactions			
Assessed Contributions		97 792 541	105 620 000
Voluntary Contributions	(28 560 312)	571 459 701	619 977 372
Other Revenue		63 019 237	86 348 995
Revenue from Exchange Transactions			
Procurement of Public Health Supplies	(8 053 631)	686 518 830	646 218 830
Other Revenue	(20 406 414)	7 965 061	10 646 402
Miscellaneous Revenue		21 572 087	(8 789 427)
TOTAL REVENUE	(57 020 357)	1 448 327 457	1 460 022 172
EXPENSES			
Staff and Other Personnel Costs	(19 779 236)	173 920 905	185 546 400
Supplies, Commodities, Materials	(8 475 846)	680 524 739	644 789 781
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization		1 919 035	7 071 374
Contract Services		80 303 165	72 135 712
Travel	(204 963)	36 246 990	67 967 872
Transfers and Grants to Counterparts		441 326 868	480 878 939
General Operating and Other Direct Costs		12 248 308	10 477 671
Indirect Support Costs	(28 560 312)		
TOTAL EXPENSES	(57 020 357)	1 426 490 010	1 468 867 749
NET SURPLUS / (DEFICIT)		21 837 447	(8 845 577)

Assessed Contributions

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Pan American Health Organization
Assessed Contributions and Payments Received

Annex

(expressed in US dollars)

Member State	Beginning Balance 1 January 2016	Assessed Contributions	Payments Received	Ending Balance 31 December 2016
Antigua and Barbuda		21 201	21 201	
Argentina	2 316 496	2 312 820	4 629 316	
Aruba	16 354	21 201	16 354	21 201
Bahamas		47 220	47 220	
Barbados		32 765	32 765	
Belize		21 201	21 201	
Bolivia		53 966	53 966	
Brazil	10 671 801	11 975 589	10 671 801	11 975 589
Canada		10 198 573	10 198 573	
Chile		1 298 070	1 298 070	
Colombia	1 009 138	1 263 378	1 009 138	1 263 378
Costa Rica	75	221 645	216 316	5 404
Cuba		127 205	127 205	
Curaçao		21 201	21 201	
Dominica		21 201	21 201	
Dominican Republic		305 485	304 754	731
Ecuador		310 303	310 303	
El Salvador	219 336	82 876	109 668	192 544
France	240	123 447	119 726	3 961
Grenada	21 164	21 201	21 201	21 164
Guatemala		139 733	139 733	
Guyana		21 201	21 201	
Haiti		25 056	25 056	
Honduras		40 474	40 474	
Jamaica		67 457	67 457	
Mexico		6 541 426	6 541 426	
Netherlands		21 201	21 201	
Nicaragua		25 056	25 056	
Panama		169 607	169 607	
Paraguay		72 276	72 276	
Peru		828 761	828 761	
Puerto Rico	161 616	79 214		240 830
Saint Kitts and Nevis		21 201	21 201	
Saint Lucia		21 201	21 201	
Saint Vincent and the Grenadines		21 201	21 201	
Sint Maarten	16 170	21 201		37 371
Suriname		25 056		25 056
Trinidad and Tobago		130 096	130 096	
United Kingdom		25 730	25 730	
United States	25 555 653	63 285 660	68 485 768	20 355 545
Uruguay		238 028	238 028	
Venezuela	4 265 864	2 091 119		6 356 983
TOTAL - PAHO	44 253 907	102 392 503	106 146 653	40 499 757

Procurement Funds

Statement of Reimbursable Procurement on Behalf of Member States

Annex

(expressed in US dollars)

This Statement of Reimbursable Procurement on Behalf of Member States, formerly known as Advances from Government and Institutions for Procurement, represents funds deposited with the Organization by governments and institutions/agencies under the jurisdiction of the minister of health for the purchase, on behalf of the ministry, of supplies, equipment, and literature which otherwise would be either unobtainable or subject to procurement difficulties in the countries concerned in 2015. A 4.25% service charge was applied to the net cost of the items purchased. In accordance with Resolution CD 50.R1 of the 50th Directing Council an increase of 0.5% to the previously established 3% was approved and by Resolution CD 52.R12 of the 52nd Directing Council an additional increase of 0.75% over the prior 3.5% was approved. In 2016 the service charges amounted to \$162 591, in accordance with Resolution CD28.R36 of the 28th Directing Council, this amount was included in the Special Account for Program Support Costs and has been used to defray part of the staff costs related to these procurement functions.

Source of Funds	Accounts Receivable	Deferred Revenue	Revenue/ Expense^{1/}
Argentina		164 422	
Bahamas		176	524
Barbados		1 570	
Belize		25 036	13 545
Bolivia		122 472	
Brazil		1 514 759	
Chile		1 031	
Costa Rica		2 085	
Cuba		390 535	158 374
Dominican Republic		2 863	
Ecuador		126 102	
El Salvador		232 797	332 636
Guatemala		679 029	1 218 258
Guyana		115 985	
Honduras		1 302 784	93 205
Jamaica		708	
Nicaragua		1 501	6 213
Panama		65 352	15 161
Paraguay		1 918	
Peru		985	
Saint Kitts and Nevis		641	
Saint Vincent and The Grenadines		2 270	46 386
Trinidad and Tobago		1 125	
Uruguay		37 142	4 487
Venezuela		478 671	2 357 033
Sub-Total Reimbursable Procurement on Behalf of Member States		5 271 959	4 245 822
Accrued Liability			(132 104)
Total Reimbursable Procurement on Behalf of Member States		5 271 959	4 113 718

^{1/} In accordance with IPSAS, beginning 1 January 2010, PAHO has recognized as Deferred Revenue the contributions for procurement activities committed during the Financial Period. Revenue and Expense for the Financial Period are recognized based on the cost of the goods and services being delivered or performed during the Financial Period. Furthermore, the accrued liability of \$132 104 recognized for goods delivered at the end of 2015 were paid in 2016 and therefore are deducted from 2016 Revenue /Expense.

Annex

Status of the Revolving Fund for Vaccine Procurement

(expressed in US dollars)

The establishment of the Revolving Fund for Vaccine Procurement, formerly known as the Revolving Fund for the Expanded Program on Immunization, was authorized by Resolution CD25.R27 of the 25th Directing Council (1977). The Revolving Fund finances the procurement of vaccines and syringes for Member States/Institutions unable to deposit funds with the Organization in U.S. currency in advance of procurement.

In accordance with the provisions of the Revolving Fund, the Director is authorized to transfer funds over and above a minimum Reserve Account Balance of \$100 000 to the Revolving Fund as additional capital for the Capitalization Account. In 2016, the Capitalization and Reserve Account reached \$167 611 845 including the 4.25% service charge earned \$18 291 462, the accrual of \$1 837 181, a \$204 798 charge for foreign exchange valuation losses, a \$276 903 charge for pricing variance, and the \$100 000 Reserve Balance. In accordance with Resolution CD 50.R1 of the 50th Directing Council an increase of 0.5% to a previously established 3% was approved and by Resolution CD 52.R12 of the 52nd Directing Council an additional increase of 0.75% over the prior 3.5% was approved. In 2016 the 0.125% amounted to \$7 602 176 and was included in the Special Account for Program Support Costs.

	Revenue	Expense	Net
Country Summary Totals	654 835 955	636 544 493	18 291 462
Adjustment for Accrued Liability	(65 521 233)	(65 521 233)	
Adjustment for Accrued Capitalization		1 837 181	(1 837 181)
Pricing Variance		(276 903)	276 903
Foreign Exchange Valuation Gain And Losses	(204 798)		(204 798)
Total	589 109 924	572 583 538	16 526 386

	Balance 31 December 2015	Activity	Balance 31 December 2016
Reserve Account Balance	100 000		100 000
Accounts Receivable	(48 941 613)	(23 054 712)	(71 996 325)
Accrued Accounts Receivable	(42 326 899)	42 326 899	
Deferred Revenue	184 302 505	(19 551 828) ^{1/}	164 750 677
Accrued Deferred Revenue	(25 031 514)	25 031 514	
Capitalization of the Revolving Fund	147 303 859	16 526 386	163 830 245
Loans from Partners for specific activities	3 681 600		3 681 600
Closing Fund Balance	219 087 938	41 278 259	260 366 197
<u>Funds Available for Future Revolving Fund Purchases</u>			
Revolving Fund Balance as of 31 December 2016 (per above)			260 366 197
Plus: Amount due to Fund from Member States/Institutions (Gross)		71 996 325	
Less: Funds received in Advance from Member States/Institutions (Gross)		(164 750 677)	(92 754 352)
Balance of Capitalization Account			167 611 845

^{1/}This amount includes refunds to Member States of \$1 712 637.

Annex

Statement of the Revolving Fund for Vaccine Procurement

(expressed in US dollars)

Source of Funds	Accounts Receivable	Deferred Revenue	Revenue ^{1/}	Expense ^{1/}
Anguilla	14 493		28 586	28 064
Antigua and Barbuda	105 091		114 540	111 799
Argentina		43 898 968	107 880 600	104 838 045
Aruba	122 663		222 821	216 862
Bahamas	780 987		1 117 900	1 087 183
Barbados	222 327		396 753	386 187
Belize		232 015	420 916	409 805
Bermuda	74 835		247 672	241 114
Bolivia	2 888 758	12 976 775	13 245 457	12 900 779
Bonaire				
Brazil		28 855 925	130 581 305	126 928 768
British Virgin Islands	38 925		63 343	62 177
Cayman Islands		4 945	185 813	180 912
Chile	461 097		1 392 856	1 355 098
Colombia		15 353 999	79 862 865	77 605 958
Costa Rica	2 834 811	50	21 617 139	21 018 582
Cuba		412 395	296 537	288 843
Curaçao	24 151		160 362	156 322
Dominica	31 307		63 279	61 945
Dominican Republic	7 439 630		14 163 980	13 766 709
Ecuador		22 595 219	44 383 673	43 118 620
El Salvador	5 959 876	33	10 090 907	9 809 081
Grenada	30 698		75 042	73 460
Guatemala	8 094 344	218 079	37 705 245	36 658 723
Guyana	259 932	264 135	973 802	949 176
Haiti	436 658	3 305 013	4 101 063	3 991 983
Honduras	2 746 788	14 310 773	13 961 168	13 588 654
Jamaica	272 014		1 191 760	1 160 356
Montserrat	6 318		6 318	6 290
Nicaragua	4 677 855	638 558	6 613 951	6 441 384
Panama	5 180 458		39 685 369	38 561 093
Paraguay	10 508 661		25 204 348	24 504 145
Peru		21 683 795	69 917 324	67 971 064
Saint Kitts and Nevis	40		32 697	32 010
Saint Lucia	80 638		109 222	106 711
Saint Vincent and The Grenadines	53 527		84 019	82 585
Sint Maarten	93 780		92 937	90 428
Suriname	563 296		420 368	409 613
Trinidad and Tobago	1 272 527		2 409 084	2 341 973
Turks and Caicos Islands	17 635		36 164	35 738
Uruguay	1 532 588		9 620 646	9 351 594
Venezuela	15 169 617		16 058 124	15 614 660
Total Revolving Fund for Vaccine Procurement	71 996 325	164 750 677	654 835 955	636 544 493

^{1/} In accordance with IPSAS, beginning 1 January 2010, PAHO has recognized as Deferred Revenue the contributions for procurement activities performed during the Financial Period. Revenue and Expense for the Financial Period is recognized based on the cost of the goods being delivered or performed during the Financial Period. Furthermore, the accrued liability of \$65 521 233 recognized for goods delivered at the end of 2015 were paid in 2016 and therefore are deducted from 2016 Revenue /Expense.

Status of the Regional Revolving Fund for Strategic Public Health Supplies

(expressed in US dollars)

The Fund was established in 1999 by the Director under the authority vested in him by Financial Regulation 9.3 (originally 6.7), following the request of the PAHO Member States. The objectives of the Fund include reducing the cost of strategic public health supplies, making these supplies continuously available to the Member States, assisting the Member States in improving their planning capabilities to use these supplies, and broadening the scope of the Member States' public health programs. The Director approved the use of the 3% administrative service charge for the capitalization of the Fund effective 1 August 2005. This capitalization amounted to \$2 946 418 during the 2016 financial reporting period and reached a total amount of \$13 070 668 at the end of 2016, including the accrual of \$393 890. In accordance with Resolution CD 50.R1 of the 50th Directing Council an increase of 0.5% to the previously established 3% was approved and by Resolution CD 52.R12 of the 52nd Directing Council an additional increase of 0.75% over the prior 3.5% was approved. In 2016 the 1.25% amounted \$1 223 098 and was included in the Special Account for Program Support Costs. As of 31 December 2016, thirty Member States had indicated their commitment to participate in the Fund through an exchange of letters.

	Revenue	Expense	Net
Country Summary Totals	107 860 688	104 914 270	2 946 418
Adjustment for Accrued Liability	(14 565 499)	(14 565 499)	
Adjustment for Accrued Capitalization		393 890	(393 890)
Total	93 295 189	90 742 661	2 552 528

	Balance 31 December 2015	Activity	Balance 31 December 2016
Accounts Receivable	(4 477 723)	2 550 276	(1 927 447)
Accrued Accounts Receivable	(397 644)	393 890	(3 754)
Deferred Revenue	62 279 263	(28 516 356)	33 762 907
Accrued Deferred Revenue	(14 697 767)	14 565 500	(132 267)
Capitalization of the Revolving Fund	10 518 140 ^{1/}	2 552 528	13 070 668
Closing Fund Balance	53 224 269	(8 454 162)	44 770 107

Funds Available for Future Revolving Fund Purchases

Revolving Fund Balance as of 31 December 2016 (per above)		44 770 107
Plus: Amount due to Fund from Member States/Institutions (Gross)	1 931 201	
Less: Funds received in Advance from Member States/Institutions (Gross)	(33 630 640)	(31 699 439)
Balance of Capitalization Account		13 070 668

^{1/}This amount includes the \$1 000 000 transferred in 2015 from PAHO Revenue Surplus

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Statement of the Regional Revolving Fund for Strategic Public Health Supplies

(expressed in US dollars)

Source of Funds	Accounts Receivable	Deferred Revenue	Revenue^{1/}	Expense^{1/}
Argentina		1 385 313	1 527 926	1 486 792
Belize		9 705	69 399	67 453
Bermuda		66 892	19 445	18 955
Bolivia		1 392 712	2 517 983	2 450 687
Brazil	959 190	18 647 908	70 006 468	68 080 001
Chile	272 527	12 989	577 981	561 587
Colombia		3 028 032	2 952 746	2 872 463
Costa Rica		61 198	1 935	1 897
Dominican Republic	63 761	40 108	639 360	623 033
Ecuador	38 064	666 343	3 420 692	3 329 111
El Salvador	564 995	612 211	2 595 928	2 524 854
Guatemala		2 993 372	4 982 216	4 847 529
Honduras		851 556	2 609 314	2 540 024
Nicaragua	5 002	3 125	435 541	424 038
Panama		26 311	19 730	19 277
Paraguay		889 906	2 425 044	2 361 862
Peru		1 505 935	220 778	215 025
Suriname		351	1 407	1 379
Trinidad and Tobago		63 358	104 612	101 869
Turks and Caicos		24 859	31 147	30 372
Uruguay	23 908	27 552	60 989	59 282
Venezuela		1 453 171	12 640 047	12 296 780
Sub-Total Regional Revolving Fund for Strategic Public Health Supplies	1 927 447	33 762 907	107 860 688	104 914 270

^{1/} In accordance with IPSAS, beginning 1 January 2010, PAHO has recognized as Deferred Revenue the contributions for procurement activities received during the Financial Period. Revenue and Expense for the Financial Period is recognized based on the cost of the goods and services being delivered or performed during the Financial Period. Furthermore, an accrued liability of \$132 267 has been recognized for goods delivered at the end of 2016 and paid in 2017.

Voluntary Contributions

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Summary of Voluntary Contributions
(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Government Entities - PAHO Member States					
Canada's International Development Research Centre (IDRC/CRDI)					
Evaluation Alcohol Control Policies in Peru and St. Kitts and Nevis	109039	41 870		54 160	90 091
Special Section on the Economics of Tobacco Control in the Pan American Journal of Public Health	109040		229		28 332
<i>Subtotal</i>		41 870	229	54 160	118 423
Canadian International Development Agency (CIDA/ACDI)					
Support to a Vaccination Expansion Program in Haiti (PAPEV) PAHO/UNICEF	026129			8 845	2 342
Increased Access to Health Services through Performance-Based Contracting for Women, Children and those Displaced by the January 12, 2010 Earthquake Living in Camps	026148		15 371		
Support PAHO Regional Routine Immunization Program	026144		8 749		(8 749)
<i>Subtotal</i>			24 120	8 845	(6 407)
Corporación Nacional para el Desarrollo (CND) Uruguay					
Justice Program and Social Inclusion	087015	2 850		11 984	148 505
<i>Subtotal</i>		2 850		11 984	148 505
Department of Foreign Affairs, Trade and Development (Canada)					
Counter-Terrorism Capacity Building Program	452003			293	
A More Resilient Health Sector in the Americas	452004				(1 664)
Integrated Health Systems in Latin America and the Caribbean/Systèmes de Santé Intégrés en Amérique Latine et dans les Caraïbes	452009	6 063 498		11 999 625	1 801 988
Caribbean Disaster Risk Management Program - Health Sector	452013	1 572 747		2 218 040	9 619
<i>Subtotal</i>		7 636 245		14 217 958	1 809 943
Ministerio da Agricultura, Pecuaria e Abastecimento (MAPA) do Brasil					
Contribution of the Government to PANAFTOSA	063001	91 578		2 154 127	2 213 190
<i>Subtotal</i>		91 578		2 154 127	2 213 190
Ministerio de Agricultura, Ganadería, Acuacultura y Pesca (MAGAP) del Ecuador					
Eradication Program of AFTOSA Fever of AGROCALIDAD/ECUADOR	069022	3 672		102 008	(1 802)
<i>Subtotal</i>		3 672		102 008	(1 802)

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Summary of Voluntary Contributions (Cont...)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Ministerio de Relaciones Exteriores de Chile					
Haiti Cholera Outbreak	064017			196 849	102 705
Improvement in Access and use of the Medications of Quality in Health Facilities at the Local Level in Haiti in the Framework of the Set Background of Cooperation Chile-Mexico	064018			430 919	69 080
<i>Subtotal</i>				627 768	171 785
Ministerio de Salud de la República de Panamá					
Strengthen the National and Regional Mechanisms of Tobacco Product Control	079013			546 851	368 702
<i>Subtotal</i>				546 851	368 702
Ministerio de Salud de la República del Perú					
Pan American Center for Sanitary Engineering and Environmental Sciences (CEPIS)	081001			1 462	7 514
Regional Task Force on Water and Sanitation based in Peru - ETRAS	081040			249 719	135 858
<i>Subtotal</i>				251 181	143 372
Ministerio de Salud y Deportes de Bolivia					
Strengthening Implementation Program of Care, Accident and Emergency in La Paz - Bolivia	062043	651 332		651 332	
<i>Subtotal</i>		651 332		651 332	
Ministry of Health of Guyana					
Survey of Iron, Iodine and Vitamin A Status and Antibody Levels in Guyana	330010			68	
<i>Subtotal</i>				68	
Permanent Mission of Brazil to the OAS					
Operações Humanitárias de Cooperação Melhorada Sur-Sur-Saúde	063223			45 200	
<i>Subtotal</i>				45 200	
Public Health Agency of Canada (PHAC)					
Emergency Response to Zika Virus and Strengthening of International Health Regulations Core Capacities	435008			413 048	287 627
Development of a Regulatory Exchange Platform	435009	184 638		558 624	
<i>Subtotal</i>		184 638		971 672	287 627
Secretaría de Salud de Honduras					
Initiative for Strengthening Health Services in the Framework of the Alliance GAVI (FSS/GAVI)	074013			403	
Strengthening the Tuberculosis (TAES) Strategy in Honduras	074014			3 196	11 422
Strengthening of Health Services for the Effective Delivery of Immunization Services	074015	221 030		447 292	123 251
<i>Subtotal</i>		221 030		450 891	134 673

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Summary of Voluntary Contributions (Cont...)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
UK Department of Health					
Project to Support Next Steps Relating to the Implementation of the WHO Framework Convention on Tobacco Control in UK Overseas Territories in the Caribbean	218003			533	7 060
<i>Subtotal</i>				533	7 060
UK Department For International Development					
Improving the Organisation of the Emergency Response Chain and the Quality of Medical Emergency Care At Department Level in Haiti (the "Project")	140069		3 611	313	100 233
SMART Health Care Facilities in the Eastern Caribbean Phase II	140070	42 450 318		44 666 335	1 991 182
Controlling the Spread of the Zika Virus in the Caribbean	140072	394 414		1 012 425	711 713
<i>Subtotal</i>		42 844 732	3 611	45 679 073	2 803 128
US Agency For International Development (USAID)					
Improved Health Outcomes/Tuberculosis, Maternal, Neonatal Health in Latin America	002140	1 701			4 159 620
Amazon Malaria Initiative (AMI) and South American Infectious Diseases Initiatives (SAIDI) Components of the South America Regional Infectious Diseases Program (SARI)	002141		37 127		401 499
a More Resilient Health Sector in Latin America and the Caribbean	002143	2 300 000		2 366 951	902 112
Strengthening Capacity to Prevent, Control and Respond to Vector-borne Disease in the Americas	002145	6 970 000		6 988 495	11 505
USAID-PAHO Umbrella Grant 2016-2021	002146	30 480 305		30 483 748	556 557
<i>Subtotal</i>		39 752 006	37 127	39 839 194	6 031 293
US Centers For Disease Control And Prevention (CDC)					
Surveillance and Response to Seasonal and Pandemic Influenza in the Region of the Americas: Year 3	028097				(183)
Surveillance and Response to Seasonal and Pandemic Influenza in the Region of the Americas: Year 4	028098				(39 292)
Building Capacity and Networks to Address Emerging Infectious Diseases in the Americas: Year 2	028102				(2 250)
Protecting the Advances in Polio, Rubella and Measles Elimination: Strengthening Immunization Programs in the Americas - Amendment for Year 2	028107	2 968		5 580	2 139 506
Non-communicable Disease Prevention and Health Promotion in the Region of the Americas: Year 1	028111	3 505			443 233

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Surveillance and Response to Seasonal and Pandemic Influenza in the Region of the Americas: Year 5	028099	349 955		334 516	318 039
Building Capacity and Networks to Address Emerging Infectious Diseases in the Americas: Year 3	028103	230		221	665 009
Building Capacity and Networks to Address Emerging Infectious Diseases in the Americas: Year 4	028104	3 288 311		2 972 153	316 160
Protecting the Advances in Polio, Rubella and Measles Elimination: Strengthening Immunization Programs in the Americas - Amendment for Year 3	028108	2 388 384		2 770 147	2 673 597
Noncommunicable Disease Prevention and Health Promotion in the Region of the Americas Year 2	028112	169 048		167 451	1 597
Surveillance and Response to Seasonal and Pandemic Influenza in the Region of the Americas - Year 1	028116	598 639		598 639	
<i>Subtotal</i>		<u>6 801 040</u>		<u>6 848 707</u>	<u>6 515 416</u>
US Food And Drug Administration (FDA)					
Support Regulatory Systems Strengthening in Latin America and the Caribbean: Year 1	240005				(2 226)
Support Regulatory Systems Strengthening in Latin America and the Caribbean: Year 2	240006	101 104			101 104
Support Regulatory Systems Strengthening in Latin America and the Caribbean	240007	1 769 243		1 769 243	
<i>Subtotal</i>		<u>1 870 347</u>		<u>1 769 243</u>	<u>98 878</u>
Total - PAHO Member States		<u>100 101 340</u>	<u>65 087</u>	<u>114 230 795</u>	<u>20 843 786</u>
Government Entities - Non-PAHO Member States					
Agencia Andaluza de Cooperacion Internacional para el Desarrollo (AACID)					
Strengthening of Institutional Technical Cooperation and Development of Competencies for Strengthening Health Systems and Services in Latin America	533001			243 428	30 947
<i>Subtotal</i>				<u>243 428</u>	<u>30 947</u>
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)					
Mobile Health Care Assistance - Bolivia	230099			363 740	96 232
"Spanish Fund Development 2007" Primary Health Care in Bolivia	230105			53 541	35 488
Provision for Remaining Funds of Joint Activities of the Spanish Fund	230151			533	
World Health Day Devoted to Older Adults	230154			20 019	
Vaccination Week of the Americas 2012, Programmed for the week of 21 to 28 April	230155			33 854	
Expert Promotion Services Health Integrated	230156			4 756	

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Support in Knowledge Management and Research Guarantee the Access to the Reproductive Health Services and Promote the Reproductive Sexual Rights with Special Emphasis on the most Vulnerable Populations	230157			11 818	
Promote Child Health through `Integrated Management of Childhood Illness`	230158			16 779	
POA10 Expert International Health Regulations	230159			6 455	
Meeting of the Andean Sub regions and the Southern Cone on HIV Testing to take place in Colombia	230160			1 077	
Health Program Quality	230161			15 931	
Management of the Fund, Coordination and Monitoring of the Program External Relations	230163			10 517	
Expert Management and Coordination of the Fund	230164			3 426	
Project of Reconstruction of the Hospital "Heroes of Baire" in Cuba	230165			15 457	
Strengthen the Coordination of Response of the Health Sector to Disasters in Latin America and the Caribbean	230166			25 368	
Development Framework Cooperation Agreement Between the Kingdom of Spain and PAHO	230168			79 727	(450)
Phase I Implementation of the Emergency Medical Teams (EMT) Initiative in the Americas	230169			583 885	247 495
<i>Subtotal</i>	230173			336 630	
				1 583 513	378 765
European Commission					
Strengthening of Critical Maternal and Neonatal Services in Belize (the "Action")	049101	167 364		30 002	114 163
The Strengthening of the Prevention and Control of Dengue and Malaria in Belize (the "ACTION")	049105	82 057		48 536	56 169
Increase Access to Lifesaving Health Care and Safe Water and Response Capacity to Emergencies of Conflict - Affected Communities in Colombia	049108	9 838			7 137
Improve the Capacity of the Haitian Health Sector to Coordinate and Implement Adequate Rapid Resonse on Cholera Alerts and Outbreaks, HAITI	049109	53 130		53 130	525
Building Resilient Communities to Face the Health consequences of El Niño Phenomenon and Other Emergencies in the Northern Coast of Peru	049113	48 931		206 021	46 615
Strengthening Access to Safe and Resilient Health Services in Violent-Prone Areas in Honduras and El Salvador	049114	94 142		470 063	20 930
<i>Subtotal</i>		455 462		807 752	245 539
Government of Luxembourg					
Strengthening of Health Promotion, Prevention and Care within the framework of Family and Community Health Model	394003	1 046 025		2 353 588	(68 255)
<i>Subtotal</i>		1 046 025		2 353 588	(68 255)

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Government of Spain					
Spain Holding Account	230001			24 171	
<i>Subtotal</i>				24 171	
Korea International Cooperation Agency (KOICA)					
Strengthening the Response Capacity, Access and Quality for the Korea Health Network (KHN) in el Alto, La Paz, Bolivia	456001			150 073	189 530
Strengthening the Prevention and Control for Tuberculosis and its Co-Morbidities in Northern Lima; Comas and Carabayllo, Peru	456002				580 060
Strengthening the Component of Primary Health Care Services through the Promotion of Education Programs for the Population of Canton	456003				47 487
Professionalization of Primary Health Care in the Health System in El Salvador	456004				47 493
Agreement between the Korea International Cooperation Agency (KOICA) and PAHO/WHO on "Strengthening Primary Health Care in Canto Duran, Guayas Province in Ecuador through Health Promotion - Phase II"	456005	298 438		850 323	
<i>Subtotal</i>		298 438		1 000 396	864 570
Ministerio de Asuntos Exteriores, Dirección General de Cooperación al Desarrollo (MAE-DGCS) de Italia					
Memorandum of Technical Understanding between the Ministry of Foreign Affairs and International Cooperation of the Italian Republic, the Ministry of Health of the Argentine Republic and the Pan American Health Organization on Technical Assistance for the Execution of Credit Assistance for the Public Health Sector	261030	895 053		1 109 775	2 277
<i>Subtotal</i>		895 053		1 109 775	2 277
Total - Non-PAHO Member States		2 694 978		7 122 623	1 453 843
International Organizations - United Nations					
United Nations Children's Fund (UNICEF)					
Joint Programme to Assert the Rights of Indigenous Adolescent Girls in Guatemala	187095			44 001	89 339
Elimination of Mother-To-Child Transmission of HIV and Congenital Syphilis (EMTCT) and Strengthening HIV Combination Prevention in the Americas	187104				(6 555)
Breastfeeding Monitoring to Estimate the Prevalence of Violations to the International Code of Breast Milk Substitutes	187105			352	12 727

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Communication Campaign ZIKA Elimination of Mother-to-Child Transmission of HIV and Congenital Syphilis (EMTCT) in the Americas	187106			2 102	27 898
<i>Subtotal</i>	187108			46 455	183 409
United Nations Development Programme (UNDP)					
Bolivia Free of Malaria	191111		36 025		44 002
Supply and Distribution Health Products to 4 Health Institutions	191118			637 080	
Operational Aspects of Spanish Fund for Sustainable Development Goals Entered into Between UNDP, WHO and Other UN System Organizations	191119			2 976	133
Food and Nutrition Security for Children and Salvadorian Household	191120			72 906	109 193
"Strengthening Local Food Systems, Local Capacity Building Desinged at Improving the Production, Access to Safe, Nutritious and Safe Food and Nutritious and Safe Food and Nutrition of Families in Ecuador	191121			5 062	4 103
Food and Nutrition Security in Priority Populations and Vulnerable Situations in Paraguay	191122			185 952	166 988
Ebola Preparations in Jamaica	191123			58	
Food and Nutrition Security in Prioritized Municipalities of the Department of San Marcos, Guatemala	191124	290 000		459 854	81 889
Promoting the Implementation of PLANAGERD by Strengthening the Coordination of the SINAGERD actors, the Institutional Capacities and the Community Preparedness	191127	18 673		1 841	94 869
Integral Rural Development of Five Municipalities in the High Basin of the Cuilco River in the Department of San Marcos	191128	604 632		894 870	115 755
Integral Rural Development Program Ixil in Guatemala	191129	1 343 918		1 209 145	134 773
Bolivia Free of Malaria	191131			381 955	
<i>Subtotal</i>		2 257 223	36 025	3 851 699	751 705
United Nations Foundation					
Funding Support for the Malaria Champions of the Americas	389002			5 000	
<i>Subtotal</i>				5 000	
United Nations International Strategy					
Collaboration in the Americas to Reduce the Social/Health Impact of Disaster 3.1	368005			449	(447)
Collaboration in the Americas to Reduce the Social/Health Impact of Disaster 3.1	368007			11 355	50 146
<i>Subtotal</i>				11 804	49 699
United Nations Office For Project Services					
Forecasting, Quantification, Supply Planning and Early Warning on TB drugs	333007		6 133	18	68 409
<i>Subtotal</i>			6 133	18	68 409

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United Nations Office for the Coordination of Humanitarian Affairs (OCHA)					
Scaling-Up Response to Cholera Outbreak in High Priority Departments and Support to the National Coordination for Cholera Response in the Ministry of Health	401007		(1)		
<i>Subtotal</i>			(1)		
United Nations Partnership to Promote the Rights of Persons with Disabilities (UNDP)					
Integral Model of Inclusive Attention and Care for Children with Minor and Moderate Disabilities	191126			35 289	35 127
<i>Subtotal</i>				35 289	35 127
United Nations Population Fund (UNFPA)					
Improvement of Reproductive Health in Haiti	278008			14 921	
<i>Subtotal</i>				14 921	
United Nations Trust Fund for Human Security					
Food Insecurity: a Threat to the Human Security of Poqoman People Settled in the Dry Corridor	399005			2 723	(845)
Strengthening Human Security and Community Resilience by Fostering Peaceful Co-Existence in Peru	399006	41 751		77 588	96 687
Strengthening Human Security in Central Municipalities of Paraguayan Chaco	399007			187 015	129 003
Mainstreaming Human Security in Country Health Plans in Central America and the Dominican Republic	399008	114 009		226 425	73 200
<i>Subtotal</i>		155 760		493 751	298 045
Total - International Organizations - United Nations		2 412 983	42 157	4 458 937	1 386 394
International Organizations - Non-United Nations					
Caribbean Public Health Agency CARPHA					
Development of the Portal of the Evidence Informed Decision Making Network of the Caribbean (EvIDeNCe Portal)	530001				44 999
<i>Subtotal</i>					44 999
GAVI Alliance					
New Vaccines for Immunization Services Support in Bolivia	387012		2 864		
Health Systems Strengthening in Honduras	387015		1 238		
Support the Introductions of new Vaccines by the Government of HAITI "The Government"	387016	245 500		247 399	
Pneumococcal Vaccine Introduction Activities in Bolivia	387017				(971)

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Support Implementation of the Health Systems Strengthening Programme of the Government of Haiti	387018	1 126 246		1 389 867	713 719
Support Implementation of the Health Systems Strengthening Programme of the Government of Cuba	387019			1 534 660	95 625
Support PAHO's Implementation of the Health System Strengthening Programme of the Government of Honduras	387020			3 822 487	1 181 598
Activities to Assist the Government of Honduras Graduate from GAVI Support for Immunization	387021			195 444	164 583
Support the Introduction of the Inactivated Poliovirus Vaccine by the Government of Cuba	387022		3 285		96 695
Activities to Assist the Government of Guyana Graduate from GAVI Support for Immunization	387023			227 239	67 158
Support the Introduction of the Inactivated Poliovirus Vaccine (IPV) by the Government of Haiti	387024			44 252	61 864
Support the Introduction of the Inactivated Poliovirus Vaccine (IPV) by the Government of Nicaragua	387025			65	60 868
Support the Introduction of the Inactivated Poliovirus Vaccine (IPV) by the Government of Honduras	387026			6 278	53 419
Support the Introduction of the Inactivated Poliovirus Vaccine (IPV) by the Government of Guyana	387027			2 863	70 456
Support the Introduction of the Inactivated Poliovirus Vaccine (IPV) by the Government of Bolivia	387028			152 959	67 579
Support the Introduction of the Human Papillomavirus (HPV) Vaccine in Honduras	387029			107 495	139 485
Support of Activities to Assist the Government of Bolivia Graduate from Gavi Support	387030	475 020		986 000	
<i>Subtotal</i>		1 846 766	7 387	8 717 008	2 772 078
Global Fund To Fight Aids, Tuberculosis, And Malaria (GFATM)					
Strengthening Logistics Management Information Systems and ARV Forecasts: a Regional Approach	439002	47		77 712	107 617
<i>Subtotal</i>		47		77 712	107 617
Inter-American Development Bank (IDB)					
Prevention and Control of AH1N1 and Other Infectious Diseases in Latin America and the Caribbean	091028		5 668		
Support to Strengthen Preparedness, Readiness, and Response to the Ebola Virus Disease (EDV) in LAC	091029	105 750		108 529	102 971
<i>Subtotal</i>		105 750	5 668	108 529	102 971
International Bank for Reconstruction					
Support to Health Sector Response to Earthquake Affected Populations	199030			1 210	
<i>Subtotal</i>				1 210	

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Plan Hemisferico para la Erradicación de la					
Trust Fund Consolidation of the Hemispheric Plan for Foot-and-Mouth Disease Eradication (PHEFA)	476001	115 690		231 042	
<i>Subtotal</i>		<u>115 690</u>		<u>231 042</u>	
Population Services International (PSI)					
Elimination of Malaria in Mesoamerica and the Island of Hispaniola	507001	118 462		293 921	322 484
<i>Subtotal</i>		<u>118 462</u>		<u>293 921</u>	<u>322 484</u>
Standards and Trade Development Facility (STDF)					
Development of a Proposal for a Regional Total Diet Study in Latin American and Caribbean Countries	506001	15 020		2 127	
<i>Subtotal</i>		<u>15 020</u>		<u>2 127</u>	
The OPEC Fund for International Development (OFID)					
Strengthening Country Capacity for the Prevention and Management and Control of Non-Communicable Disease in Latin America	276003	600 000		600 000	
<i>Subtotal</i>		<u>600 000</u>		<u>600 000</u>	
Together for Girls (TfG)					
Honduras Regional Meeting: Preventing and Responding to Violence against Children	541001			33 900	
<i>Subtotal</i>				<u>33 900</u>	
Total - International Organizations - Non-United Nations		<u>2 801 735</u>	<u>13 055</u>	<u>10 065 449</u>	<u>3 350 149</u>
For Profit Organizations					
Colgate Palmolive					
Community-Based Oral Health Interventions in Colombia and Ecuador	466001				75 095
<i>Subtotal</i>					<u>75 095</u>
Total - For Profit Organizations					<u>75 095</u>
Foundations					
Bill and Melinda Gates Foundation					
Leveraging and Adapting the PAHO/Pro Vac Initiative Approach to GAVI-Eligible Countries	365002		12 029		180 114
Better Immunization Data Quality and Electronic Immunization Registries for Better Immunization Coverage	365006			173 492	470 496
Combating STH via Integrated Child Health Services in Honduras	365007				65 598
Establishing a Caribbean Regulatory System for CARICOM/CARPHA Member States	365008	515 018		986 900	190 284
PCV Impact on Mortality in Children Aged less than 5 years in Selected Latin American Countries	365009			512 611	
Immunization Data Quality Improvement Lessons	365010	1 047 977		1 499 556	
<i>Subtotal</i>		<u>1 562 995</u>	<u>12 029</u>	<u>3 172 559</u>	<u>906 492</u>

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CDC Foundation					
Bloomberg Initiative to Reduce Tobacco Use (GATS)	460001			16 290	
Haiti Malaria Elimination Consortium (HaMEC)	460003				29 445
Global Tobacco Surveillance System	460004			27 590	77 500
Malaria Zero: The Alliance for a Malaria-free Haiti	460005			44 567	252 567
<i>Subtotal</i>				88 447	359 512
Foundation Mérieux					
Efficient Resource Allocation to Support Sustainable Rabies Control Tool	252002			833	
<i>Subtotal</i>				833	
Fundación Universidad de Antioquia					
Use of the Epidemiological Intelligence with Social Participation, in order to Strengthen the Management of the Program, Improve the Access to the Diagnosis and Treatment, and carry out Effective Interventions for the Prevention of Malaria Control in Colombia	468003			1 502	
<i>Subtotal</i>				1 502	
MacArthur Foundation					
Support for the Implementation of a Comprehensive Midwifery Model in Mexico	509001	240 000		316 361	73 639
<i>Subtotal</i>		240 000		316 361	73 639
PAHO Foundation					
Surveillance Virology-Based Diseases	498001	11 740		12 406	203 108
Prevent and Control for Virology-based Diseases	498002	1 489 198		1 821 074	96 642
Develop Technical Recommendations and Build National Capacities	498003	29 240		32 636	499 528
Addressing Women's Cancer	498004	313 049		324 038	139 209
Laboratory Practices	498005			2 515	(1 664)
Pan American Forum for Non Communicable Diseases	498006	2 213		27 338	16 910
Support the Integration of the Primary Health Services Delivery Network (RIAPS) in Cajamarca, Peru	498008	162 500		177 702	59 449
<i>Subtotal</i>		2 007 940		2 397 709	1 013 182
Rockefeller Foundation					
Equity Health and Human Development Information - Institutionalizacion & Partnership Program	156021				51 243
<i>Subtotal</i>					51 243

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Sabin Vaccine Institute					
Investigation of the Impact and Effectiveness of the 10-Valent Pneumococcal Conjugate Vaccine Against Invasive Pneumococcal Disease and X-Ray Confirmed Hospitalized Bacterial Pneumonia and in Children in Colombia	397013		19 908		
Evaluation of the Impact of Mass Albendazole Treatment in South and Southeast Mexico	397015				2 350
Mass Drug Administration for Lymphatic Filariasis (LF) in Region 4, Guyana	397016			21 369	89 777
Agreement between Albert B Sabin Vaccine Institute and PAHO/WHO for Tackling Neglected Infectious Diseases in El Gran Chaco: Establishing and Integrated Disease Surveillance Model in Paraguay	397017	720 000		720 000	
<i>Subtotal</i>		720 000	19 908	741 369	92 127
Sanofi Espoir Foundation					
My Child Matters - Fight Childhood Cancer	484001			6 565	(15 165)
<i>Subtotal</i>				6 565	(15 165)
Task Force For Global Health					
Support and Strengthen Control of Soil-Transmitted Helminths in Nicaragua and Paraguay	471003			11 177	29 122
<i>Subtotal</i>				11 177	29 122
Wellcome Trust					
Ethics Consultation on Zika	197002				42 997
<i>Subtotal</i>					42 997
World Diabetes Foundation					
Addressing the Burdens of Diabetes and Tuberculosis in the Americas with a View to Facilitating Screening for Tuberculosis Among People with Diabetes	418008				(1 584)
Fighting Against Diabetes in Honduras	418011	32 493		116 247	104 375
Pan American Conference on Diabetes and Pregnancy (Expert Meeting)	418012				20 423
Chronic Care Model in 112 Family Health Units (FHUs) within the Framework of Primary Care	418013	282 000		575 006	42 640
Promotion of Healthy Environments for the Prevention of Diabetes and Other Chronic Non-Communicable Diseases	418014	70 000		110 574	19 426
Community Strategy for the Prevention of Diabetes with a Gender Perspective	418015	105 000		155 605	37 906

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Diabetes Action Network (DIANA-Peru)	418016	270 000		604 497	105 504
Expansion of Training and Education in Diabetes	418017	400 000		530 000	
Promoting Integrated Care for People with Diabetes and Hypertension in the Tauá Health Region in Ceará State	418018	189 152		289 152	
<i>Subtotal</i>		1 348 645		2 381 081	328 690
Total - Foundations		5 879 580	33 439	9 116 101	2 881 839
Non-Government Organizations					
American Heart Association					
Collaboration in Reducing the Premature Mortality and Morbidity of Cardiovascular Disease and Stroke by Minimizing Exposure to Risk Factors and Increasing Exposure to Protective Factors in Particular Prevention and Control of Hypertension and Cardiovascular Disease	500001			4 775	
Collaboration in Reducing the Premature Mortality and Morbidity of Cardiovascular Disease and Stroke by Minimizing Exposure to Risk Factors and Increasing Exposure to Protective Factors in Particular Prevention and Control of Hypertension and Cardiovascular Disease	500003	5 000		50 000	
<i>Subtotal</i>		5 000		54 775	
Asociacion Latinoamericana de Industrias Farmaceuticas (ALIFAR)					
Support to Pan American Network for Drug Regulatory Harmonization (PANDRH) activities	534001	35		8 055	21 945
<i>Subtotal</i>		35		8 055	21 945
Christoffel-Blindenmission (CBM-LAR)					
Regional Program for the Prevention of Blindness and Deafness 2015-2016	499001	10 000		16 116	8 236
<i>Subtotal</i>		10 000		16 116	8 236
Conselho Nacional da Pecuaria de Corte					
Development of Activities Related to the Strengthening of the Laboratory of Reference for Vesicular Disease	467001	104 488		275 701	130 311
<i>Subtotal</i>		104 488		275 701	130 311
Good Neighbors Guatemala					
Local Alliance to Improve Health, Habitat and Economics in Families of below Subsistence in Two Municipalities of the Upper Culco River Basin in the Department of San Marcos, Guatemala	520001			302	9 108
<i>Subtotal</i>				302	9 108

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Japan Center For International Exchange					
Implementation of a Regional Meeting on Health and Human Security	478001		1 621		
<i>Subtotal</i>			1 621		
Latin American Federation of the Pharmaceutical Industry (FIFARMA)					
Volunteer Donation	535001		4 154		25 836
<i>Subtotal</i>			4 154		25 836
London School of Economics					
Advancing and Strengthening the Methodological Tools and Practices Relating to the Application and Implementation of Health Technology Assessment (HTA)	481001				(62)
<i>Subtotal</i>					(62)
Orbis International					
LAC Regional Plan for the Prevention of Avoidable Blindness and Visual Impairment and Promotion of Eye Health 2014-2016	491001			23 646	58 350
<i>Subtotal</i>				23 646	58 350
Program For Appropriate Technology In Health					
Agreement between PAHO and PATH for the development and implementation of a rotavirus-focused health economics workshop	375010	20 000		30 000	
<i>Subtotal</i>		20 000		30 000	
Texas Children's Hospital					
Language and Medical Content Editing for the WHO ETAT-CETEP Manuals and the TCH-BCM	459007		3 000		
<i>Subtotal</i>			3 000		
The Wellcome Genome Campus					
Genomics and Epidemiological Surveillance of Bacterial Pathogens training course	531001				24 805
<i>Subtotal</i>					24 805
Vaccine Ambassadors					
Addressing the Estimated Routine Vaccination Needs in Haiti	480001			18 034	
Support Vaccine Needs in PAHO Priority Countries	480002			37 500	
<i>Subtotal</i>				55 534	
Total - Non-Government Organizations		139 525	8 775	464 129	278 529

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Summary of Voluntary Contributions

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Other Voluntary Contributions					
Center for Public Service Communications (CPSC)					
Collecting, Preserving and Disseminating Health and Disaster Information after the January 2010 Haiti Earthquake: Support to the Government of Haiti	508001			14 525	35 475
<i>Subtotal</i>				14 525	35 475
Durham University					
HIVE: a new evidence base for respiratory Health Interventions in Volcanic Eruption Crises	532001	7 711		7 711	
<i>Subtotal</i>		7 711		7 711	
Emory University					
Creating Evidence Base for the Determinants of Maternal Immunization Acceptance	539001	84 072		84 072	
<i>Subtotal</i>		84 072		84 072	
Red Interamericana de laboratorios de Analisis de					
Strengthening Technical Cooperation with PANAFTOSA for consolidation of the Interamerican Food Analysis Laboratories Network (RILAA in Spanish)	510001	1 682		2 600	
<i>Subtotal</i>		1 682		2 600	
Various Grantors					
Multiple Activities Financed by Small Grantors	215060			9 528	22 239
<i>Subtotal</i>				9 528	22 239
Voluntary Contributions Various Sources					
Helen Weyburn Support Tuberculosis	454002			5 330	2 293
Thelma G. Hottel Bequest for Stella Maris School of Nursing in Zacapú, Michoacán, Mexico	454003			3 000	
<i>Subtotal</i>				8 330	2 293
Total - Other Voluntary Contributions		93 465		126 765	60 007
Total		114 123 606	162 513	145 584 800 ^{2/}	30 329 642

Notes

^{1/} In accordance with IPSAS, beginning 1 January 2010, PAHO will recognize as Deferred Revenue the full commitment amount upon signature of Voluntary Contributions agreements. Revenue for the Financial Period is recognized based on the Expense reported during the Financial Period.

^{2/} Revenue adjustment: \$862

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Summary of Voluntary Contributions-National Voluntary Contributions
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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Sponsor					
Government Entities - PAHO Member States					
Agencia Mexicana de Cooperación Internacional para el Desarrollo (AMEXCID) Mexico					
Preparation of the Master Plans of DENGUE, Road Safety, and Renewed Primary Health Care of the System MesoAmericano of Public Health (SMSP)	076029		85 294		53 948
<i>Subtotal</i>			85 294		53 948
Agencia Nacional de Regulacion, Control y Vigilancia Sanitaria del Ecuador (ARCSA)					
Framework Cooperation Agreement	536001			104 365	
<i>Subtotal</i>				104 365	
Agencia Nacional de Seguridad Vial de Argentina					
Information System and Statistics	059043		592		
<i>Subtotal</i>			592		
Caja Costarricense de Seguro Social (CCSS) Costa Rica					
Integrated Development of the Strategic Functions of Human Resources of the Costarican Fund of Social Security	065018	33 972		370 021	14 901
<i>Subtotal</i>		33 972		370 021	14 901
Departamento Administrativo para la Prosperidad Social (DPS) de Colombia					
Derived Agreement No. 1393 of 2015	066077		19 168		832 494
<i>Subtotal</i>			19 168		832 494
Departamento Archipelago de San Andres, Providencia y Santa Catalina (Colombia)					
San Andrés Healthy Phase II	066061	20 018			
<i>Subtotal</i>		20 018			
Fondo Financiero Distrital de Salud - Secretaría Distrital de Salud de Bogotá					
Agreement between the Two Entities PAHO/FFDS-SDS BOGOTA	504001			121 312	370 368
<i>Subtotal</i>				121 312	370 368
Fundação Nacional de Saúde (FUNASA)					
Environmental Health / Institutional Strengthening and Training Human Resources for FUNASA	063182		12 742		79 143
Healthy and Sustainable Territories for Environmental Health Action	063230	17 273 185		18 732 009	855 844
<i>Subtotal</i>		17 273 185	12 742	18 732 009	934 987
Government of Brazil (ANVISA)					
Strengthening of Actions and Health Surveillance	063205			1 842 885	730 614
<i>Subtotal</i>				1 842 885	730 614
Government of Brazil (Agencia Nacional de Saúde)					
Program Qualification of Supplemental Health	063172		248 730		(5 474)
Development of Activities for the Strengthening and Enhancement of Regulatory Actions in Supplementary Health	063231			262 184	2 602
<i>Subtotal</i>			248 730	262 184	(2 872)
Government of Brazil (Hemobrás)					
Implementation of National Policies on Blood	063184		123 583		82 013
<i>Subtotal</i>			123 583		82 013

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Government of Brazil (Ministério da Saúde)					
Development and Organization of Health Systems and Services	063173		2 888 778		(665 571)
Support of the Implementation of the Policy of Strategic and Participatory Management of the United Health System	063174		550 262		198 332
Development of Human Resources in Health	063177				(8 641)
Development of Management System of Technology in Health	063178		190 546		2 263 679
Family Health - Food and Nutrition	063180		197 259		1 423 470
Quality Program "United Health System"	063183		468 746		3 777 886
CANCER Network	063190	1 601 365		4 518 201	1 094 131
Health Surveillance, Promotion and Prevention	063191			2 819 041	1 238 232
Management of Work and Health Education	063194	24 831 392		38 556 055	7 488 670
Institutional Strengthening and Advisory Services of International Affairs of the Ministry of Health - AISA	063195			3 064 931	847 628
Economic - Industrial Complex of Health	063198	2 469 007		5 592 287	3 158 283
Support for the National Council of State Secretaries of Health Municipals "CONASS"	063199			4 359 594	609 443
Support for the National Council of State Secretaries of Health Municipals "CONASEMS"	063200			1 540 407	1 388 208
Prevention and Control of Dengue in the Context of Integrated Management	063201			2 248 881	1 065 849
Actions of Implementation of the Public Policies of Control of STD/HIV/AIDS and Viral Hepatitis Strengthened in the Context of Principals and Directives of the United Health System	063207			4 013 481	2 928 716
Protection and Promotion of the Indigenous Populations	063208	7 785 254		12 597 743	5 607 520
Institutional Strengthening of the National Health Council	063210			1 169 693	1 461 131
Development and Qualification of the Pharmaceutical Assistance	063212	8 690 971		11 489 142	2 343 075
Strengthening of the Monitoring in Environmental Health and Health of the Employees of the United Health System	063213	3 963 270		7 443 945	1 079 500
Development of the Activities to Improve and Strengthen the Public Policies in Health Surveillance, Malaria Prevention and Control, Surveillance and Prevention of Hansen's Disease and other Diseases in Elimination, advocated by the United	063214			2 817 691	1 230 822
Strengthening of the National Surveillance System in Health, Improving the Capacity for Management of the National System of Health Surveillance, Improving the Capacity for Management of the United Health System for the Reduction of the Morbidity and Mortality of the Zoonoses, Diseases of Vector-borne Transmission, Hydric to Food	063215			4 988 827	993 238
Strengthening of the Processes of Health Surveillance at the Federal Level in Contributing to the Reduction of the Morbidity and Mortality by Diseases in the Area of United Health System	063216			5 800 150	1 426 475

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Summary of Voluntary Contributions-National Voluntary Contributions (Cont...)

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Strengthening of the National Laboratory System of Public Health and of the National Network of Alert and Response to Emergencies	063217			2 476 465	2 113 701
Strengthening of the Management of the National Surveillance System in Health	063218	4 586 910		6 927 453	1 459 124
Strengthening of Innovated Regulations in Health, with Emphasis on Ethics and Health Research	063219	3 677 805		9 367 510	2 552 896
Strengthening the Monitoring in Tuberculosis Surveillance Strengthening in Chronic	063222			2 525 820	813 406
Noncommunicable Diseases - DCNT	063224			1 193 757	374 181
Expansion of the Access of the Brazilian Population Basic Health Care	063226			2 988 121	298 848
TC80 - TA3 Brazil Cuban Doctors	063227	122 403 993		151 287 461	464 956 911
TC 39 Decentralized Management Qualification "United Health System"	063168		8 880		(8 880)
TC 91 Strengthening of the National Policy on Science, Technology and Innovation in Health	063232	6 744 329		9 789 019	891 946
TC 88 Improvement and Qualification of Strategic and Participatory Management of the Unified Health System - SUS	063233	9 043 532		11 794 094	1 573 672
TC 95 Improvement of the Management of the Executive Secretariat of the Brazilian Ministry of Health - SE / MS	063235	2 452 231		2 941 031	69 168
TC 89 Fortalecimento do Sistema Nacional de Transplantes	063237	6 919 251		6 919 251	
<i>Subtotal</i>		<u>205 169 310</u>	<u>4 304 471</u>	<u>321 230 051</u>	<u>516 045 049</u>
Government of Brazil (Secretaria de Saúde - Bahia)					
Strengthening of Objectives and Directives of SUS in Bahia State	063192			196 671	60 499
<i>Subtotal</i>				<u>196 671</u>	<u>60 499</u>
Government of Brazil (Secretaria de Saúde - Pernambuco)					
Decentralized Technical Cooperation Secretariat of Health of the State of PERNAMBUCO	063209				173 422
<i>Subtotal</i>					<u>173 422</u>
Government of Brazil (Secretaria de Saúde do Estado do					
do					
Strengthening and Improvement of the Management Capacity of the Unified Health System in the State of Tocantins	063236	11 865 531		15 008 770	51 676
<i>Subtotal</i>		<u>11 865 531</u>		<u>15 008 770</u>	<u>51 676</u>
Government of Brazil (Secretaria de Saúde do Estado de Sao Paulo)					
Strength of Objectives and Directives United Health System in Sao Paulo	063187			575 414	173 087
<i>Subtotal</i>				<u>575 414</u>	<u>173 087</u>

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Summary of Voluntary Contributions-National Voluntary Contributions (Cont...)
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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Government of Nicaragua					
Technical Cooperation Agreement for the Strengthening of Capacity Building and Knowledge Sharing	078009	287 042		287 042	
<i>Subtotal</i>		287 042		287 042	
Government of Trinidad and Tobago					
Enhancing Health Systems and Programs in Trinidad and Tobago through Innovative Health Interventions and Capacity Development to Improve Maternal Health, Food Safety, NCD and Violence Prevention	085013	156 188		490 660	9 340
<i>Subtotal</i>		156 188		490 660	9 340
Instituto Colombiano para el Bienestar Familiar					
National Survey of Nutritional Situation in Colombia	066075		172 603		1 515 558
<i>Subtotal</i>			172 603		1 515 558
Instituto Nacional Central Unico Coordinador de Ablacion e Implante (INCUCAI) Argentina					
Central National Institute Unique Coordinator of	059045	1 000 000		2 203 086	
<i>Subtotal</i>		1 000 000		2 203 086	
Instituto Nacional de Servicios Sociales para Jubilados y Pensionados (PAMI) Argentina					
National Institute of Social Services for Retirees and Pensioners (PAMI)	059044			36 853	(636)
<i>Subtotal</i>				36 853	(636)
Junta Nacional de Drogas de la Presidencia de la Republica					
Technical Cooperation Agreement between the National Board on Drugs of the Presidency of the Oriental Republic of Uruguay and the Pan American Health Organization (PAHO/WHO)	087018	205 691		383 163	12 897
<i>Subtotal</i>		205 691		383 163	12 897
Ministerio de Salud Pública de Uruguay					
Center for International Cooperation in Tobacco Control	087017				16 568
<i>Subtotal</i>					16 568
Ministerio de Salud Pública del Ecuador					
Control of Tuberculosis in Ecuador	069021			368 970	219 249
<i>Subtotal</i>				368 970	219 249
Ministerio de Salud Pública y Asistencia Social de Guatemala					
Acquisition of Biological, Reagents, Drugs and Other Expenditures between the Ministry of Public Health and Social Welfare of the Republic of Guatemala and the Pan American Health Organization/World Health Organization	072018			6 159	
Integrated Development of the General Direction of Regulation, Surveillance, Control and health Management	072019			1 093	(8)
<i>Subtotal</i>				7 252	(8)

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Summary of Voluntary Contributions-National Voluntary Contributions (Cont...)

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Ministerio de Salud Pública y Asistencia Social de la República Dominicana					
International Cooperation Agreement between the Ministry of Health and Welfare (MISPAS) and the Pan American Health Organization (PAHO/WHO)	068008	21 539		846 924	2 054 103
<i>Subtotal</i>		<u>21 539</u>		<u>846 924</u>	<u>2 054 103</u>
Ministerio de Salud de Argentina					
Managerial Support for National Health Development	059001			323 914	151 544
Intensified Surveillance ETI-IRAG in Argentina	059039		428		
Improved Monitoring of Clinical and Epidemiological	059040		171		
Implementation of Five Priority Objectives of Strategy of Technical Cooperation of PAHO/WHO in Argentina - 2009 - 2011	059041	77 490		151 135	54 947
Implementation Diagnoses Tool WHO-AIMS in Argentina	059042			371	
<i>Subtotal</i>		<u>77 490</u>	<u>599</u>	<u>475 420</u>	<u>206 491</u>
Ministerio de Salud de Chile					
Acuerdo de Cooperación Técnica entre el Ministerio de Salud de Chile y la OPS/OMS para la Evaluación EUNACOM	064019	150 150		150 150	
<i>Subtotal</i>		<u>150 150</u>		<u>150 150</u>	
Ministerio de Salud de la Provincia de Entre Rios (Argentina)					
Action Plan for the Strengthening of the Public Health in the Province "Entre Ríos"	059035	25 624		51 928	6 546
<i>Subtotal</i>		<u>25 624</u>		<u>51 928</u>	<u>6 546</u>
Ministerio de Salud de la Provincia de Mendoza (Argentina)					
Improvement of Maternal Health, of Childhood, of Women and Adolescence in the Province Mendoza	059046	477 000		581 045	23 112
<i>Subtotal</i>		<u>477 000</u>		<u>581 045</u>	<u>23 112</u>
Ministerio de Salud de la Provincia de Santa Fe (Argentina)					
Strengthening Public Health in the Province	059048			43 613	153 564
<i>Subtotal</i>				<u>43 613</u>	<u>153 564</u>
Ministerio de Salud de la Provincia de Santiago del Estero (Argentina)					
Plan of Action to Strengthen Public Health in the Province	059047			11 617	18 258
<i>Subtotal</i>				<u>11 617</u>	<u>18 258</u>
Ministerio de Salud de la República de Costa Rica					
Promoting the Development and Strengthening National and Regional Mechanisms for the Control of Tobacco Products	065019			418 582	49 515
<i>Subtotal</i>				<u>418 582</u>	<u>49 515</u>

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Summary of Voluntary Contributions-National Voluntary Contributions (Cont...)

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
Ministerio de Salud de la República de Panamá					
Capacity Building Management and Stewardship of	079014			70 254	16 268
<i>Subtotal</i>				70 254	16 268
Ministerio de Salud de la República del Perú					
Managerial Support for National Health Development	081003			1 096 329	701 780
<i>Subtotal</i>				1 096 329	701 780
Ministerio de Salud y Protección Social de Colombia					
International Cooperation No. 519-2015	066076		357 407	3 474	8 772 956
Derived Agreement No. 557 of 2015	066078		8 461		2 567 986
International Cooperation Agreement No.344 of 2016 between the Ministry of Health and Social Protection of Colombia and the Pan American Health Organization (PAHO/WHO)	066079	109 258		379 829	196 515
<i>Subtotal</i>		109 258	365 868	383 303	11 537 457
Secretaria Municipal de Saúde da Prefeitura da Cidade de Sao Paulo					
Strengthening and Technical Support BVS-SP	165002	10 091		65 455	
TC 92 Strengthening and Qualification of Primary Care	063234	153 280		736 970	372 634
<i>Subtotal</i>		163 371		802 425	372 634
Secretaria de Salud de Mexico					
Anex III to the Memorandum of Understanding Strengthening the Measurement of the Burden of Disease Caused by Accidents in Mexico	076030		4 382	20 349	328 107
Anex IV to the Memorandum of Understanding signed between the Ministry of Health of the United Mexican States (HEALTH) and PAHO, relating to the 2016 Work Plan	076031			60 108	129 748
<i>Subtotal</i>	076032			553 481	413 478
			4 382	633 938	871 333
Secretaria de Saúde do Rio Grande do Sul					
Strengthening Network Management for Health Care of the State of Rio Grande the Sul	063229	427 974		877 507	288 586
<i>Subtotal</i>		427 974		877 507	288 586
Servicio Nacional de Calidad y Salud Animal (SENACSA) de la República del Paraguay					
Technical Cooperation between the National Service of Quality and Animal Health (SENACSA) of the Republic of Paraguay and PAHO/WHO	080021	268 651		237 544	47 932
<i>Subtotal</i>		268 651		237 544	47 932
Total - Government Entities - PAHO Member States		237 731 994	5 338 032	368 901 287	537 640 733

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Summary of Voluntary Contributions-National Voluntary Contributions (Cont...)

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Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses ^{1/}
International Organizations - Non-United Nations					
Programa de Transformacion Productiva (PPT)					
Convenio de Cooperación Técnica entre Bancoldex actuando como administrador del Programa de Transformación Productiva (PTP), el Instituto Nacional de Vigilancia de Medicamentos y Alimentos (INVIMA) en Colombia y la OPS/OMS					
	540001	25 042		50 042	
	<i>Subtotal</i>	<u>25 042</u>		<u>50 042</u>	
Total - International Organizations - Non United Nations		<u>25 042</u>		<u>50 042</u>	
Total		<u>237 757 036</u>	<u>5 338 032</u>	<u>368 951 329</u>	<u>537 640 733</u>

Notes

^{1/} In accordance with IPSAS, beginning 1 January 2010, PAHO will recognize as Deferred Revenue the full commitment amount upon signature of Voluntary Contributions agreements. Revenue for the Financial Period is recognized based on the Expense reported during the Financial Period. Below is a reconciliation between Expense and Revenue

Voluntary Contributions Expenses 2016	537 640 733
Adjustment on Award 074015 - Moved to PG fund	(8 465)
Conversion Adjustment	(1)
Voluntary Contributions Revenue 2016	<u>537 632 267</u>

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Summary of Voluntary Contributions - Emergency Preparedness and Disaster Relief
(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expense ^{1/}
Government Entities - PAHO Member States					
Department of Foreign Affairs, Trade and Development (Canada)					
PAHO's Humanitarian Response in Haiti - 2015	452007				128 382
Emergency Assistance to Support Health Response Operations in Dominica following Tropical Storm Erika	452008				35 562
Haiti: A Prolonged Complex Emergency - Addressing 2016 Humanitarian Needs	452010			157	342 567
PAHO - Strategy for Enhancing National Capacity to Respond to Zika Virus Epidemic in the Americas	452011		125	500	185 817
PAHO - Health Humanitarian Response to the Devastating Earthquake in Ecuador	452012		66		151 231
Hurricane Matthew - Emergency Health Assistance in Haiti - Pan American Health Organization 2016	452014				
<i>Subtotal</i>		5 637		96 811	198 828
		5 637	191	97 468	1 042 387
UK Department For International Development					
Emergency Health Assistance to Dominica following Tropical Storm Erika 2015	140071				198 195
<i>Subtotal</i>					198 195
US Agency For International Development (USAID)					
Health Humanitarian Response to the Devastating Earthquake in Ecuador	002144			23 168	176 832
<i>Subtotal</i>				23 168	176 832
Total - Government Entities - PAHO Member States					
		5 637	191	120 636	1 417 414
Government Entities - Non-PAHO Member States					
Agencia Andaluza de Cooperacion Internacional para el Desarrollo (AACID)					
Aceptación de la Subvención Concedida por la Agencia de Cooperación Internacional para el Desarrollo a la Organización Panamericana de la Salud - Organización Mundial de la Salud	533002				
<i>Subtotal</i>		261 506		261 506	
		261 506		261 506	
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)					
Fund for Assistance in Humanitarian Contexts	230170				31
Spain Fund Assistance in Humanitarian Context Signed 19 July 2011	230171			88 784	349 736
Support Priority Countries through Provision of Inputs for Molecular Biology Labs and Technical Support Assistance and Follow-up	230172				
<i>Subtotal</i>				91 776	18 164
				180 560	367 931

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Summary of Voluntary Contributions - Emergency Preparedness and Disaster Relief

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expense ^{1/}
European Commission					
Saving Lives through Improved and Coordinated Disaster Management and Response Capacities of the Health Sector in the Northern Border area of Haiti and the Dominican Republic	049110	138 075		39 159	575 206
Emergency Assistance Support Health Response Operations in Dominica following Tropical Storm Erika	049111				179 142
Delivering timely health assistance to vulnerable groups and drought-affected families in two priority departments of the dry corridor in Guatemala	049112	82 218		2 640	425 827
<i>Subtotal</i>		<u>220 293</u>		<u>41 799</u>	<u>1 180 175</u>
Mission of Botswana					
Support to the health response efforts in Haiti following Hurricane Matthew	537001			13 699	36 301
<i>Subtotal</i>				<u>13 699</u>	<u>36 301</u>
Total - Government Entities - Non-PAHO Member States		<u>481 799</u>		<u>497 564</u>	<u>1 584 407</u>
International Organizations - United Nations					
United Nations Children's Fund (UNICEF)					
Improve Health Sector Cholera Prevention and Response Capacities in the Framework on the National Cholera Elimination Plan	187107			37 284	416 793
<i>Subtotal</i>				<u>37 284</u>	<u>416 793</u>
Total - International Organizations - United Nations				<u>37 284</u>	<u>416 793</u>
Other Voluntary Contributions					
PD Fund					
Emergency Response to Haiti - Hurricane Matthew	463012	37 801			37 801
Emergency Response to Cuba - Hurricane Matthew	463013	33 645			33 645
<i>Subtotal</i>		<u>71 446</u>			<u>71 446</u>
Total - Other Voluntary Contributions		<u>71 446</u>			<u>71 446</u>
Total		<u>558 882</u>	<u>191</u>	<u>655 484</u> ^{2/}	<u>3 490 060</u>

Notes

^{1/} In accordance with IPSAS, beginning 1 January 2010, PAHO will recognize as Deferred Revenue the full commitment amount upon signature of Voluntary Contributions agreements. Revenue for the Financial Period is recognized based on the Expense reported during the Financial Period.

^{2/} Revenue adjustment \$48 928

**Regional Office of the Americas (AMRO)
World Health Organization**

**Regional Office of The Americas for the
World Health Organization
Statement of Financial Performance by Segment**

(expressed by US dollars)

	WHO Assessed Contributions and Miscellaneous Revenue	WHO Program Support Costs	WHO Voluntary Contributions - Core
REVENUE			
Revenue from Non-Exchange Transactions			
Assessed Contributions			
Voluntary Contributions			
Other Revenue	31 022 083	9 043 377	4 864 373
Revenue from Exchange Transactions			
Procurement of Public Health Supplies			
Other Revenue			
Miscellaneous Revenue			
TOTAL REVENUE	31 022 083	9 043 377	4 864 373
EXPENSES			
Staff and Other Personnel Costs	21 047 244	6 816 315	4 613 783
Supplies, Commodities, Materials	1 084 551	177 027	80 212
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization			
Contract Services	2 982 127	946 834	45 546
Travel	4 300 912	162 942	97 043
Transfers and Grants to Counterparts	1 208 658		19 833
General Operating and Other Direct Costs	398 591	940 259	7 956
Indirect Support Costs			
TOTAL EXPENSES	31 022 083	9 043 377	4 864 373
NET SURPLUS / (DEFICIT)			

**Regional Office of The Americas for the
World Health Organization
Statement of Financial Performance by Segment**

Annex

(expressed by US dollars)

WHO Voluntary Contributions - Emergencies	WHO Voluntary Contributions - Specified	Total¹ 2016	Total¹ 2015
6 948 727	11 140 677	63 019 237	89 545 822
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6 948 727	11 140 677	63 019 237	89 545 822
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1 874 839	4 040 676	38 392 857	45 592 324
1 786 887	1 188 386	4 317 063	6 687 537
856 898	1 559 932	6 391 337	14 483 110
1 366 350	2 714 975	8 642 222	13 703 018
931 448	1 575 826	3 735 765	4 928 077
132 305	60 882	1 539 993	4 151 756
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6 948 727	11 140 677	63 019 237	89 545 822
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¹Note - No eliminations are provided.

Other Centers

1. Latin American and Caribbean Center on Health Sciences Information – (BIREME)

(Expressed in US Dollars)

	<u>31 December 2016</u>	<u>31 December 2015</u>
Deferred Revenue available as of 31 December	158 736	265 198
Revenue Activity	42 843	120 772
Expenditure Activity	141 658	253 361

Other disbursements include \$1 019 409 under trust fund arrangements and \$1 011 252 from PAHO and WHO Assessed Contributions and \$18 000 From WHO Voluntary funds. (No accruals are included).

Revenue was received from sale of publications and other services.

2. Latin America Center for Perinatology and Human Development – (CLAP)

(Expressed in US Dollars)

	<u>31 December 2016</u>	<u>31 December 2015</u>
Deferred Revenue available as of 31 December	212 731	345 362
Revenue Activity	63 430	102 476
Expenditure Activity	196 061	287 110

Other disbursements include \$510 692 under trust fund arrangements and \$975 042 from PAHO and WHO Assessed Contributions and \$81 433 From WHO Voluntary funds. (No accruals are included).

Revenue was received from sundry sales and other services.

3. Pan American Foot-and-Mouth Disease Center – (PANAFTOSA)

(Expressed in US Dollars)

	<u>31 December 2016</u>	<u>31 December 2015</u>
Deferred Revenue available as of 31 December	1 180 565	1 238 311
Revenue Activity	792 332	1 485 905
Expenditure Activity	850 079	1 042 270

Other disbursements include \$3 125 546 under trust fund arrangements; \$75 177 from Special Fund for Health Promotion and Food Safety; \$531 475 from PAHO and WHO Assessed Contributions and \$107 555 From WHO Voluntary funds. (No accruals are included).

Revenue was received from sale of laboratory services.

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