ACTIVITY REPORT OF THE OFFICE OF THE INSPECTOR GENERAL
FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2008

This document is being distributed to the permanent missions and will be presented to the Permanent Council of the Organization.
September 10, 2009

José Miguel Insulza
Secretary General to the
Organization of American States
Washington, DC

SG/OIG-24/09

Excellency:

I have the honor to submit to you the Activity Report of the Office of the Inspector General for the period January 1 through December 31, 2008.

This Office submits Activity Reports to you, for forwarding to the Permanent Council, in accordance with the provisions of Resolution AG/RES. 1321 (XXV-O/95.)

Accept, Excellency, the renewed assurances of my highest consideration.

Linda P. Fealing
Inspector General

Encl.
September 10, 2009

His Excellency
Ambassador Pedro Oyarce Yuraszeck
Permanent Representative of Chile
to Organization of American States
Chairman of the Permanent Council
Washington, DC

Mr. President:


Accept, Excellency, the renewed assurances of my highest consideration.

[Signature]

Linda P. Fealing
Inspector General

Encl.
Activity Report

Of the

Office of the Inspector General

January through December 2008

I. Audit Reports

This report is submitted in conformity with Resolution AG/RES. 1321 (XXV-O/95) and Article 119 of the General Standards.

The OIG issued reports of twelve audits completed during the year ended December 31, 2008. In addition, the OIG communicated directly with supervisors and provided appropriate recommendations regarding operational processes and issues towards the achievement of improved management controls. Reports of audit activities provided fifty-two (52) recommendations to correct identified internal control weaknesses related to accountability mechanisms, operational processes, organizational efficiency and effectiveness. Those recommendations were classified as thirty-three (33) High Risk, eighteen (18) Medium Risk and one (1) Low Risk. The recommendations addressed OIG findings that identified the need for: (1) compliance with GS/OAS directives including the Budgetary and Financial Rules, the Field Financial Manual and the Performance Contract and Procurement Rules, (2) improvement in various operational processes, such as effective supervision of personnel, reconciliations of project expenses, inventory tracking and updating of fixed asset reports, use of the Temporary Support and Local Professional employment mechanism, (3) ensuring that assigned tasks agree with job descriptions, (4) training for Administrative Technicians to effectively perform required financial tasks, (5) written procedures for various tasks and (6) automation of various processes of the Department of Budgetary and Financial Services (DBFS) to improve efficiency and timeliness, minimize manual processes and reduce the level of inherent risk. OIG also identified a need for: (a) a workload study to assist in identifying a suitable organizational alignment for quick reaction to requests for Electoral Observation Missions and determination of the staff optimally required to accomplish those missions, (b) improved operational processes to expedite and facilitate the approval process for hiring observers, (c) timely approval and distribution of the draft EOM operational manuals that should include specific responsibility, precise order and scheduling for individual tasks and the timeframes that are required to be met for the most significant events, such as the precise “project end date”, (d) improvement in the timeliness of funding solicitation letters that should provide best estimates for the cost of a mission, as well as specific due dates for donor contributions for expeditious planning and quick response to Electoral Observer Missions. All reports and recommendations submitted to the Secretary General were approved. As of September 10, 2009, 22 (42%) of the outstanding recommendations are in various stages of implementation.
Audit SG/OIG/AUDIT-01/08 - was performed to review and evaluate internal controls within the GS/OAS Office in Belize during the period January 1, 2007 through June 30, 2008. OIG determined that for the most part, during the audit period internal controls were satisfactory in GS/OAS Belize for safeguarding assets and recording financial transactions and amounts. The main weaknesses identified during the audit were: (1) Bank reconciliations were not always signed by both the former Director and the Administrative Technician as required by GS/OAS guidelines. (2) The official vehicle was not always used for official purposes as required by the Guidelines for the Use of Official Vehicles in the Offices of the GS/OAS in the Member States. (3) The registry log of long distance phone calls was not effectively maintained. (4) The VOIP internet based system that was implemented in GS/OAS Offices of the Member States to facilitate communication and decrease the cost of long distance calls was not operational in Belize. (5) Records of correspondence in the GS/OAS Belize were not effectively maintained in accordance with the OAS Records Management Manual. (6) Inventory items were not accurately recorded and did not match the Fixed Asset Report at Headquarters.

OIG reviewed disbursements and transactions related to the Specific Funded project “GS/OAS Office in the Adjacency Zone between Belize and Guatemala” and two FEMCIDI funded projects: “Regional Satellite-Delivered Distance Learning for Teacher Training Education and Human Development to Rural Areas (EDUSAT)” and “Development of Sustainable Land-use Systems “that were executed in GS/OAS Belize during the audit period. OIG found no irregularities and noted that project objectives were achieved.

Audit SG/OIG/AUDIT-02/08 - was performed to review and evaluate internal controls within the GS/OAS Office in Panama during the period January 1, 2007 through June 30, 2008. OIG determined that during the audit period internal controls were satisfactory in GS/OAS Panama for safeguarding assets and recording financial transactions and amounts. The main weaknesses identified during the audit were: (1) The names of the authorized signatures for the local bank account had not been updated. (2) Unused checks and Petty Cash funds were not properly secured. (3) Attendance reports were not always submitted during the first five days of the subsequent month. (4) A registry for long distance phone calls was not maintained. (5) Contracts for cleaning service personnel were signed after the services had begun. (6) Quarterly Reports on Releases of duty free goods were not always submitted during the first ten days after the end of each quarter.

OIG reviewed disbursements and transactions related to two FEMCIDI Funded Projects: “Studies and Use of Panama Biodiversity through Bio trade” and “Conservation of Documentary Heritage: Problematic and Methodology Used”, as well as the Specific Funded Project: “Building the Inter-American Biodiversity Information (IABIN)”. OIG found no irregularities and noted that project objectives were achieved.

Audit SG/OIG/AUDIT-03/08 - was performed to review and evaluate internal controls within the GS/OAS Office in Paraguay during the period January 1, 2007 through June 30, 2008. OIG determined that during the audit period internal controls were satisfactory in GS/OAS Paraguay for safeguarding assets, proper recording of transactions and amounts, efficient use of resources and compliance with established rules and directives. OIG noted that there is no provision in the Regular Fund Program Budget for the Clerk/Messenger/Chauffeur position in the GS/OAS Office in Paraguay. The main weaknesses identified during the audit were: (1) The Administrative Technician was working overtime but had not claimed compensatory time. (2) Blank checks from unused closed local bank accounts had not been destroyed. (3) Checks were not voided as required by GS/OAS directives. (4) Surcharge costs were not included in the reimbursement of the costs for personal long distance telephone calls. (5) Inventory list was not updated and (6) Quarterly Reports on Releases were not submitted within the required ten day period.
OIG found no irregularities in the review of disbursements and transactions for two Specific Funded Projects: “Regional Evaluation of the Impact of the Sustainability of Soy’s Productive Chain” and “Sustainable Land Management in the Gran Chaco Ecosystem”. Project reports indicated that project goals were achieved.

Audit SG/OIG/AUDIT-04/08 - was performed to review and evaluate internal controls within the GS/OAS Office in Uruguay during the period January 1, 2007 through June 30, 2008. Main weaknesses identified during the audit were: (1) The duties and responsibilities of the Clerk/Messenger/Chauffeur were not distributed according to the job description for the position. (2) Receipts for monies collected were not issued in numerical sequence. (3) Some local checks in excess of equivalent US$5,000 were issued with one signature without prior authorization from the Department of Budgetary and Financial Services (DBFS). (4) There was no formal contract for the provision of cleaning services. (5) Applications for Leave were not dated by the applicant and the supervisor. (6) Checks were not voided as required by GS/OAS directives. (7) The inventory list was not updated.

OIG identified no irregularities during the review of three Specific Funded Projects: “Guaraní Aquifer System”, “Inter-American Biodiversity Information Network (IABIN)” and “Conference for Government Spokespersons”. OIG noted that project objectives were achieved despite delays in submitting the final report for the “Conference for Government Spokespersons”.

Audit SG/OIG/AUDIT-05/08 - was performed to review and evaluate internal controls within the GS/OAS Office in Grenada, Carriacou and Petit Martinique during the period January 1, 2007 through June 30, 2008. OIG determined that during the audit period internal controls were satisfactory for safeguarding assets and recording financial transactions and amounts. The main weaknesses identified during the audit were: (1) The Clerk/Messenger/Chauffeur did not have a copy of his job description. (2) The Administrative Technician who was appointed in July 2007 did not perform all functions efficiently primarily due to a lack of appropriate training, especially in OASES. (3) All bank reconciliations were not signed by the Director as an indication of review and approval. (4) A number of checks and project disbursements were not supported by invoices or supporting documentation. (5) Payments of invoices, including rental payments were not made on a timely basis. (6) Checks were issued for nominal amounts that should have been paid with Petty Cash Funds. (7) Official Vehicle log was incomplete. (8) There was no log for long distance telephone calls. (9) Prior to the field visit most personal telephone calls were not reimbursed to the OAS. (10) GS/OAS Grenada had not contracted cleaning services during the last three years and staff members were providing cleaning services. (11) Some checks for amounts greater than US$5,000 were issued with only one signature without the appropriate prior authorization from DBFS. (12) Local inventory records did not agree with the Fixed Asset Report maintained at the Office of Procurement Services (OPS)-Headquarters. (13) Quarterly Reports on Releases were not submitted during 2007 and 2008.

OIG found no irregularities in the review of disbursements and transactions for two FEMCIDI Funded Projects that were executed in Grenada during the audit period: Export Development in Support of the export Strategy of Grenada and Equipping School Principals with some Specific Qualities and practices that effective principals can use to help students. Project reports indicated that project goals were achieved.
Audit SG/OIG/AUDIT-06/08 - was performed to review and evaluate internal controls within the GS/OAS Office in Trinidad and Tobago during the period January 1, 2007 through June 30, 2008. The main weaknesses identified during the audit were: (1) Bank reconciliations did not display the Director’s signature as an indication of his review and approval. (2) The official vehicle log was not accurate. (3) The lease agreement was not current. (4) Monthly rental payments were issued after the due dates. (5) Inventory records did not agree with the Fixed Asset Report of OPS. (6) Quarterly reports on releases were not always submitted within the required ten day period after the end of each quarter.

OIG found no irregularities in the review of disbursements and transactions for two FEMCIDI funded Projects that were executed in Trinidad and Tobago during the audit period: “Enhancement of the Labour Inspection Function in Selected Caribbean Countries” and “Science and Technology Forecasting and Innovation Mapping the Caribbean”. Project reports indicated that project goals were achieved.

Audit SG/OIG/AUDIT-07/08 - was performed to review and evaluate internal controls within the GS/OAS Office in Ecuador during the period January 1, 2007 through June 30, 2008. OIG determined that the internal control environment was less than satisfactory in that office. A number of internal control weaknesses were identified that may be summarized as follows: (1) The Secretary/Technician did not effectively supervise subordinate staff members of the GS/OAS Office, as required. (2) The Secretary/Technician’s did not effectively perform her duties and OIG identified a need for training in OASES, other financial and administrative functions and GS/OAS directives. (3) Information in the Attendance Reports submitted by the Secretary/Technician was inaccurate. (4) Daily Control Logs of Long Distance Calls and Official Vehicle Mileage were not maintained during the audit period and information contained in those logs for periods subsequent to the field visit was not accurate. (5) The local bankbook showed negative monthly balances for several months that resulted in additional bank charges for overdrawn balances. (6) Petty Cash and check payments were not supported with adequate and valid documentation. (7) Several checks in excess of US$5,000 from the local bank account were issued with only one signature without DBFS authorization. (8) Information regarding Temporary Support Personnel and Local Professionals was not submitted to the Department of Human Resources (DHR) and the contracting mechanism used for those individuals did not comply with GS/OAS directives and local labor laws. (9) Checks reported as outstanding on bank reconciliations had not been issued to the corresponding suppliers. (10) Payments made to local suppliers were not made on a timely basis. (11) Goods and services were received prior to the approval of the corresponding Purchase Order. (12) Disbursements were not supported with appropriate or relevant documentation. (13) The Fixed Assets Report maintained by the Office of Procurement Services (OPS) Headquarters was inaccurate primarily because project inventory items were not recorded. (14) Quarterly Reports on Releases of duty free goods were not submitted to Headquarters during the audit period.

OIG reviewed disbursements and financial transactions of the FEMCIDI Fund Project “Rural Development of the Binational Sub-basin of the Macará River – Ecuador Component” and a Specific Fund Program “Comprehensive Action Against Antipersonnel Mines in Ecuador (AICMA/EC). Progress reports reported that several challenges were experienced during the execution period. However OIG identified no irregularities and project reports indicated that objectives were satisfactorily achieved.
Audit SG/OIG/AUDIT-08/08 - The GS/OAS Technical Project Unit in Argentina functions as the GS/OAS Office in Argentina and is managed by the Department of Sustainable Development. The main purpose of the audit was to evaluate the internal control environment and operational processes performed by that project unit. OIG reviewed financial transactions and disbursements processed during the period January 1, 2007 to June 30, 2008 and noted that the internal control environment in the GS/OAS Technical Project Unit in Argentina is less than satisfactory. Internal control weaknesses may be summarized as follows: (1) OAS funds were not timely deposited in the local bank account. (2) Travel payments were made to local suppliers in U.S. Dollar currency instead of the local currency. (3) There were no current insurance policies for two Specific Funded project vehicles. (4) The Chief Coordinator did not effectively supervise unit personnel. (5) The performance of the Unit personnel indicated a lack of sufficient knowledge and skills and a need for appropriate training to efficiently perform the required functions. (6) The mechanism used for Temporary Support Personnel (TSP) did not comply with GS/OAS directives. (7) Payment was made to a local company without the appropriate Purchase Order authorization and a local company had two supplier numbers. (8) The lease agreement for the office premises was not current. (9) Signed checks that had not yet been issued to the payees were shown as outstanding on the bank reconciliations. (10) There was no evidence of the Supervisor’s approval on the bank reconciliations and bank reconciliations were not timely submitted to DBFS. (11) Information in Attendance Reports submitted by the Chief Coordinator was inaccurate and those reports were not timely submitted. (12) Daily control log of long distance calls and local Fixed Assets Register were not effectively maintained. (13) Information shown on the Fixed Assets Report of the Office of Procurement Services (OPS) was not accurate. (14) The GS/OAS Technical Project Unit in Argentina is not connected to OASES or the OAS communications infrastructure and this adversely affects operational processes. (15) Quarterly Reports on Releases of duty free goods and TECs were not submitted to Headquarters.

OIG reviewed reports for a FEMCIDI project and two Specific Funded projects and noted that expenditures were authorized. The final report of the FEMCIDI Project “Designing Policies and Strategies for the Prevention of School Failure” stated that objectives were achieved despite challenges and delays experienced during the project execution. OIG review of the Specific Funded “White Helmets’ Initiative Program” and the “Implementation of the Strategic Action Program (SAP) for the Bermejo River Binational” indicated that the main internal control weaknesses identified by the OIG related to the financial transactions for project disbursements.

Audit SG/OIG/AUDIT-09/08 - The GS/OAS Technical Project Unit in Brazil functions as a GS/OAS Office in that Member State and is managed by the Department of Sustainable Development. The main purpose of this audit was to identify internal controls in effect over operational activities, including cash receipts and disbursements processed in the GS/OAS Technical Project Unit in Brazil and to verify that the Technical Project Unit is executing its responsibilities in accordance with GS/OAS directives including the General Standards, the Budgetary and Financial Rules, the Field Financial Manual, and other directives of the General Secretariat. The OIG examined selected operational and financial procedures to evaluate effectiveness, efficiency and economy of internal controls to ensure as far as practical, the orderly and efficient conduct of the GS/OAS Technical Project Unit in Brazil. OIG concluded that, for the most part the performance of operational processes and the internal control environment were satisfactory in the GS/OAS the Technical Project Unit in Brazil. OIG determined that weaknesses were mainly related to the need for compliance with GS/OAS directives regarding: (1) The use of the TSP employment mechanism. (2) Timely submission of Monthly Annual Leave Reports for the Project Financial Officer. (3) Procedures for voiding checks (4) The need to review purchase orders that are outstanding for more than 180 days and ensure that contracts are valid prior to making payments. In addition, the GS/OAS Technical Project Unit in
Brazil is not connected to OASES and to the OAS communication infrastructure, staff members have not been provided OAS e-mail accounts and as a result operational processes are adversely affected.

OIG found no irregularities in the review of disbursements and transactions of the FEMCIDI funded “Science Popularization in Latin America and the Caribbean Project”, as well as two Specific Funded projects: “Institutional Structure Program for the Consolidation of National Policies of Hydric Resources” and “Aquifer Guarani System”. Project follow-up and final reports were timely submitted and according to those reports, project objectives were successfully achieved.

Audit SG/OIG/AUDIT-10/08 - The Board of External Auditors recommended in the report for 2007 that OIG consider performing an audit of duplicate payments during 2008. The main objectives of this audit were to determine whether: (1) duplicate payments were disbursed from Headquarters during the audit period and (2) control weaknesses exist in the disbursement process that could potentially create risks of duplicate payments being processed in OASES without being detected. OIG performed substantive testing (both automated and manual) of disbursement transactions processed during the audit period and utilized specific test procedures. Based on a sample analysis of disbursement transactions from January 1 through September 30, 2008, OIG concluded that at least two duplicate payments were processed. In addition, OIG concluded that there were internal control weaknesses that identified inconsistencies and inefficiencies in the operational processes in the Department of Budgetary and Financial Services (DBFS). These internal control weaknesses indicate the existence of inherent risks in the disbursement process that may: (1) potentially lead to more duplicate payments that would not be detected in a timely manner and (2) compromise the integrity of the disbursement and financial data in the system. In addition to the need to recover an overpayment made to a vendor, the main control weaknesses noted by the OIG include the following: (1) There were no written procedures for the operational processes of the accounts payable and other related functions performed by DBFS staff members to ensure consistency in invoice entry/processing and timely review of those processes. (2) Several payments are processed without a Purchase Order, contrary to Budgetary and Financial Rules. (3) The codification of invoices/invoice numbering in OASES is inconsistent. (4) Invoices are sometimes entered in the system with repetitive distribution lines showing positive and negative amounts. (5) Several payment transactions showed multiple cancellations. (6) More than one number was assigned to some vendors in OASES and the vendor set-up indicated improper proper system control. (7) Incorrect vendor numbers were used for disbursements made to vendors with similar names and different sites. OIG recommended follow up action for the recovery of the overpayment made to the vendor. In addition, in order to mitigate the risk of duplicate payments being processed and not detected in a timely manner, recommendations were issued to establish procedures, improve efficiency and timeliness in the operational processes and the internal control environment.

Audit SG/OIG/AUDIT-11/08 - The audit focused on selected operational processes and sub processes related to Accounts Payable and Cash Management performed within the Department of Budgetary and Financial Services (DBFS) and was designed to: (1) evaluate existing internal controls related to the selected processes, (2) perform testing of some key controls of the selected processes and (3) evaluate the effectiveness and efficiency of the selected operational processes. OIG examined OAS policies and procedures as they pertain to the DBFS Operational Processes selected for review. However, the Budgetary and Financial Rules Handbook and other documentation do not provide detailed information on DBFS operational processes. In the absence of appropriate written procedures, OIG conducted interviews and documented the selected processes based on interview results, inquiries, observations and walk-through, focusing on identifying internal controls in place. OIG sample review found no irregularities related to receiving and recording invoices or adjusting entries for bank transactions. In addition, the comparison of the Final Payment Register and Positive Payment Interface reports to Corresponding Check Runs revealed no irregularities. However, in addition to the
absence of written procedures related to the processes selected for review, weaknesses identified in OIG findings may be summarized as follows: (1) Validation process related to the receipts of goods and services was not consistent across all Departments/Areas. (2) There is need to comply with the Performance Contract (CPR) Rules regarding payments issued to CPRs and ensure that invoices are always paid in a timely manner. (3) There was no written policy regarding the time limit for invoices to remain unpaid in the system. (4) There was a lack of effective monitoring and follow-up of “invoices on hold” in the system. (5) The authority for releasing invoices on hold was not restricted to designated DBFS personnel. (6) The level of authorization and management approval in the disbursement process was inadequate. (7) There was excessive manual involvement in the process related to the International Web Connect (IWC) payment transactions for Columbia. (8) A/P staff has the option to “force” entry in OASES. (9) The ability to process payments was not segregated from the ability to create vendors in OASES since the function of creating vendor is assigned to DBFS instead of the Office of Procurement Services (OPS). (10) Some of the contributions received were not recorded in a timely manner in the system as the Unclaimed Funds Report shows amounts unclaimed from January 2008. (11) Bank reconciliations for some bank accounts at both Headquarters and the National Offices were not always timely prepared, reviewed and approved by DBFS.

Audit SG/OIG/AUDIT-12/08 - The OAS Secretariat for Political Affairs (SPA), through the Department of Electoral Cooperation and Observation, (DECO) is responsible for developing and maintaining a permanent, professional electoral observation service and conducting electoral observation missions at the request of Member States. SPA was responsible for twenty EOM projects in 2007 and thirteen EOM projects during the first nine months of 2008 that were performed in sixteen Member States. This audit was performed to review selected internal controls over the operational processes, including planning and implementation of Electoral Observation Missions. In addition to reviewing the general operational processes related to electoral observation missions, OIG reviewed transactions related to two specific funded projects managed by the DECO: “The Electoral Observation Mission (EOM) for the Legislative, State and Local Elections in Colombia”, and the “Support for the Electoral System in Guatemala 2005-2007. OIG also reviewed three draft manuals that provide guidance for the conduct of EOM missions, as well as the draft Project Execution Manual that is intended to facilitate project management of long-term projects through the Electoral Technical Cooperation Section (ETCS) that reports to the DECO.

OIG noted that in order to successfully complete those EOM missions in a cost effective and timely manner, DECO receives assistance from other GS/OAS staff members, such as the Department of Legal Services (DLS), the Department of Budgetary and Financial Services (DBFS) and the Office of Procurement Services (OPS). This assistance is intended to provide the technical expertise that is not available in DECO. Main identified weaknesses were: (1) DECO is not adequately staffed to carry out its mandate. (2) There is need for a clearly defined relationship to workload requirements such as a workload study to help identify a suitable organizational alignment for quick reaction to requests for Electoral Observation Missions and determination of the staff optimally required to accomplish those missions. (3) Job descriptions for all positions in DECO should be accurate and current. (4) There is need to include specific responsibility, precise order and scheduling for individual tasks and the timeframes that are required to be met for the most significant events, such as the precise “project end date” and return of unused funds to donors in the three draft manuals that provide guidance for the conduct of EOM. (5) The timeliness of funding solicitation letters should be improved and should include best estimates for the cost of a mission, as well as specific due dates for donor contributions so that sufficient funds are available in a timely manner, well in advance of the required election date to allow for expeditious planning and conduct of quick response to EOM projects. At the time of the audit the database that is maintained in DECO with information regarding standardized requirements for processing the hiring of observers was not available to the Department of Human Resources (DHR). However, OIG noted that DECO and the Department of Information and Technology
Services (DITS) have begun to develop a new initiative proposal to capture historical data on all observers and facilitate the hiring process. OIG has recommended that this database be made available to the DHR.

As of the date of this report, thirty (58%) of the 2008 recommendations have been implemented. Twenty-two (42%) of the fifty-two 2008 recommendations were still outstanding of which eleven were considered High Risk. The outstanding 2008 recommendations primarily focus on the need for improved operational processes, reengineering of business processes through OASES, as well as development, amendment and distribution of procedural manuals and directives.

The OIG has noted that from May 1, 2007 the Secretariat for Administration and Finance (SAF) has established the SAF Transformation and Modernization Project (STAMP) to transform and modernize OAS resource management systems for improved internal governance. The five key objectives of the STAMP taskforce are:

- Standardization of resource policies and processes
- Transparency
- Accountability and providing meaningful reports
- Training
- Ethics

OIG has been informed that through the STAMP project, SAF is analyzing and assessing methods for re-engineering and improving its business processes and for implementing the outstanding recommendations. Those initiatives are supported by the Board of External Auditors and include increased automation of operational processes, simplification and standardizing policies, procedures and definitions. SAF is expected to communicate its plans to internal stakeholders, Members States and external parties.

II. Staffing

In addition to the position for the Inspector General, the 2008 Regular Fund Program Budget provides three P3 Auditor posts, two P2 Junior Auditor posts and one P1 Audit Trainee position. During 2008 all vacant positions were filled. OIG staff members attend continued education training to meet annual professional requirements as recommended by the Board of External Auditors. The Inspector General continues to utilize performance contractors to supplement the staffing resources provided by the Regular Fund. In addition to Regular Fund allocations, the OIG received US$109,000 in 2008 from the recovery of indirect costs generated by Specific Funds. Those funds were used to cover the cost of services of the G-5 Audit Technician, as well as performance contracts for audits to supplement Regular Fund resources. In 2008 the OIG also participated in the internship program.
III. Other

During 2008 OIG observed various meetings of the Permanent Council, the CAAP and CEPCIDI, as well as GS/OAS meetings, including the Transformation and Modernization Project Committee established by the Secretariat for Administration and Finance (STAMP), Procurement Contract Awards Committee, Committee for Disposal of Surplus and/or Obsolete Assets (COVENT), and Committee of Administrative Matters (CAM). The Inspector General continues to meet, as necessary, with the Offices of the Secretary General and Assistant Secretary General, as well as managers of the General Secretariat to discuss matters and concerns that affect the internal control environment and those that may present potential risk to the Organization. Those meetings include discussions regarding the internal control environment, implementation of audit recommendations, as well as other operational issues such as proposals for changes to business processes. OIG also reviewed several operational procedures and provided recommendations where necessary.

Linda P. Fealing
Inspector General
September 10, 2009