

DEPARTMENT OF ADMINISTRATION AND FINANCE

The Department of Administration and Finance was created by Executive Order 04-01 and was further reorganized by Executive Order 05-03. It serves as the principal advisory office on all administrative, financial, and budgetary matters of the Organization. It is composed of the Executive Office of the Director of the Department of Administration and Finance; the Office of Human Resource Services; the Office of Procurement and Facilities Management Services; the Office of Budgetary and Financial Services, and the Office of Information Technology Services.

Executive Office of the Director

The specifics of the Department's activities are described in the report of each of its four offices. Summarizing, however, the main activities included coordination of the transition of Secretary General Rodríguez and his reorganization; continuation of the remodeling of the Simón Bolívar Room and the Administration Building; continued cooperation with the member states in seeking ways to strengthen the Organization within the limits imposed by the budget; and efficient management of the large increase in functions related to specific funds.

Office of Human Resource Services

The Office has continued to answer a substantial number of requests for support from throughout the General Secretariat. Although the increase in the number of specific funds has added to the Office's work, the Office has managed to keep pace without an increase in resources or personnel. The Office continues to handle its own particular operations, such as recruitment, competitions for vacancies, classification of posts, administration of benefits, and renewal of insurance. A total of 850 visa applications have been processed for staff members, contract personnel, and their dependents, and for domestics.

While the Office has become more efficient in handling its day-to-day functions, the following special activities that the Office has conducted are worth mentioning.

- The GS/OAS Student Intern Program received approximately 490 applications, from which 185 were selected.
- Through advisory services and training for supervisors in staff management, communications, planning, and other similar management-related skills, the Office continued to provide support to supervisors and staff on issues related to the performance evaluation system.
- In the case of training programs, the Office continues to employ the new reimbursement system. Under this system, GS/OAS gives staff members up to US\$1,000 to help defray the expense of the courses they take during nonworking hours. The new allowance has enabled staff to take more advanced courses, as well as courses in computers, languages, management, and projects. Under the new educational reimbursement system, 53 applications filed by personnel at headquarters and away from headquarters were processed. In 2004, all the funds budgeted for this purpose were used.
- As part of the health care provided for staff, the Health Care Unit handled about 2,941 consultations in 2004 and the physician on duty, contracted through Johns Hopkins University, conducted approximately 160 medical examinations.
- The Oracle Human Resources module continues to be modernized. Improvements were made to the personnel system during this period. The 11.5.7 applications version was added. Then in October 2004, the 11.5.9 applications version was incorporated.

- The Office prepared an Orientation Handbook for the new Secretary General. It also played an active role in advising the transition team. Those services continued in the period following the Secretary General's resignation.
- Under Executive Order 05-03, in the case of performance contracts it is the responsibility of the Office of Human Resource Services to check academic credentials and experience vis-à-vis remuneration. To discharge this new function, an instruction manual is being prepared and adjustments have been made to certain responsibilities of the Office staff.
- An informative seminar was held for headquarters personnel responsible for projects, to instruct them in the procedures for contracting Local Professional Staff and Temporary Support Personnel. (TSP) (Administrative Memorandums 99 and 100).
- In cooperation with the Office for the Promotion of Democracy, a course was conducted on Communication with Respect, which has been given five times to a total of 100 staff members.
- The study on the salary situation in seven Caribbean member states was completed.
- Two Health Fairs were held with staff, retirees, and their dependents and members of the permanent missions in attendance.

Office of Procurement and Facilities Management Services

The principal activities in procurements were as follows:

- Coordination and conduct of bidding, selection of purveyors, and execution of procurement contracts. Prominent here are the following services: external auditing for the OAS; demolition and reconstruction of the Simón Bolívar Room and administrator of its construction and remodeling; conservation and digitalization of documents in the Columbus Memorial Library and a computerized library system; equipment and services for vital statistics in Honduras and election registration in Haiti; installation of a cabling system built for the Administrative and Main Buildings; lease of space to the Juan Valdez coffee house chain, and training in and launch of the new service for providing office supplies.
- Based on requisitions received in the OASES system totaling US\$131,215,000, generation of some 28,500 lines of purchase orders. This represents a 15 percent increase in workload and productivity over the previous year. The aggressive system of periodically reviewing obligations was continued, clearing out approximately 10,000 lines of purchase orders, thereby minimizing the workload of the process at year's end.
- Registration of over 1,100 new assets, costing over \$3,900,000, including building improvements, updating of location or assignment of over 10,000 articles and elimination of over 500, which meant creating more than 28,000 fields and updating over 20,000, in the fixed assets inventory database.

The principal activities in General Services were as follows:

- Focus efforts on completing and continuing important infrastructure construction and maintenance projects.
- Complete the remodeling of the Dr. José Gustavo Guerrero Room, the Delegates Lounge, and a small kitchen in the Main Building. The Guerrero Room, on the second floor, has simultaneous interpretation equipment for the four official languages and adds to the space available for meetings. The Delegates Lounge, on the first floor, has computer facilities, Internet access,

telephones and fax machines. Adjacent to this, an area was set aside for delegates and staff to breakfast or lunch. The cost of this remodeling work was approximately \$750,000.

- Continue the remodeling of the Simón Bolívar Room. The construction company was hired and the architectural designed approved. The demolition work has already been completed.
- Complete the remodeling of the first and second floors of the General Services Building on F Street. The offices and commercial space available were leased to the Pan American Development Foundation, the Development Gateway Foundation, the Juan Valdez coffee house chain, and the Credit Union, resulting in a credit balance of \$1,166,000.
- The general maintenance work on the Secretary General's residence was completed.

Office of Budgetary and Financial Services

Budget-related activities

The proposed program-budget for 2005 was prepared in the amount of \$78.5 million, which would be financed in part by a \$2.2 million increase in quotas. Support services were provided during the analysis done by the Permanent Council's Committee on Administrative and Budgetary Affairs (CAAP). Then the General Assembly approved the budget of the Regular Fund at \$76.3 million. As a result of the administrative reorganization of the General Secretariat and the corresponding Executive Order, technical assistance was provided to the various technical areas to review and reorganize the budget. The savings achieved under the heading of personnel was on the order of \$1.8 million. Those savings were used to finance the Permanent Council's activities and to absorb the increase in the cost-of-living adjustment in Washington, D.C., in 2004. In accordance with the General Standards, periodic reports were prepared on the status of execution of the Regular Fund budget 2004. Those reports also contained information on the Specific Funds.

In 2004, collections of 2004 quotas and quotas in arrears from previous years totaled \$67.1 million, which was 3.73 percent less than the \$69.7 million collected in 2003.

Financial matters

The OAS' financial situation is summarized in the financial statements that appear as Appendix E at the end of this report. They include: (a) the Operations Subfund and Reserve Fund of the Regular Fund (Tables 1 and 2) and the Special Multilateral Fund of the Inter-American Council for Integral Development (FEMCIDI) (Tables 3 and 4), whose budgets are approved by the General Assembly; and (b) the Specific Funds (Table 5), financed by unilateral or multilateral contributions to fund activities approved by the governing bodies. The Combined Statements of Assets, Liabilities, and Balances in the Funds show the Organization's financial situation at the end of the fiscal year, while the Combined Statements of Variation in Fund Balances reflects the results of the financial activity during the fiscal period.

As of December 31, 2004, the financial situation of the Regular Fund was weaker because of the decline in quota collections, which was the situation with which the financing of the budget approved for 2004 had to contend. The balance in the Fund as of December 31, 2004, was \$7.7 million, a decline of \$11.4 million since December 31, 2003.

Table 5 illustrates the annual activity associated with Permanent Council resolution CP/RES. 831 (1342/02), "Use of Excess Resources of the Reserve Subfund for Capital Investments and to Meet OAS

Mandates,” which approved a US\$21.0 million budget supplemental. In 2003, \$2.2 million were executed, leaving a carry-over of \$18.8 for 2004, as shown in Table 6. The statement reflects spending during 2004 on the order of \$3.1 million. Of this amount, US\$2.4 million was spent on the activities associated with the remodeling of the Simón Bolívar Room and other meeting rooms and the activities associated with the Summit of the Americas. That figure was 76.7 percent of the amount spent.

Office of Information Technology Services

The Office focused on providing the General Secretariat and its specialized organizations and entities with integrated and more secure technology services, and constant advisory services to maintain a modern and efficient information technology infrastructure. To use its resources to best advantage, improve coordination, and strengthen support to users in the General Secretariat, the technical staff involved in the OASES financial system and telephone services were made part of the structure of the Office.

To protect the system from the ever increasing threats to Internet security, a new generation of anti-virus and “Spam” filter applications was introduced. Those systems are making the system more productive by eliminating junk e-mail. The system is now more secure. More rigorous controls were added to prevent hacking into the system, and security policies are being more strictly applied.

The finishing touches are being added to the design of the technology infrastructure and services that will be incorporated into the remodeling of the Simón Bolívar Room. This work has been carried out in coordination with the Department of Communications and Publications, the Office of Conferences and Meetings, and the Office of the Assistant Secretary General.

Updating the server infrastructure has improved e-mail services, thus making access away from headquarters easier. Two pilot products were started: instant messaging to enable online chats through the General Secretariat’s network; and Groove Virtual Office (Groove), which facilitates very secure online communication among geographically disperse groups. The Groove project is being funded by the Government of Canada, in response to a mandate from the Meeting of Ministers of Justice or of Ministers or Attorneys General of the Americas to create an electronic network to promote mutual legal assistance among the OAS member countries.