

SECRETARIAT FOR ADMINISTRATION AND FINANCE

Established by Executive Order 05-13 Rev. 1, the SAF is composed of the Office of the Assistant Secretary; two departments: Human Resources and Budgetary and Financial Services; and three offices: Information and Technology Services; Procurement Services, and General Services.

Office of the Assistant Secretary

During this reporting period, the Office of the Assistant Secretary continued to support the Organization's political organs by coordinating with the various areas of the General Secretariat. The main activities in 2005 are described under each of the departments, offices and sections.

Department of Human Resources

Created by Executive Order 05-13 Rev. 1, the DRH is composed of the Compensation and Benefits Section; Staff Services Section; and the Organizational Development Section.

In 2005, the Department of Human Resources (DRH) experienced a reduction-in-force, at a time when the number of requests for advisory services and inquiries rose. During that period, the DRH faced challenges because of the workload created by the services and information it was called upon to provide to staff of the incoming and outgoing administrations (the Secretary General and the Assistant Secretary General) on the question of benefits (transport, health, visas). It also had to provide advisory services on the rules and procedures regarding human resources, staff services, and orientation to the new management, as well as recruitment, classifications of posts, administration of benefits for staff under every fund or other source of financing. The breakdown of the staff of the General Secretariat appears in Appendix D. One of the initiatives that came about as a result of the change of Administration was the preparation of an orientation handbook, in electronic format, for the new staff members of the Organization. Also, the change of Administration gave rise to a number of restructurings. The DRH helped with personnel-related matters and reordering of positions, and also updated and implemented extensive changes in the data processing system.

Apart from the significant increase in activity at the DRH, the latter was tasked with reviewing the rules and regulations of performance contracts (CPRs) to ensure that they were consistent with the GS/OAS. Recognizing that the DRH's involvement in processing CPRs would make matters more complex and time consuming, the DRH created guides and instructions for the client areas with updated rules and forms. It advised the various client areas on ways to simplify and streamline the process, while observing the rules and procedures on this matter. The DRH developed a database with the information from the various CPRs to help ensure observance of the rules and a record of the CPRs. This undertaking involved a number of missions, since many of the performance contracts are away from headquarters in Washington.

The volume of operations that the DRH routinely handles, such as recruitments, competitions for vacant posts, job classifications, administration of benefits and insurance renewals, increased in 2005. The Department evaluated and processed 3,216 personnel actions and processed 425 certifications of employment, 688 applications for G4 visas for staff and consultants, 74 work permits for dependents of staff and consultants with G4 visas, and 170 applications for G5 visas. The DRH processed 109 cases of travel provided for in the Staff Rules (travel to the country of origin, repatriation travel, travel for recruitment purposes, and transfer-related travel).

The Department provided secretariat services to the Joint Committee on Insurance Matters and to the Medical Benefits Trust Fund Committee by providing technical support to members, preparing the materials for the meetings and acting upon the decisions adopted.

A number of areas received the DRH's assistance in the form of advice on alternative contracting mechanisms to be responsive to the Missions' needs. It also helped with salary-related studies.

In addition to its regular and routine functions, the Department also embarked upon a number of special initiatives, some of which are summarized here. In the area of Professional Development and Training and based on the study prepared by DeLoitte & Touche, the DRH, in collaboration with the Office for the Promotion of Dialogue of the Unit for Democracy, offered "communications" workshops for the staff at headquarters. Two workshops were designed and given for staff at headquarters on "Working together with an open mind and trust." Each was offered 14 times in the period from October 2004 to December 2005. The Performance Evaluation form was also changed to reflect the "good communications" factor.

The Health Unit had approximately 3,035 visits in 2005. The physician on duty, who was contracted through Johns Hopkins University, did some 150 medical examinations. The unit continued to promote good health and prevention among the employees through such programs as: the flu vaccination campaign; allergy injections; blood drives; and the Health Fair, which was attended by 250 people, and two new health programs designed to treat the high stress levels commonly found in any workplace. It also put on a series of 6 lectures on "Nutrition and Health", which were attended by 190 staff members.

The GS/OAS's Student Intern Program continued to grow. Some 463 applications were received. Of these, 181 were selected by the various offices of the General Secretariat to serve as interns.

Department of Budgetary and Financial Services

Created by Executive Order 05-13 Rev.1, the DBFS has two sections: Financial Operations, and Budgetary Management and Financial Reporting.

Budgetary Aspects

The proposed program budget for 2006 was prepared for \$76.3 million, although the financing did not include the increase in quota assessments. At its thirty-fifth regular session, the General Assembly instructed the Permanent Council to convoke a special session of the General Assembly to establish a new scale of quota assessments, to establish the budgetary ceiling for 2007 and to deal with such financial or budgetary matters as the General Assembly should deem pertinent.

The General Secretariat provided support services during the analysis done by the Permanent Council's Committee on Administrative and Budgetary Affairs (CAAP) and the Working Group to Study a Scale of Quota Assessments. At its thirty-first special session, held January 30-31, 2006, the General Assembly approved a new temporary scale of quota assessments that would be in effect in 2007 and 2008. It also instructed the Permanent Council to present a new method for computing the scale of quota assessments at its thirty-seventh regular session. The Assembly also set the ceiling for the 2007 budget at \$81.5 million, in line with the analysis presented by the Secretary General but less than the \$88.5 million estimated to be the amount required to ensure the Secretariat's optimum performance and to have sufficient funds in the Regular Fund budget to fulfill the mandates from the General Assembly and the Summit of the Americas.

On December 14, 2005, the Secretary General presented the Permanent Council (CAAP) with his plan for restructuring the General Secretariat. These structural changes impacted the activities of the Department

of Budgetary and Financial Services which, together with the Department of Human Resources, undertook efforts to harmonize the existing structure in the OASES data processing systems and in this way ensure that the information given on the financial statements and reports and in the personnel records reflected the structure mapped out in Executive Order 05-13 Rev. 1, and in this way be able to prepare the periodic reports on the status of execution of the Regular Fund 2005 and of the Specific Funds.

In 2005, the General Secretariat had to deal with a budgetary deficit of some \$3.9 million, a result of certain extraordinary circumstances that arose during the period of budgetary execution. The fellowships awarded by the Organization's Fellowship Program together represented commitments that exceeded the approved budget by \$2 million. The item earmarked for buildings maintenance also had to be increased by \$624,000 and the Inter-American Commission on Human Rights' item by \$272,500. The Secretariat also discovered that the budget approved for Terminations and Repatriations was insufficient to cover the staff changes that occurred mainly as a result of the change in administration in 2004 and the restructuring done under Executive Order 05-03. The shortfall was approximately \$1.1 million. To cover this deficit, the Committee on Administrative and Budgetary Affairs authorized the use of \$1.0 million existing under the supplementary appropriation originally intended to defray the expenses associated with the change of administration in 2005, and the use of residual balances under the heading of personnel, which resulted from deferred recruitment and other changes in personnel-related costs. CEPCIDI and the Permanent Council authorized a loan of \$2.0 million from the Capital Fund for OAS Fellowships established under resolution CP/RES. 831 to cover the excess financial commitments of the Fellowships and Training program.

Financial Aspects

The financial situation of the Organization of American States (OAS) is captured in the financial statements that appear at the end of the report, under Appendix E. They include:

a) the Operating and Reserve Subfunds of the Regular Fund (Tables 1 and 2) and the Special Multilateral Fund of the Inter-American Council for Integral Development (FEMCIDI) (Tables 3 and 4), whose budgets are approved by the General Assembly; and

b) the Specific Funds (Table 5) funded by unilateral or multinational contributions to finance activities approved by the governing bodies. The Combined Statements of Assets, Liabilities and Balances of the Funds represent the Organization's financial position at year's end, whereas the Combined Statements of Changes in Fund Balances represent the results of the financial activity during the fiscal period.

In 2005, total collections of 2005 quotas and quotas in arrears from previous years came to a total of \$76.3 million, representing a 13.7% increase over collections in 2004, which were \$67.1 million.

The preliminary financial statements show that as of December 31, 2005, the Regular Fund's financial situation was better than in 2004, owing to improved quota collections. The Balance of the Regular Fund as of December 31, 2005, which was \$10.1 million, was \$2.6 million more than the balance at the end of 2004, which had been \$7.6 million.

Office of Information and Technology Services

The OITS was created by Executive Order 05-13 Rev.1 and has two sections: Information Systems and Information Technology.

The OITS completed modernization of the systems that will provide support to the meetings of the Organization's political bodies in the recently remodeled Simón Bolívar Conference Room. The new

technologies introduced are: a wireless conference microphone and simultaneous interpretation system from the company “Danish Interpretation Systems”; a system of remotely operated cameras with television-transmission quality; a video distribution system using advanced technology that allows transmission from various sources of video to the ambassadors in their own language; a wireless system with Internet access; and a computer installed for each delegate within a private network. Implementation of these systems was coordinated by the offices of Conferences and Meetings, Press and Communications, General Services and the Assistant Secretary General’s Office.

The infrastructure for transmitting television and radio via the Internet, “Webcast,” has been upgraded with the purchase of a multimedia server that uses advanced technology and transmits the signal in the OAS’ four official languages.

Improvements were made to the communications system with the purchase of two “Polycom” videoconferencing systems. This equipment uses advanced technology and is a low-cost means of holding meetings and cutting costs.

Modernization of the cabling and wiring in the Administration Building was completed. A new system was installed that uses “Fast Ethernet” technology, allowing dedicated transmission of data at a speed of 100 megabits per second (mbps). Installation of these new technologies has expanded the platform within the General Secretariat that allows voice and data services to be combined into a single infrastructure, which will also allow integration with the network systems in the GSB Buildings, while speeding up operations like e-mail, data transmission, access to the OASES system and to the documents management system (IDMS).

A secure “Instant Messaging” system was installed to facilitate communications between Headquarters and the national offices, and the GoToAssist program was purchased to improve response time in providing remote technical support to those offices.

OITS has continued to support expansion of the Secure E-Mail System of the Working Group on Mutual Legal Assistance using “Groove Virtual Office.” This year, the number of member states participating has doubled from 10 to 20. The OAS is the leading international organization in the use of this technology, allowing rapid and secure communication among the central authorities of the member states on legal matters and extradition.

To better manage the telephone services, a system was developed for tabulating long-distance phone calls. This system makes it easier to prepare each area’s monthly report. The OITS has continued to support development of applications in other areas like the IACHR, Conferences, Service Requests and the Columbus Memorial Library.

A new centralized backup system was installed to protect the data on the Organization’s combined information system, using high-capacity servers and maximizing the resources. This has made data retrieval faster and more efficient.

The OITS has kept the integrity of the voice and data systems efficient, secure and stable and uses the “Helpdesk” system to continue to provide high-quality technical service.

The infrastructure of services and the backup for the OASES system was upgraded and the first part of a mechanism for auditing the administrative systems was completed. The mechanism will check for procedural violations and establish internal controls of the critical modules (Payroll, Accounts Payable, Human Resources and “GL”).

In the area of research and development, OITS has done an evaluation of the various places to carry out the Continuity and Recovery Plan; the costs and conditions of the various alternatives have been evaluated.

The OITS represented the OAS in the Consortium of International Organizations for technical and financial evaluation of long-distance service delivery proposals.

Office of Procurement Services

The OPS was established by Executive Order 05-13 Rev. 1 and has three sections: Purchasing, Inventory and Travel.

Purchasing Area

As the following table shows, the OSC had to cope with a further increase (as much as 15% over 2004) in the workload and the number of purchase orders processed.

	Requisition Lines	Requisition Headers	Purchase Order Lines	Purchase Order Headers
2004	28,747	16,690	29,880	20,622
2005	31,008	18,361	31,988	22,449
Incr(%)	15%	15%	7%	9%

The total amount of transactions related to Purchase Orders, excluding agreements, rose from \$111 million in 2004 to \$116 million this year (an increase of approximately 5%). Of that amount, over \$20 million went toward actions for procurement of goods, while \$11 million was for travel within and outside the headquarters country.

In terms of system maintenance and administration, the procurement area handled over 1,000 tickets from the client care system. Similarly, as is customary, purchase transactions were periodically reviewed and over 15,000 transactions –requisitions and purchase orders alike-- were cleaned up. This constant control made it possible for the office to close the books on time at the end of 2005, despite the many difficulties that arose.

Over 15 regular and special training sessions were given on preparing, checking, receiving and approving purchase orders, as well as special courses on how to process transactions involved in contracting consultants (CPRs) and advanced courses on special topics related to the procurement system. Accordingly, the certification of the OAS offices in the member states continued.

The Office was very much involved in acquiring and negotiating contracts for goods and services for the Special Mission of the OAS in Haiti and the Voter Registration Process. Those operations in 2005 came to a total of \$5,428,528, and were done through seven formal bidding processes. They were for 4X4 vehicles, portable computers, registration forms, digital fingerprint scanners, signature pads; digital cameras, inkless fingerprint pads, services for comparing fingerprints, ballots and printing services.

Another 18 formal tendering processes, advertised at the Web site, were completed and another 8 were processed using the “Aide Memoire” method. Some of the more important involved a total of \$392,483 and included coordination and processing, selection of purveyors, and negotiation and execution of procurement contracts for: Internet connectivity; 4X4 vehicles for the Mission to Support the Peace Process in Colombia; evaluation of ports and training in Belize for CICTE, and lab equipment for DDS projects in Bolivia.

It is important to note that the procurement activities associated with the OAS' Special Mission in Haiti necessitated recording and conversion of over 2,200 purchase orders for CPRs, goods and services. At least 5 people from the OPS dedicated themselves to this work.

Moreover, the OPS continued to file six-month reports with the Permanent Council on CPRs. The report requires constant attention and continually changes to meet the Council's needs.

Inventory Area

Bar code stickers were received, delivered to users at headquarters and their placement coordinated. Payment was authorized for 451 new items, costing a total of \$2,642,553. More than 11,000 new fields were opened to record them in the inventory database. More than 17,000 items located in all buildings at headquarters were inventoried, updating more than 85,000 fields in the database, including an accounting of the items used by over 60 staff members who retired from the Organization or were transferred to other areas. Some 342 obsolete or damaged goods were eliminated from the inventory with the authorization of the Committee for Sales and/or Liquidation of the Movable Property of the SG/OEA. Some items were sold or donated to the OAS Missions and Staff of the Missions and Organization. More than 1,000 deliveries were made to the various users in all buildings at headquarters. Over 3,000 boxes or envelopes were delivered to staff. Constant technical support was provided to over 100 users of the online office supplies procurement system, coordinating the purchases, deliveries, returns and authorizing payment for over 350 purchase orders.

Over 1,000 new products were entered into the inventory database. These were products received by the Offices of the General Secretariat, projects and missions away from headquarters. Their total cost was \$1,913,737. The information in the database on another 2,000 items was updated. More than 31,000 fields were recorded in the database.

Travel Area

The OPS continued to meet the General Secretariat's needs in the area of travel arrangements. Working with the respective consulates, it arranged almost 500 official visas for travelers to over 20 countries.

Office of General Services

Established by Executive Order 05-13 Rev. 1, the OSG has three sections: the Building Management and Maintenance Section; Messenger, Mail and Transportation Section; and the Security Section.

The focus of the OSG's efforts was on completing and continuing important building infrastructure projects and their maintenance. The historic remodeling of the Simón Bolívar conference room was completed, costing an estimated \$4.2 million. That conference room has 50% additional space, a new air conditioning system and a new sprinkler system. Plans have been made to eventually install a fire alarm. The interpreters' booths for the meeting room have been remodeled. There is now an area for documents distribution and an equipment control panel. The Simón Bolívar Room is equipped with modern simultaneous interpretation installations in four languages, as well as advanced video and sound system technology. As part of this remodeling project, a press room was built in the Public Information Office.

The CAAP gave its authorization (CP/CAAP/SA-525/05) for additional capital investments of \$624,000 to replace the elevator in the Main Building; replace the cooling tower; install a protective film on the windows, and do structural repairs to the Museum's compressor. Bids have already been invited for purchase of the elevator and the cooling tower. The structural repair work to the parking area has been completed.

Work was completed on the exterior of buildings, mainly on the Secretary General's official residence, for a total of \$52,000. This work was also authorized by the CAAP (CP/CAAP-2741/05 rev 1). The work mainly involved painting the exterior of the residence and its annex, repairs to exterior flooring, gutters and downspouts, repaving of the driveway, and installation of an air conditioner in the annex.

Available office space on the second floor of the F Street Building was leased to the Albert Sabine Institute. A number of storage rooms were also leased to those currently leasing space from the Secretariat in that building. The proceeds from the lease of space came to a total of \$1,582,102 in 2005.

The Equitrac counting system on the photocopiers was modernized at a cost of some \$32,900. The new online system, which replaces the modem-based system, allows for more efficient and secure communication and substantially reduces the possibility that unauthorized users might get into the General Secretariat's information technology system. The Office also continued the policy of replacing photocopiers more than ten years old. It purchased four new machines at a cost of \$27,000. Maintenance services were also hired, and included repairs, paper and supplies for the General Secretariat's entire complement of photocopy machines (46) for an approximate cost of \$106,000.

Maintenance of all the General Secretariat's buildings continued, costing some \$6.5 million, including the general insurance and the mortgage on the F Street building. This figure mainly covers the cost of basic services, maintenance contracts, repairs and supplies. The increase in the cost of the basic services (water, electric power, steam, gas and sanitation), and the increase in the cost of the maintenance contracts (electromechanical equipment, elevators, security equipment, fire prevention systems, fumigation, trash collection and gasoline), and the contracting of security and janitorial services, necessitated approval of an additional \$ 628,000 (CP/CAAP-2792/05).

The Office continued to manage the parking areas owned by the General Secretariat, following the guidelines and regulations contained in Administrative Memoranda Nos. 83 and 91. This does not carry a direct administrative cost to the General Secretariat and is covered by the fees paid by the users of the parking areas. Since all staff members of the General Secretariat are entitled to a parking space and the spaces available within the General Secretariat are not sufficient, additional space has to be leased from private parking garages. Management of the parking areas also subsidizes the purchase of the *Metrocheck* passes for those staff members who are entitled to park but who use this system instead. The operating cost of these parking facilities was approximately \$551,000, while parking revenues were in excess of \$578,000.