

ANNUAL REPORT OF THE OFFICE OF THE INSPECTOR GENERAL  
FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2007

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



**Organización de los Estados Americanos  
Organização dos Estados Americanos  
Organisation des États Américains  
Organization of American States**

17<sup>th</sup> and Constitution Ave., NW, • Washington, D.C. 20006

SG/OIG-26/08

August 27, 2008

Excellency:

I have the honor to submit to you the Annual Report of the Inspector General for the period January 1 through December 31, 2007.

This Office submits Annual 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

His Excellency  
Jose Miguel Insulza  
Secretary General  
Organization of American States  
Washington, D.C.

Encl.



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August 27, 2008

Mr. President:

Pursuant to Article 119 of the General Standards and Resolution AG/RES. 1321 (XXV-O95), I have attached for the Permanent Council's consideration the Annual Report of the Office of the Inspector General for the period January 1 to December 31, 2007.

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

Linda P. Fealing  
Inspector General

His Excellency  
Ambassador Nestor Mendez  
Permanent Representative of Belize  
to the Organization of American States  
Chairman of the Permanent Council  
Washington, D.C.

Encl.

Annual Report of the Inspector General

January 1 to December 31, 2007

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## EXECUTIVE SUMMARY

The Office of the Inspector General is the dependency responsible for performing internal auditing procedures, systematic review of internal management and accounting controls, assisting in strengthening controls and improving the efficiency of all GS/OAS offices, secretariats, departments, programs, divisions, units, activities and projects, both at Headquarters and in the Member States. Executive Order 95-05 states that the purpose of the Office of the Inspector General is to advise and assist the Secretary General and through him the Secretaries, Directors and other General Secretariat supervisory staff in the proper discharge of their responsibilities by providing them with appropriate analyses, evaluations, investigations, recommendations and comments on the activities reviewed.

Executive Order 05-08, Corr. 1 issued on April 14, 2005 outlines the General Secretariat's policy for encouraging the reporting of financial and administrative misconduct and provides protection for whistleblowers, informants and witnesses from retaliation in the reporting of those allegations. The Inspector General maintains a hotline by which allegations of financial misconduct may be reported. All matters brought to the attention of the Inspector General for investigation are evaluated against known information for credibility and the impact on internal controls.

The Inspector General issued reports of ten audits, one investigation and one inspection for auditing activities completed during the year ended December 31, 2007. The 2007 auditing activities included review of operational processes and transactions carried out in dependencies of the Secretariat for Administration and Finance (SAF) at Headquarters and five GS/OAS Offices. Expenditure and project reports of fifteen (15) Specific and FEMCIDI funded projects were examined to determine whether activities were carried out according to the terms of the signed agreements and whether objectives were achieved in a cost effective manner. In 2007 the Office of the Inspector General (OIG) investigated a complaint presented by a former Special Observer Contractor (SOC) regarding the terms and conditions of her performance contract and reported on the inspection of Emergency and Petty Cash funds at Headquarters. OIG also communicated directly with the respective Directors and provided appropriate recommendations on internal control weaknesses identified in the operational processes related to the hiring of employees at a higher step on initial appointments and the OAS Contract Awards Committee Bid opening process. The OIG hotline is an effective additional mechanism for reporting allegations of unethical behavior, misconduct due to corrupt or fraudulent activities involving financial transactions processed by GS/OAS staff and performance contractors. Matters referred to the OIG in 2007 that posed an inherent risk to the internal controls of the General Secretariat or anomalies identified in existing rules and policies were investigated for appropriate action.

The results of the audit activities carried out by the OIG provided fifty-four recommendations for the continuous improvement of programme performance through operational processes and procedural directives, responsible administration of resources and management accountability. Annex 1 distinguishes the audits as operational or compliance and a listing of the audit activities completed in 2007 according to technical areas is provided in Annex 2.

All reports submitted by the Inspector General were approved by the Secretary General.

OIG proactive efforts through consultations during audit activities, distribution of draft audit reports for comments prior to submission to the Secretary General for approval, discussions on current and proposed operational activities and processes, the review of operational procedures prior to their distribution, as well as participation as an observer at various GS/OAS meetings have facilitated and encouraged open communication with the General Secretariat. Through its continuing efforts, the OIG promotes responsible management of resources, a climate of accountability and transparency and improved program performance throughout the General Secretariat. The OIG continues to provide a consistent, constructive and continuous positive impact on the overall efficiency and effectiveness of the GS/OAS.

The implementation rate for approved recommendations is a meaningful factor in the determination of the success of the auditing services provided by the OIG. The success and usefulness of the audit function depends on the value and importance senior management places on that function and the way it is integrated into GS/OAS operational activities. OIG recommendations issued for 2005 and prior years have been implemented and closed. As of the date of this report thirteen (18%) of the seventy -four recommendations issued by OIG for 2006 and eight (15%) of the fifty-four recommendations that were issued for 2007 were still outstanding.

The Board of External Auditors issued an unqualified opinion (“clean”) in its audit report of the OAS 2007 financial statements of all significant funds and entities managed by the GS/OAS and reaffirmed the important status and role of the OIG as the essential ongoing safeguard to assess and maintain the internal control environment. I am pleased that, in response to recommendations from the Office of the Inspector General and the Board of External Auditors, the Secretariat for Administration and Finance (SAF) has made significant efforts for consolidating and strengthening GS/OAS administrative and communication tools and modernizing OAS Resource Management Systems to ensure greater efficiency, transparency and accountability in the performance of its responsibilities. The Inspector General commends the various dependencies of the General Secretariat who have undertaken a number of initiatives for better governance. While several initiatives are still in the development stages, some of the more notable 2007 achievements related to the OAS internal control environment that resulted from the combined efforts of the General Secretariat include:

- Staff Rules were updated.
- A new indirect cost recover policy was implemented.
- The Financial Portal was introduced by the Department of Budgetary and Financial Services (DBFS) to provide information, documents and reports, including the Quarterly Resource Management Reports.
- DBFS arranged for training for GS/OAS for Certification in Government Financial Management (CGFM).
- The first annual operational control process was instituted with systematic registry of achieved results and executed resources by the Department of Planning, Control and Evaluation (DPCE).
- Manuals and procedures were developed and distributed by the Secretariat for Political Affairs (SPA) for OAS electoral observation missions.
- Training was provided by SAF, DPCE and SPA in various operational processes, including OASES, a new performance evaluation system, project management, monitoring and evaluating, electoral cooperation and observation.
- A Manual of Procedures for the Fellowship and Training Programs of the OAS was approved.

- A financial handbook for Specific Fund Agreements was distributed.
- A proposal to adopt the International Public Sector Accounting Standards (IPSAS) for more comprehensive financial reporting, improved business processes and an accountable financial and administrative management structure was proposed to the Permanent Council.
- The SAF Transformation and Modernization project (STAMP) was established to transform and modernize the OAS Resource Management Systems including streamlining operational processes that will standardize policies, enhance transparency, establish clear lines of accountability, provide training and implement a mandatory Code of Ethics.
- The Department of Information Technology Services (DITS) improved OASES overall performance, including implementation of several OASES modules, consolidation of servers, new security policies and OASES upgrade.
- Development of a new inventory control module as part of the OASES system was initiated.

The adoption of the new International Public Sector Accounting Standards (IPSAS) as proposed to the Permanent Council in 2007 will allow OAS to report financial statements that are comparable to similar International Organizations, to adopt best practices and provide more meaningful and comprehensive financial reports. The most significant changes to be expected from this proposed new method of financial reporting relate to recognition of assets and liabilities, as well as the proper recording of revenue and expenditures. The following examples are provided to demonstrate some of the significant changes:

- Assessed quotas will be recorded as revenue on January 1 of the current fiscal period and uncollected quotas will be recorded as Accounts Receivable until fully paid.
- Gains or losses may be realized from recording market values of investments.
- Liabilities will be recorded for accrued employee benefits during the complete contract period.
- Unliquidated obligations will not be treated as expenditures until they are expended.
- Travel expense advances and other accountable advances will not be treated as expenditures until the actual amounts of the expenditures is known and unexpended amounts of those advances will be recorded as Accounts Receivable (assets).

In the 2007 audit report, the Board of External Auditors stressed the need to ensure that control issues are considered during the OAS governance and business modernization initiatives. The Board recommended that GS/OAS needs to develop a plan of action to transition from the current Budgetary and Financial Rules and also implement an outreach effort with both internal and external users of the financial statements. The Board requested that SAF explain how the financial reporting would be impacted under the new Standards and re-affirmed the need to:

- Address the lack of sufficient resources to achieve OAS key goals.
- Implement an enforceable and institutionalized, supportable Indirect Cost Recovery (ICR) mechanism, as well as a Performance Measurement System.
- Modernize business processes to ensure a higher level of transparency and accountability and consistency in financial management issues and amend policies and procedures.
- Provide appropriate training for transition to the new method of financial reporting.
- Fully utilize the OASES system to address user reporting needs.
- Consolidate websites.
- Improve review processes over significant accounts and processes.

- Provide ethics training to the General Secretariat.

The Inspector General agrees with the Board's recommendations for an effective and successful transition towards the adoption of International Accounting Standards, as well as improved accountability and transparency.

Annex 3 of this report provides the 2008 OIG Work Plan and takes into consideration issues mentioned in the report of the Board of External Auditors for the 2007 fiscal year. The OIG Work Plan is designed to focus on examination of activities with the highest degree of risk and those that promote economy, efficiency and effectiveness in GS/OAS operations. The 2008 Work Plan includes review of various operational processes and transactions processed through SAF, including the GS/OAS Offices in the Member States, as well as Specific and FEMCIDI funded projects.

In addition to the issues mentioned in the 2007 report of the Board of External Auditors and the internal control environment in general, GS/OAS challenges for 2008 that cause concern to the Inspector General include:

- Effectiveness of the ICR policy to achieving desired objectives.
- Lack of sufficient resources in the General Secretariat to carry out mandates.
- Inadequate or outdated policies and procedures.
- Significant use of the performance contract mechanism throughout the General Secretariat.
- The internal control environment in the GS/OAS Offices and entities in the Member States and OASES training for all administrative personnel to enable those persons to carry out the necessary administrative financial transactions.
- Need for a staffing plan to determine human resource requirements throughout the General Secretariat with proper classification levels and job descriptions.
- Provision of a systematic review process of financial processes and DBFS site visits to those offices.
- Improved project monitoring, evaluation and management at Headquarters.

For a number of years, both the Board and the Inspector General have expressed concern for OIG staffing resources and the Board has recommended that the Inspector General's request for staffing be given priority and favorable consideration. In 2007, the Board also reaffirmed its recommendation that the General Secretariat, in conjunction with the OIG, develop a methodology to ensure that adequate indirect cost recovery funds are provided for audit oversight activities. In compliance with the 2006 recommendations of the Board of External Auditors, the Department of Human Resources and the Inspector General have coordinated efforts to address OIG staffing needs and a staffing plan has been submitted for the approval of the Secretary General. The lack of adequate resources inhibits the ability of the OIG to adequately respond to the GS/OAS audit needs, issue reports in a timely manner, perform systematic follow-up of outstanding recommendations and comply with the Board's recommendations for training and peer review.

The Inspector General reports directly to the Secretary General and is governed by the Articles of the General Standards for the operations of the General Secretariat, Executive Order 95-05 and the Budgetary and Financial Rules and Procedures, as well as other OAS directives. The Inspector General has complete independence in planning audit programs and in all audit activities and the OIG enjoys full technical autonomy and the broadest possible managerial autonomy. Despite its operational independence, the OIG operates as an essential component of the General Secretariat in achieving responsible administration of resources, as well as creating an atmosphere of accountability, transparency and improved performance in the execution of the OAS programs. The OIG is subject to the financial constraints of the General Secretariat.

## I. INTRODUCTION

Pursuant to Article 119 of the General Standards for the operations of the General Secretariat, I hereby submit for consideration of the Permanent Council the annual report on auditing activities, completed by the Office of the Inspector General (OIG) during the calendar year ended December 31, 2007. The report makes reference to the proposals made by the Board of External Auditors and the adequacy of resources, including the level of staffing allocated to the Office of the Inspector General.

## II. GENERAL INFORMATION

### A. Mandate

In accordance with Article 117 of the General Standards, the Secretary General has established appropriate internal auditing procedures to verify compliance with standards and regulations in force, especially through systematic and selective examination of official transactions and operational procedures related to the resources administered by the General Secretariat. It is the General Secretariat's policy to maintain an efficient and independent internal audit system to assist the Secretary General and the governing bodies in monitoring, both proper fulfillment of the responsibilities of the various levels of management with respect to the General Secretariat's programs and resources, and adherence to the legal system governing the General Secretariat.

In accordance with the Standards for the Professional Practice of Internal Auditing, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Organization's operations. The internal audit function provides an ongoing program for appraising performance, maintaining financial integrity and measuring compliance with operational regulations, policies and procedures, safeguarding of assets, economy and efficiency in the use of resources, as well as effectiveness of program and project management for achieving desired objectives. Access controls for safeguarding assets which include appropriate segregation of duties are designed to protect assets and records against physical harm, theft, loss, misuse or unauthorized alterations.

Satisfactory internal control is a requirement for effective measurement of programme delivery and achievement of results. The internal control environment encompasses the tone of an organization and sets the basis for how risk is viewed and addressed by management. GS/OAS management is responsible for establishing and maintaining a satisfactory internal control environment to provide reasonable assurance that OAS objectives are met. Information Systems are part of the information and communication component of internal control. Internal audit is an essential part of comprehensive systems of accountability and assists in detecting and correcting conditions that pose unnecessary risks, identifies opportunities for improvement and helps the Organization achieve objectives, while keeping risks within tolerable limits.

Executive Order 95-05 issued by the Secretary General on May 8, 1995 established the Office of the Inspector General as the dependency responsible for applying internal auditing procedures and performing the related functions, and also provided the declaration of responsibility, purpose and authority with respect to internal audits and the composition of the Office of the Inspector General. The purpose of the Office of the Inspector General is to advise and assist the Secretary General and through him the Secretaries, Directors and other General Secretariat supervisory staff in the proper discharge of their responsibilities by providing them

with appropriate analyses, evaluations, investigations, recommendations and comments on the activities reviewed. Specifically, the Office of the Inspector General is responsible for ensuring systematic review of internal management and accounting controls, for assisting in strengthening controls and improving the efficiency of all GS/OAS secretariats, departments, programs, divisions, offices, units, activities and projects, both at Headquarters and in the Member States. In accordance with the General Standards, audits are conducted with special emphasis on the proposals of the Board of External Auditors, particularly regarding the need to concentrate on High Risk areas. Recommendations are provided for promoting economy, efficiency and effectiveness in General Secretariat operations and to assist all levels of management in the prevention or detection of fraud and abuse.

Executive Order 05-08, Corr. 1 issued on April 14, 2005 outlines the General Secretariat's policy for encouraging the reporting of financial and administrative misconduct. This policy provides protection for whistleblowers, informants and witnesses from retaliation in the reporting of and is essential in the fight against fraud. The use of the OIG hotline is effective in providing an additional mechanism for reporting allegations of unethical behavior, misconduct or corrupt or fraudulent activities involving financial transactions processed by GS/OAS staff members and performance contractors. The Executive Order states that the Inspector General, the Secretary for the Secretariat for Administration and Finance, the Director of the Department of Human Resources, the Director of the Department of Legal Services and the President of the Staff Association are authorized to receive information from informants. Any of the appropriate authorities who receives appropriate information must promptly inform the Inspector General of that information in writing, with a copy to the Secretary General for appropriate action.

The OIG dedicates its efforts towards assisting the Member States and the General Secretariat in achieving responsible administration of resources, as well as creating an atmosphere of accountability, transparency and improved performance in the execution of OAS programs. Auditing activities are undertaken to determine whether the functions of planning, organization, management, documentation, accounting, custody and control of resources are carried out efficiently, effectively and economically and in accordance with:

- i) Established instructions, policies, standards, regulations, manuals, procedures and other administrative provisions and
- ii) The Organization's overall aims and the highest standards of administrative practice.

The OIG reports on the adequacy and effectiveness of the system of internal controls within the General Secretariat, including the integrity of financial information, compliance with directives for administering OAS programs, the effectiveness of program and project management according to the terms of signed agreements, efficiency and effectiveness of the OASES computerized system, security and application controls, as well as effective use and safeguarding of assets. Audit reports identify the strategic initiatives used by the OIG and recommendations are provided to correct identified weaknesses and improve accountability and performance throughout the General Secretariat. The OIG evaluates elements of internal controls against identified risks within the General Secretariat, including organizational structure, standards of business and the risk thereof in programs or operations.

## **B. Quality of Work**

The OIG ensures the quality of its work by performing its duties in accordance with the provisions of its mandate, the rules and directives of the General Secretariat and the Standards for the Professional Practice of Internal Auditing approved by the Institute of Internal Auditors. Internal Auditing Standards govern the independence, proficiency, objectivity and diligence of the OIG, the scope and performance of the internal auditing work and the professional care to be applied in carrying out auditing services. All professional staff members of the Office of the Inspector General are members of the Institute of Internal Auditors.

## **C. Implementation of Recommendations**

In accordance with Executive Order 95-05, the Inspector General submits reports of audit findings and recommendations to the Secretary General. Findings and recommendations from approved audit reports are transmitted to senior management by the Secretary General. Executive Order 95-05 provides that, within 30 days following the receipt of the report transmitted by the Secretary General, managers are expected to ensure that appropriate corrective action is taken or planned and provide a written report on actions regarding the recommendations made or the deficiencies reported by the Inspector General. OIG recommendations are directed at contributing to better management, more accountability, and improved transparency and are rated as High, Medium and Low Risk. High Risk recommendations are considered to have the most far-reaching consequences regarding the General Secretariat's performance and ability to effectively carry out its mandated activities. Implementation of those recommendations may require recovery of amounts due to the Organization and would result in better productivity, workflow and program effectiveness. The Inspector General is responsible for reporting to the Board of External Auditors on the issuance of all reports submitted to the Secretary General.

In the 2007 audit report, the Board reaffirmed that the OIG is an essential continuing safeguard to assess and maintain the internal control environment. The implementation rate for approved recommendations is a meaningful factor in the determination of the success of the auditing services provided by the OIG. The monitoring of the actions taken in implementing recommendations is critical in determining the impact of the OIG on the General Secretariat and in measuring improvements. In order to determine the actions taken on deficiencies reported in audit reports, the Office of the Inspector General has successfully established a system for tracking actions taken by the General Secretariat in implementing recommendations. This tracking system evaluates the effectiveness of the action taken in the implementation of recommendations and reports generated by this system are provided to the Board of External Auditors during their annual review.

### III. SUMMARY OF AUDITING ACTIVITIES

#### A. Completed Audit Activities

During the period January 1 to December 31, 2007 ten audits, one investigation and one inspection were completed. In addition to the Risk Assessment of Procurement, Disbursement and Payroll processes in the General Secretariat, OIG auditing activities focused on areas of highest risk that are most likely to affect OAS ability to effectively carry out its mandates, such as vulnerable risks related to the OAS Internet Environment, Accountable Advances, Inventory of OAS Fixed Assets, and operational processes carried out in the GS/OAS Offices in Guatemala, Guyana, Suriname, Nicaragua and Venezuela. In addition, in 2007 OIG investigated a complaint presented by a former Special Observer Contractor (SOC) regarding the terms and conditions of the performance contract and performed an inspection of Emergency and Petty Cash funds at Headquarters. The Inspector General communicated directly with the respective managers on internal control weaknesses identified in the operational processes related to the hiring of employees at the higher step on initial appointments and the OAS Contract Awards Committee Bid opening process. The OIG review of fifteen projects included evaluations and examinations of financial transactions and project reports, as well as the efficiency and effectiveness of the management of those projects, to determine whether activities were carried out according to the terms of the signed agreements and whether objectives were achieved in a cost effective manner. Of the fifteen projects reviewed during 2007, ten projects were funded by Specific Funds and five were funded by FEMCIDI. Fifty-four recommendations were issued to correct identified internal control weaknesses. All reports submitted by the Inspector General were approved by the Secretary General.

The Board of External Auditors issued an unqualified opinion (“clean”) in its audit report of the OAS 2007 financial statements of all significant funds and entities managed by the GS/OAS and reaffirmed the important status and role of the OIG as the essential ongoing safeguard to assess and maintain the internal control environment. The Inspector General commends the various dependencies of the General Secretariat who have undertaken a number of initiatives for better governance. In addition to recovering funds due to the Organization, more notable 2007 achievements that have resulted from the combined efforts of the General Secretariat may be summarized as follows:

- The Board of External Auditors has assessed the overall internal control environment in 2007 in the General Secretariat to be generally effective.
- No material weaknesses or reportable conditions were reported.
- The Board is satisfied with the progress made by the General Secretariat and the OIG in addressing the 2006 recommendations, despite limited resources.
- 82% of 2006 and 85% of 2007 recommendations that were issued by the OIG have been implemented.
- Executive Order 07-01 Rev. 1 provides a new policy for recovery of Indirect Costs for project administration and oversight.
- Staff Rules were updated.
- The DBFS Financial Portal was established to provide relevant financial information, documents and reports, including the Quarterly Resource Management Reports and financial statements.
- Various DBFS operational processes were automated.
- The first annual operational control process was instituted by DPCE with systematic registry of achieved results and executed resources.

- Manuals and procedures were developed and distributed by SPA for OAS electoral observation missions.
- Training was provided by SAF, DPCE, SPA in various operational processes, including OASES, accounting, new performance evaluation system, project management, monitoring and evaluating, electoral cooperation and observation.
- Guidelines for Handover/Transfer of Custody away from Headquarters, management and replacement of official vehicles away from Headquarters were distributed.
- A Manual of Procedures for the Fellowship and Training Programs of the OAS was approved and distributed.
- A financial handbook for Specific Fund Agreements was distributed.
- A proposal to adopt the International Public Sector Accounting Standards (IPSAS) for more comprehensive financial reporting, improved business processes was submitted to the Permanent Council.
- The SAF Transformation and Modernization Project (STAMP) was established to transform and modernize the OAS Resource Management Systems and streamline operational processes with the objective to standardize policies, enhance transparency, establish clear lines of accountability, provide appropriate training and implement a mandatory Code of Ethics.
- The Department of Information and Technology Services (DITS) improved Systems Infrastructure and network services through the consolidation of all existing servers, as well as existing data bases, applications and web sites.
- Deployment of the in-house developed management systems for Fellowship, Protocol, DPCE, Secretariat for Multidimensional Security (SMS) Systems Management, Performance Evaluation, General Assembly Registration and a new "OAS Connect" Intranet Systems.
- Off-site operational facility was established for contingency planning.
- DITS improved OASES performance through Technical Upgrade of the Enterprise Resource Management System and the Data Base engine.
- Information Systems Security was improved through implementation of Intrusion Detection Systems, and in-house developed tools, in order to protect the OAS 's active directory, token based security authentication development and distribution of amended network policies and user access procedures.
- Development of a new inventory control module as part of the OASES system was initiated.

Although the Board recognized the initiatives, including the SAF Transformation and Modernization Project (STAMP), that have begun to address some operational efficiencies, the Board stressed the need to ensure that control issues are considered during the OAS governance and business modernization processes. In addition to issuing recommendations to address the lack of sufficient resources to achieve OAS key goals and the need for outreach efforts and communication to users for successful transition to IPSAS, the 2007 recommendations from the Board of External Auditors include the need for:

- An enforceable and institutionalized supportable mechanism for recovering Indirect Costs from Specific Funds.
- A plan, including amended policies and procedures and appropriate training, for transition from the Budgetary and Financial Rules to the new IPSAS Accounting Standards.
- Full utilization of the OASES system to address user reporting needs, centralization of requirements of project agreements, operational processes, consistency in financial

- management issues and improved data integrity.
- Standard requirements for project agreements and a process to evaluate compliance.
  - Re-evaluation of the performance contractor mechanism and strengthening of the contractor oversight process.
  - Consolidation of websites and assigned responsibility for their content.
  - Modernization of OAS policies and business processes to ensure a higher level of transparency and accountability.
  - A Performance Measurement System based on common standards, effective use of resources for quality service and results and meaningful analyses and reports.
  - Improved review processes over significant accounts and processes.
  - Assessment of the travel policy and the timely review of travel expense vouchers.
  - Technical and Ethics training.
  - An appropriate staffing level and methodology to monitor internal controls in the GS/OAS Offices in the Member States.
  - Improved reconciliation of fixed asset tracking records and the inventory accounts.

The Inspector General agrees with those recommendations from the Board of External Auditors.

## **B. Type of Auditing Activities**

The 2007 auditing activities concentrated on proposals related to the financial and management issues identified in the 2006 audit report of the Board of External Auditors, as required by the General Standards. Auditing activities were directed towards operations with the highest degree of risk and those with the greatest potential for increasing efficiency, economy and effectiveness within the General Secretariat.

Annex 1 provides a listing of the 2007 operational and compliance audits and audit activities according to technical areas are listed in Annex 2. Operational audits review not only records and supporting documentation, but also recommend actions which lead to more efficient operations, improvements in management and accounting controls, reduction in costs, use of OAS assets and prevention of losses. During operational audits the GS/OAS dependencies and their operations are analyzed, including appraisal of structure, controls, procedures, and processes. The purpose is to appraise whether the planning, productivity quality, economy, effectiveness and efficiency of a division, activity, or operation of the General Secretariat are meeting control objectives. The compliance audits evaluated the GS/OAS performance with regard to GS/OAS directives and requirements of project agreements. Compliance audits are performed to evaluate whether systems or processes are designed and operating effectively to ensure compliance with pertinent laws, rules, regulations, internal policies and procedures, as well as terms and conditions of project agreements signed between the Organization and Member States, donors or other contributors. During 2007 the Inspector General also issued reports of one investigation and one inspection

The 2007 auditing activities of operational processes were carried out in dependencies of the Secretariat for Administration and Finance. Operational activities and financial records of five GS/OAS Offices in the Member States were also examined. During 2007, the OIG reviewed expenditure and project reports of fifteen (15) Specific and FEMCIDI funded projects to determine whether activities were carried out according to the terms of the signed agreements and whether objectives were achieved in a cost effective manner. In 2007 OIG reported on an investigation of the complaint presented by a former Special Observer Contractor (SOC), as well as the inspection of Emergency and Petty Cash funds at Headquarters. OIG provided appropriate

recommendations directly to three Directors regarding internal control weaknesses identified in certain operational processes.

Executive Order 05-08, Corr. 1 issued on April 14, 2005 outlines the General Secretariat's policy for encouraging the reporting of financial and administrative misconduct. This policy provides protection for whistleblowers, informants and witnesses from retaliation in the reporting of and is essential in the fights against fraud. The hotline maintained by the Inspector General has been effective in providing an additional mechanism for reporting allegations of unethical behavior, misconduct of staff members or corrupt or fraudulent activities involving financial transactions processed by GS/OAS staff and performance contractors. Matters referred to the OIG in 2007 that posed an inherent risk to the internal controls of the General Secretariat or anomalies identified in existing rules and policies were investigated for appropriate action.

### **C. GS/OAS Comments to OIG Reports**

The Member States, the Secretary General and the Board of External Auditors rely on the OIG as an ongoing safeguard for maintaining effective internal controls. The internal audit function provides ongoing reliable information that is useful for appraising performance, maintaining financial integrity and measuring compliance with policies and procedures. Senior management's full support and commitment to strong controls are key factors in providing a satisfactory and established internal control environment. The effectiveness of the internal audit function depends on managers' acceptance of their responsibility for established controls, as well as the timely implementation of recommendations issued from audit reports.

The OIG discusses audit findings and recommendations with senior program managers during the final exit interview, in an effort at explaining and obtaining agreement with the findings and arriving at consensus in the method of implementation of the recommendations in a cost effective manner. This methodology and the distribution of the draft report for comments not only ensure the effectiveness of the OIG function but also confirm that audit findings and recommendations are communicated to senior management before submission to the Secretary General for approval. In several cases weaknesses were corrected prior to finalizing the audit report and auditees' comments and observations were taken into account in finalizing the audit reports. OIG has observed that this practice allows for greater transparency, acceptance of audit findings and timely implementation of recommendations. The Inspector General continues to maintain a professional and effective working partnership with managers of the various areas of the GS/OAS to ensure the satisfactory and timely implementation of recommendations and correct those weaknesses that inhibit organizational efficiency and effectiveness.

### **D. Audit Follow-up**

The successful implementation rate of OIG recommendations is a positive factor in determining that OIG services have had a consistent and positive impact on the Organization's overall efficiency and effectiveness. The OIG system of tracking actions on recommendations provides systematic follow-up action in compliance with the requirements of Executive Order 95-05. The Board of External Auditors relies extensively on the reports generated by that system in its annual review of the effectiveness and implementation of internal audit recommendations. This system also provides valuable information in planning future OIG work programs. OIG efforts have contributed significantly towards the achievement of clean audit reports for the 2007 financial statements from the Board of External Auditors for all dependencies of the General Secretariat.

The impact of OIG activities on the General Secretariat is significant, as recommendations are directed at raising fiscal awareness among staff members and ensuring a sound internal control environment. The results of the 2007 audit activities carried out by the OIG provided fifty-four recommendations for the continuous improvement of programme performance, responsible administration of resources and management accountability that are categorized as thirty-four High Risk and twenty Medium Risk. OIG recommendations concentrated on efficiency and effectiveness in operational processes, Systems infrastructure, applications, security and controls, compliance with GS/OAS directives, strengthening accountability and performance, as well as the need to provide clarification and address anomalies in directives, amend outdated procedures or establish new guidelines and address training needs.

I am pleased to report that the OIG recommendations issued for 2005 and prior years have all been implemented and closed. However, as of the date of this report, thirteen (18%) of the seventy-four recommendations issued for 2006 are still outstanding, of which eight are High Risk. In addition, forty-six (85%) of the fifty-four recommendations that were issued for 2007 were implemented and eight (15 %) were still in various stages of implementation, of which five were considered High Risk. The High Risk recommendations that are still in process address the need for improved operational processes, better internal controls, transparency and effectiveness with a view to improving accountability and proper recording, as well training. The Inspector General has been informed by the SAF that the initiatives undertaken in its STAMP project will successfully implement those outstanding recommendations, address operational efficiencies and improve governance.

#### **E. Consulting Services**

During 2007, Secretaries, several directors and supervisors consulted with the Inspector General on operational matters that may present potential risk to the Organization, the implementation of recommendations, as well as other operational issues related to the internal control environment, including proposed organizational restructuring, proposals for changes to business processes and development of guidelines and directives. The OIG also reviewed various draft manuals and procedures prior to their distribution and provided appropriate comments.

The proactive efforts of the OIG through consultations during audit activities, distribution of draft audit reports for comments prior to submission to the Secretary General for approval, as well as discussions on current and proposed operational activities and processes and the review of operational procedures prior to their distribution are intended to facilitate and encourage open communication with the General Secretariat. These efforts have not only enhanced the effectiveness and impact of internal audit activities, but have significantly contributed to the strengthening of internal controls through the General Secretariat, as well as the timely implementation of recommendations for correction of identified weaknesses. Through its continuing proactive efforts, the OIG promotes responsible management of resources, a climate of accountability and transparency and improved program performance throughout the General Secretariat. The consultation and review process successfully contributes to the OIG function as an essential continuing safeguard in assessing and maintaining an effective internal control environment. The OIG continues to provide a consistent, constructive and continuous positive impact on the overall efficiency and effectiveness of the GS/OAS.

#### **IV. ACTIVITY REPORTS**

A summary of audit activities for the calendar year ended December 31, 2007 has been submitted to the Permanent Council in accordance with Article 114 of the General Standards and Executive Order 95-05 of May 8, 1995.

#### **V. OIG PARTICIPATION AT MEETINGS**

The OIG observes various meetings of the Permanent Council, Permanent Executive Committee of CIDI (CEPCIDI) and the Committee for Administrative and Budgetary Affairs (CAAP). During 2007 the Inspector General and staff members of the OIG participated as observers in various GS/OAS committee meetings and working groups of the General Secretariat that may impact internal controls, including the Selective Bid and Contract Awards Committee, the Committee for Disposal of Surplus and/or Obsolete Assets (COVENT), the Committee of Administrative Matters (CAM), and the SAF Transformation and Modernization Project (STAMP).

The Inspector General greatly appreciates the collaborated efforts of the Department of Legal Services in addressing matters that in the opinion of the Inspector General pose significant risk to the Organization.

#### **VI. WORK PLAN FOR THE YEAR 2008**

Executive Order 95-05 requires that audit activities are directed towards operations with the highest degree of risk that are most likely to affect the OAS ability to effectively carry out its mandated activities and/or those with the greatest potential for increasing efficiency, economy and effectiveness. OIG is also required to perform systematic and selective audits of all operations in accordance with a long-term cyclical plan that ensures complete auditing of the General Secretariat within an appropriate time period.

The 2008 Work Plan (Annex 3) places emphasis on the proposals of the Board of External Auditors as required in the General Standards and audit activities are designed to continue the OIG focus on examination of activities with the highest degree of risk and those which promote economy, efficiency and effectiveness in GS/OAS operations. The Board of External Auditors supports and agrees with this approach to the planned audit activities

The process of linking the GS/OAS operations away from Headquarters to the OASES computerized system, to centralize and improve the operational and financial processes of the GS/OAS has not been effectively implemented as expected, since not all GS/OAS Offices in the Member States utilize OASES for on-line processing of financial activities and they are unable to perform the required OASES functions in the respective Member State. As of the date of this report, although GS/OAS Offices and entities in twenty Member States have been successfully linked, twelve of those GS/OAS Offices, to whom responsibility for performing financial transactions in the Member States have been delegated, do not utilize OASES on-line processing of financial activities. Consequently the Coordinator of the Coordinating Office for the Offices and Units of the General Secretariat in the Member States provides the necessary support for OASES financial transactions as required. The Inspector General recognizes the coordinating efforts of the Coordinator of the Coordinating Office for the Offices and Units of the General Secretariat in the Member States and the Department of Budgetary and Financial Services to address training requirements.

In the 2007 audit report, the Board of External Auditors reaffirmed its recommendation that GS/OAS ensure that each GS/OAS Office in the Member States has a reasonable staffing level based on work load and that an appropriate methodology be established to monitor internal controls at those offices. The Inspector General has noted that continuing staff changes from retirement, resignations and rotations adversely affect the GS/OAS ability to maintain continuous OASES skills in those offices. However, absence of systematic programmed DBFS site visits, as well as the continuing need for training for the administrative personnel of the GS/OAS Offices in the Member States continues to cause concern to the Inspector General. OIG has been informed that the lack of sufficient resources, as well as planned changes to business processes are contributing factors that limit DBFS ability to effectively address these concerns.

OIG noted that in 2007 payments through Purchase Orders (Objects 2 through 9) that were processed in the GS/OAS Offices and entities amounted to over US\$31M of which almost 80% were processed through eleven of those locations. It should also be noted that the authorized Regular Fund budget for GS/OAS Offices in the Member States for expenditures other than payroll costs amounted to less than US \$1M in 2007. It is the opinion of the OIG that due to the volume of Specific fund financial transactions, consideration should be given to utilizing Specific Funds to address the need for additional resources in some of those locations. Systematic programmed DBFS site visits to those offices for appropriate oversight and review of financial transactions would address the inherent risk in asset custody and record keeping within those offices and reduce the potential for internal control weaknesses, including misstatements and loss of assets. This issue is particularly relevant since, in addition to its 2007 recommendation, in prior years the Board of External Auditors had stated that the Regular Fund should not be penalized for Specific Fund activities. Furthermore, the Inspector General is concerned that there is the risk of increased costs to the Organization if, due to the increased work load, Regular Fund administrative staff members may consider requesting reclassification of their assigned grade levels that have been mandated by the General Assembly, as well as increased compensation.

Effective audit trails control the quality of the transactions, demonstrate managers' accountability for the tasks assigned and are essential to the OIG in determining the timeliness of the audit. OIG reports have addressed the need for appropriate audit trails in the OASES system and the OIG continues to emphasize the need for the Secretariat for Administration and Finance to effectively address this issue, with the goal of improving transparency and accountability in all transactions processed through the OASES system.

In addition to the issues mentioned in the 2007 report of the Board of External Auditors and the internal control environment in general, GS/OAS challenges for 2008 that cause concern to the Inspector General relate to:

- Effectiveness of the ICR policy in achieving desired objectives.
- Lack of sufficient resources in the General Secretariat to carry out mandates.
- Inadequate or outdated policies and procedures.
- Significant use of the performance contract mechanism throughout the General Secretariat.

In addition, there is need for:

- An appropriate staffing plan to determine human resource requirements throughout the General Secretariat with proper classification levels and job descriptions.
- Satisfactory internal control environment in the GS/OAS Offices in the Member States, including OASES training for all administrative personnel to enable those persons to carry out the necessary administrative financial transactions.
- Development of appropriate methodology for allocation of resources from Specific Funds to carry out the related functions both at Headquarters and in the Member States so that the increased volume of administrative tasks is not borne by the Regular Fund.
- Systematic review process of financial processes and DBFS site visits to those offices.
- Improved project monitoring, evaluation and management at Headquarters.

The adoption of the new International Public Sector Accounting Standards (IPSAS) as proposed to the Permanent Council in 2007 will allow OAS to report financial statements that are comparable to similar International Organizations, to adopt best practices and provide more meaningful and comprehensive financial reports. The most significant changes to be expected from this proposed new method of financial reporting relate to recognition of assets and liabilities, as well as the proper recording of revenue and expenditures. Some examples of those changes are:

- Assessed quotas will be recognized as revenue when they are assessed on January 1 of the current fiscal period and will be recorded as Accounts Receivable until fully paid.
- Gains or losses may be realized from recording market values of investments and will be included as income or losses.
- Liabilities will be recorded for accrued employee benefits during the complete contract period.
- Unliquidated obligations will not be recorded as liabilities because the goods and services have not been procured.
- Travel expense advances and other accountable advances will not be treated as expenditures until the actual amounts of the expenditures are known.
- Unexpended amounts of advances will be recorded as Accounts Receivable (assets).

SAF has informed the Office of the Inspector General that, in addition to the plan for adoption of International Public Sector Accounting Standards, business processes are being analyzed with the goal of automating and improving various operational processes, developing and distributing new directives and manuals, as well as upgrading the OASES for the related Systems functionalities. The Secretariat for Administration and Finance has established the STAMP project team to lead the process of transformation and modernization of OAS Resource Management Systems, including administrative processes. The establishment of the STAMP Committee in May 2007 is aimed at consolidating, modernizing and strengthening administrative and communication tools, in order to ensure greater efficiency, transparency and accountability in the performance of its responsibilities. In November 2007 the STAMP Taskforce introduced the OAS Resource Management Framework to the CAAP. This Resource Management Framework establishes OAS standards and expectations for resource management. OIG commends SAF for its initiatives in addressing OIG recommendations for an improved internal control environment. OIG will continue to observe STAMP meetings and monitor those efforts during the transition process to ensure not only transparency and accountability but also cost effectiveness, greater efficiency and overall benefit to the Organization.

The Inspector General agrees with the comments of the Board of External Auditors that SAF's plans should be effectively communicated to all stakeholders for smooth transition from the outdated resource management model and business processes towards an accepted, transparent and modern administrative infrastructure using the upgraded OASES system as a fully integrated enterprise management tool.

The OIG continues to monitor the actions taken to address the outstanding recommendations, other SAF efforts and evaluate progress made in the achievement of a more transparent, accountable and modern administrative infrastructure and effective resource management. In 2008 subject to available resources, OIG intends to evaluate the General Secretariat's compliance with the Indirect Cost Recovery policy and the project evaluation and monitoring mechanism that has been developed and implemented for OAS programs and projects, as well as selected SAF operational processes. OIG efforts will also concentrate on evaluating the sufficiency of training provided to GS/OAS staff members that is related to the new SAF business processes for implementing an accountable financial and administrative management structure, as well as the DBFS efforts for adopting International Public Sector Accounting Standards.

## **VII. STAFFING**

The resources available for the auditing activities of the Office of the Inspector General are provided in the Program Budget of the Regular Fund and the OIG is subject to the financial constraints of the GS/OAS. In 2007, OIG staff positions provided by the Regular Fund consisted of the Inspector General, three (P3) Auditors, one (P2) Junior Auditor and two (P1) Audit Trainees. Vacancies that existed in 2007 have now been filled and all positions are occupied. OIG staffing resources are supplemented by performance contractors to the extent of available resources. The use of performance contractors for supplementing OIG resources is beneficial to the OIG. In 2007 the OIG also participated in the internship program.

In 2007 the General Secretariat received Specific Fund contributions of US\$62.9M whereas expenditures and obligations amounted to US\$55.8 M. The Board of External Auditors reaffirmed in the 2007 audit report that the volume of Specific Fund projects creates significant project management issues. The 2007 audit report of the Board of External Auditors reaffirmed that the GS/OAS, in conjunction with the OIG, should develop a methodology to ensure that appropriate funds are provided for audit oversight of Specific Fund contributions. In 2007, the OIG received US\$57,480 from Overhead Funds generated from Specific Funds to meet the cost of the services of the OIG Audit Technician.

The Inspector General makes optimum use of available resources to accomplish results that add value to the service provided to the GS/OAS and the Member States. The lack of adequate resources for its strategy initiatives continues to present difficulties to the OIG in fulfilling its mandate for maintaining significant audit coverage throughout the General Secretariat, as well as adequate review of projects administered by the GS/OAS. The lack of adequate resources inhibits the ability of the OIG to adequately respond to the GS/OAS audit needs, perform audits on a long term cyclical basis that ensures complete auditing within an appropriate time period, issue reports in a timely manner and perform systematic follow-up of outstanding recommendations.

For a number of years, both the Board and the Inspector General have expressed concern for OIG staffing resources and the Board has recommended that the Inspector General's request for additional OIG resources be given priority and favorable consideration. In its 2007 report, the Board of External Auditors commented on the OIG staffing and budget, and stated that, given the importance of the work performed by OIG to ensure a sound internal control environment and the importance of obtaining timely audit results, it is essential to adequately staff the OIG. In compliance with the 2006 recommendations of the Board of External Auditors, DHR worked jointly with the Inspector General and developed a staffing plan that was submitted to the Chief of Staff to the Secretary General in 2007. Funds have not yet been made available to implement this new structure which includes two Senior Auditor positions. However, the provision of at least an additional senior auditor post, at the P03 level, would be more effective to assist the Inspector General in meeting objectives in a timely manner, provide core capacity and institutional memory, continuity and consistency for regular internal audit activities and will add overall value to the Organization.

### **VIII. CONTINUING PROFESSIONAL EDUCATION CREDITS**

In addition to its key role in enhancing skills and knowledge, continuing training empowers the OIG staff members to develop their careers with the goal of providing internal audit services of the highest quality to the OAS. All professional staff members of the Office of the Inspector General are members of the Institute of Internal Auditors.

OIG professional staff members receive training commensurate with available resources. In addition to in-house training, OIG staff members received professional internal audit training as required to perform their respective functions. Efforts to provide training to OIG staff members are undertaken to maintain their skill levels, keep up-to-date on developing trends in the professional practice of internal auditing and ensure that staff members are adequately trained in accordance with professional requirements.

In the report of the 2007 Financial Statements, the Board of External Auditors reaffirmed its recommendations of prior years that sufficient funding be available to allow OIG staff to attend training to meet the required minimum annual continuing professional education credits.

### **IX. INDEPENDENCE**

The Inspector General reports directly to the Secretary General and is governed by the Articles of the General Standards for the operations of the General Secretariat, Executive Order 95-05 and Budgetary and Financial Rules and Procedures, as well as other OAS directives.

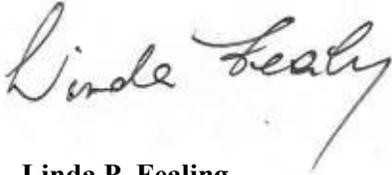
The internal audit function is a management control that operates by measuring and evaluating the effectiveness of other management controls. In order to ensure objective analysis of facts and impartiality of judgment, the OIG does not take part in operating procedures or perform day to day functions related to operational processes, except with regard to their review and evaluation. The Inspector General and OIG staff members enjoy full, free and unrestricted access to all functions, activities, operations, records, properties and staff of the General Secretariat, as may be considered necessary for planning and performing any audit action considered necessary for fulfilling its mandate. The Inspector General has complete independence in planning audit programs and in all audit activities. The OIG enjoys full technical autonomy and the broadest possible managerial autonomy. Despite its operational

independence, the OIG operates as an essential component of the General Secretariat and provides objective and useful information regarding the achievement of goals and objectives to the Member States and the Secretary General.

#### **X. RECOMMENDATIONS OF THE BOARD OF EXTERNAL AUDITORS**

The Board of External Auditors issued unqualified "clean" opinions for the 2007 financial statements of the entities of the General Secretariat and stated that the Board is generally satisfied with the progress made by the General Secretariat in implementing its recommendations, despite OAS limited resources. The Board also noted that internal control serves as the first line of defense in safeguarding assets, preventing and detecting errors and stated that overall, OAS internal control environment was generally effective.

The Inspector General continues to address the concerns expressed by the Board of External Auditors and reviews those areas of concern to the extent of available resources. The 2007 report of the Board recognized the continuing achievements of the OIG despite limited resources and encouraged the OIG to continue its ongoing audit follow-up process so that adequate action is taken on open recommendations. The Board also stated that the OIG may still be understaffed considering the numerous requests it receives for assistance and also recommended the need for funds to address OIG staffing needs for audit oversight of Specific Funds, Training in Continuing Education and for Peer Review.

A handwritten signature in cursive script, appearing to read "Linda Fealing".

**Linda P. Fealing**  
**Inspector General**

**August 27, 2008**

**Annex 1**

<b>General Secretariat of the Organization of American States</b>		
<b>No.</b>	<b>Office of the Inspector General</b>	<b>Audit Type</b>
<b>2007 AUDIT ACTIVITIES</b>		
01/07	Risk Assessment of the Procurement, Disbursement & Payroll Processes at Headquarters and the National Offices managed by the Secretariat for Administration and Finance	Operational
02/07	Internal Audit Report on the Remote Blind Penetration Analysis of the Internet Attachment Environment Managed by the Department of Information and Technology Services	Operational
03/07	Internal Audit Report on the Remote Seeded Penetration Analysis of the Internet Attachment Environment Managed by the Department of Information and Technology Services	Operational
04/07	Internal Audit Report of Accountable Advances managed by DBFS	Operational
05/07	Internal Audit Report on the Inventory of the GS/OAS Fixed Assets recorded for the year ended December 31, 2007	Operational
06/07	Internal Audit Report of the Implementation of the Strategic Action Program for the Bermejo River Binational Basin managed by the Department of Sustainable Development	Compliance
07/07	Internal Audit Report of the GS/OAS Office in Venezuela	Compliance
08/07	Internal Audit Report of the GS/OAS Office in Guatemala and Selected Projects	Compliance
09/07	Internal Audit Report of the GS/OAS Office in Guyana and Selected Projects	Compliance
10/07	Internal Audit Report of the GS/OAS Office in Nicaragua and Selected Projects	Compliance
<b>2007 INSPECTIONS</b>		
01/07	Inspection Report of the Emergency and Petty Cash Funds at Headquarters	
<b>2007 INVESTIGATIONS</b>		
01/07	Internal Investigation Report of Complaint Submitted by a former SOC and CPR	
<b>2007 INTERNAL CONTROL MEMORANDA</b>		
SG/OIG-54/07	Memo to Director of the Department of Human Resources - "Employees Hired at a Higher Step on Initial Appointments during 2006 and 2007"	
SG/OIG-57/07	Memo to the Director of the GS/OAS Office in Suriname - "Review of GS/OAS Office in Suriname"	
SG/OIG-100/07	Memo to the Director of the Office of Procurement Services - "OIG Observation of the Bidding Process on August 15, 2007"	

General Secretariat of the Organization of American States		
Office of the Inspector General		
2007 Audits, Investigations, Inspections and Memo by Technical Area		
Technical Area	Technical Area/Subject	GS/OIG/AUDIT
Chapter 2	Internal Audit Report of the GS/OAS Office in Venezuela	07/07
	Internal Audit Report of the GS/OAS Office in Guatemala and Selected Projects	08/07
	Internal Audit Report of the GS/OAS Office in Guyana and Selected Projects	09/07
	Internal Audit Report of the GS/OAS Office in Nicaragua and Selected Projects	10/07
	Memo to the Director of the GS/OAS Office in Suriname - "Review of GS/OAS Office in Suriname"	Memo. 57/07
Chapter 7	Internal Audit Report of the Implementation of the Strategic Action Program for the Bermejo River Binational Basin managed by the Department of Sustainable Development	06/07
Chapter 8	Risk Assessment of the Procurement, Disbursement & Payroll Processes at Headquarters and the National Offices managed by the Secretariat for Administration and Finance	01/07
	Internal Audit Report on the Remote Blind Penetration Analysis of the Internet Attachment Environment Managed by the Department of Information and Technology Services	02/07
	Internal Audit Report on the Remote Seeded Penetration Analysis of the Internet Attachment Environment Managed by the Department of Information and Technology Services	03/07
	Internal Audit Report of Accountable Advances managed by DBFS	04/07
	Internal Audit Report on the Inventory of the GS/OAS Fixed Assets recorded for the year ended December 31, 2007	05/07
	Inspection Report of the Emergency and Petty Cash Funds at Headquarters	Insp. 01/07
	Internal Investigation Report of Complaint Submitted a former SOC and CPR	Inv. 01/07
	Memo to Director of the Department of Human Resources - "Employees Hired at a Higher Step on Initial Appointments during 2006 and 2007"	Memo. 54/07
Memo to the Director of the Office of Procurement Services - "OIG Observation of the Bidding Process on August 15, 2007"	Memo. 100/07	

<b>Annex 3</b>		
<b>General Secretariat of the Organization of American States</b>		
<b>Office of the Inspector General</b>		
<b>2008 Audit Work Plan</b>		
<b>Audit</b>	<b>Technical Area/Subject</b>	<b>Last Audit</b>
1	Special Observer Mission Process	-
2	Procurement Process	2003
3	Duplicate Payments, Receipts and Accounts Payable/Disbursement process	2003
4	Travel Advances (TECs)	2004
5	GS/OAS Office in Uruguay and Selected Projects	2002
6	GS/OAS Office in Ecuador and Selected Projects	1996
7	GS/OAS Office in Belize and Selected Projects	2001
8	GS/OAS Office in Panama and Selected Projects	2002
9	GS/OAS Office in St. Vincent and Selected Projects	2002
10	GS/OAS Office in Trinidad and Selected Projects	2002
11	GS/OAS Office in Grenada and Selected Projects	2001
12	GS/OAS Office in Paraguay and Selected Projects	2003
13	GS/OAS Office in Bolivia and Selected Projects	2005
14	Selected FEMCIDI Projects	-
15	Selected Specific Fund Projects in Brazil, Argentina and Colombia	-