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Saint Lucia

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Suriname

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Venezuela

Luis Almagro  
Secretary General to the  
Organization of American States  
Washington, DC

OIG-IG-21-03

Excellency:

I have the honor to submit to you the Annual Report of the Office of the Inspector General for the period January 1 to December 31, 2020.

I remit this Annual Report to you, for subsequent forwarding to the Permanent Council, in accordance with the provisions of Article 128 of the General Standards to Govern the Operations of the General Secretariat of the Organization of American States.

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

Hugo Eduardo Ascencio  
Inspector General

Encl.



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**2020**

**Annual Report of the Office of the Inspector General**  
for the Period of January 1 to December 31, 2020

This report is presented in compliance with Article 128 of the  
General Standards to Govern the Operations of the General Secretariat  
Prepared by the General Secretariat of the Organization of American States

Office of the Inspector General

**April 28, 2021**

**Original: English**

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## I. Summary

This report is submitted in conformity with Article 128 of the General Standards. It covers the activities of the Office of the Inspector General (OIG) from January 1 to December 31, 2020.

The Inspector General enjoys the functional independence needed to initiate, perform, and report to the Permanent Council and to the Secretary General on the audits, investigations, and inspections required to ensure the correct use and administration of the Organization's resources and to safeguard its assets, as well as on the overall efficacy of the functions of the OIG.

During the period from January 1 to December 31, 2020, the OIG staff:

1. Engaged in eight audits, seven were completed.
2. Addressed thirteen investigative matters of which six were completed.
3. Completed its risk-based bi-annual internal audit plan for the General Secretariat of the Organization for the period 2020-2021.
4. Collaborated and led the execution of the following mandates established by the General Assembly:
  - a. A proposal for establishing an Audit Committee (AG/RES. 2940 (XLIX-O/19), section (IV) (34) (c)).
  - b. Annual Report of Workplace Harassment Cases Managed by the Office of the Inspector General and the Office of the Ombudsperson (AG/RES. 2942 (XLIX-O/19), paragraph 1.b)).
  - c. Inspections of the personnel transfers, internal and external competitions, and reclassifications included in the program-budget (AG/RES. 1(LIII-E/18) rev 1, section (III) (12) (c) and AG/RES. 2940 (XLIX-O/19), section (IV) (11) (c)).
  - d. Reports to the CAAP on a quarterly basis of the analysis on the status of implementation of recommendations made (AG/RES. 2940 (XLIX-O/19), section (IV) (34) (a)).
5. Coordinated the performance of an audit of the OASCORE/ERP project as mandated by the Permanent Council (CP/doc. 5576/19).
6. Collaborated in the development of a proposal to address the General Assembly mandate for establishing a separate and independent budget process for OAS oversight mechanisms including the Office of the Ombudsperson (OMB), the Office of the Inspector General (OIG), and the Administrative Tribunal (TRIBAD) (AG/RES. 2940 (XLIX-O/19), section (IV) (7) (d)).
7. Continued acting as observers at several GS/OAS committees as well as met virtually with and presented reports to the OAS governing bodies.

## II. Mandate

**Article 123 of the General Standards to Govern the Operations of the General Secretariat (General Standards) - Internal audit:** *“The Office of the Inspector General is the dependency responsible for exercising the functions of financial, administrative, and operational auditing, for the purpose of determining the level to which the General Secretariat achieves the objectives of diverse programs and the efficiency, economy and transparency with which resources are used, as well as issuing recommendations to improve management of the General Secretariat. To achieve the aforementioned purpose, the Inspector General shall establish appropriate internal auditing procedures that reflect international best practices, to verify compliance with the standards and regulations in force, through critical, systematic, and impartial examination of official transactions and operational procedures related to the resources administered by the General Secretariat. To that end, the Secretary General shall issue an Executive Order regulating such activities, in accordance with these General Standards, with the Permanent Council duly apprised”.*

**Article 125 of the General Standards - Independence of the Inspector General:** *“The Inspector General shall enjoy the functional independence needed to initiate, perform, and report to the Permanent Council and to the Secretary General on the audits, investigations, and inspections required to ensure the correct use and administration of the Organization's resources and to safeguard its assets, as well as on the overall efficacy of the functions of the Office of the Inspector General and on the qualifications and performance of the staff and independent contractors providing services in said office”.*

**Article 128 of the General Standards - Reports of the Inspector General and the General Secretariat's Obligation to act:**

**a.”** *The Inspector General shall present the Secretary General with reports on the audits, investigations, and inspections he conducts, with copies to the Permanent Council and the Board of External Auditors. In submitting his reports, the Inspector General shall recommend such measures as he deems necessary to safeguard their confidentiality.*

**e.”** *The report of the Inspector General will be made available to the member states at Office of the Inspector General with clearly defined procedures and appropriate protection for sensitive information that could compromise pending legal action, expose sensitive organizational data of designated operators, endanger the safety and security of any entity, unit, or individual, or infringe on the privacy rights of any individual”.*

**Executive Order No. 14-03, Procedures for Whistleblowers and Protections against Retaliation,** issued on November 21, 2014, outlines the General Secretariat's general policies for encouraging the reporting of financial and administrative misconduct, as well as procedures to accept reports by prospective whistleblowers seeking protection from reprisals for their actions. Specifically, this policy provides the basis for the protection of whistleblowers, informants, and witnesses from retaliation in the reporting of financial and administrative misconduct and is essential in the fight against fraud. The OIG Hotline is available to the public as an additional mechanism for reporting allegations of misconduct involving the human resources of the GS/OAS, as well as allegations of fraudulent, corrupt, coercive, and collusive practices involving the GS/OAS, whether committed by staff members or other personnel, parties or entities, and deemed to be detrimental to the Organization.

**Executive Order No. 15-02, Policy and Conflict Resolution System for Prevention and Elimination of All Forms of Workplace Harassment,** adopted on October 15, 2015, emphasizes that the GS/OAS is committed to provide a workplace that is free of all forms of harassment. The OIG is the competent and chosen authority by the General Secretariat to address formal workplace harassment complaints.

### III. Internal Audits

In the January 1 - December 31, 2020 period, the OIG's Internal Audit Section engaged in eight audits, seven of which were completed. One being a "Special Audit Request" from the *Permanent Council*", as detailed in the table below:

Code	Title	Origin	Status as of 12/31/2020
AUD-19/04	GS/OAS Medical Benefits Plan/Program	Audit Plan	Completed
AUD-19/05	Audit of GS National Offices in OAS Member States	Audit Plan	Completed
AUD-19/06	Inspections of Personnel Transfers, Internal and External Competitions, and Reclassifications Included in the Program-Budget 2019 – 1st Semester 2019	General Assembly	Completed
REV-20/01	Audit of OASCORE ERP Implementation Project	Permanent Council / CAAP	Completed
AUD-20/02	Inspections of Personnel Transfers, Internal and External Competitions, and Reclassifications Included in the Program-Budget 2019-2020 – 2nd Semester 2019 and 1st Semester 2020	General Assembly	Completed
AUD-20/03	Audit of the Disbursements of the Mission to Support the Peace Process in Colombia (MAPP/OEA)	Audit Plan	Completed
AUD-20/04	Audit of the Disbursements of the Comprehensive Action Against Antipersonnel Mines Program (AICMA)	Audit Plan	Completed
AUD-19/02	The Inter-American Commission of Human Rights (IACHR) - Audit of Disbursements & Hiring Personnel	Audit Plan	In process

The results of the completed audits were as follows:

#### **AUD-19/04 – GS/OAS Medical Benefits Plan/Program**

This audit of the GS/OAS Medical Benefits Plan/Program ("**the Plan**") was conducted as part of the Office of the Inspector General (OIG)'s risk-based audit plan.

The GS/OAS Health Insurance claims and premiums are managed by two service providers:

- **Cigna**, the third-party administrator of the GS/OAS Self-Insured Health Plan ("**the Plan**"); and
- **Kaiser Permanente**, which provides fully, insured options to participants. Only about 2% of OAS staff and retirees are enrolled with Kaiser.

**The audit was not intended to be a medical and pharmacy claims audit**, which is typically performed by consultants with expertise in the Healthcare system and health insurance claims processing and administration. The last medical and pharmacy claims audit of the GS/OAS Medical Benefits Plan/Program performed and completed was in September 2016 by Segal Consulting.

With regard to compliance with U.S. laws, the Plan is subject to the **Health Insurance Portability and Accountability Act (HIPAA)** enacted by the US Congress in 1996, specifically, **the HIPAA Privacy Rule**.

Internally, the GS/OAS Medical Benefits Plan/Program is under the purview of the DHR Health and Insurance Office. Two advisory bodies composed of both active and retired OAS staff members are also involved in the management of the Plan, as follows:

- The **Joint Committee on Insurance Matters (JCIM)** supervises the programmatic aspects of the Self-Insured Plan (Cigna).
- The **Board of Trustees of the Medical Benefits Trust Fund (MBTF)** oversees the financial aspects of the MBTF Investment Portfolio.

Two external consulting firms provide support to the governance functions and operations of the JCIM and MBTF.

The audit scope covered primarily the period from January 1 - December 31, 2018, and its main objectives were as follows:

- Assess the adequacy of the Plan's governance; which includes the functions of the Health and Insurance Office of the Department of Human Resources (DHR); the Board of Trustees of the Medical Benefits Trust Fund (MBTF); and the Joint Committee on Insurance Matters.
- Evaluate Management's long-term strategies that address the issues related to the Plan's solvency and sustainability.
- Determine based on reviews of available information and documentation whether the systems used by the third-party administrator of the Plan to process and administer medical claims are adequate.
- Assess the Plan's compliance with claims-procedure rules and whether benefits are paid accurately and according to the Plan's terms (based on sample reviews and analysis of claims).
- Determine based on reviews of available financial information whether premium contributions to the Plan are properly recorded and reported.
- Assess internal control related to settlement of claims and other charges incurred by the Plan.

The objectives also included: (a) assessing the internal control activities surrounding the operations of the Medical Benefits Trust Fund (MBTF); and (b) following up on the status of recommendations issued as result of prior audits and/or investigations related to the Plan.

Opportunities for improvement and findings were noted out of our audit work. The most relevant ones are summarized below:

**Payment of Claims/Benefits:** From our sample review, **we identified 82 claims totaling USD 1,985,568** that were processed with no Employee/Dependent Name or ID. We inquired with Cigna about this finding, and they provided valid explanations, the most important being compliance with the HIPAA Privacy Rule.

**Settlement of Claims and Other Charges incurred by the Plan:** Our review found that there is currently no process in place to perform internal reviews of monthly statements submitted by Cigna relating to claims settlements and other charges incurred by the Plan.

In response to those two OIG observations, Management accurately pointed out that on a yearly basis CIGNA shares the SSAE 18<sup>1</sup> report to assure the appropriate internal control environment maintained by CIGNA. The report which it was performed by the independent audit firm PriceWaterHouseCoopers, confirmed the effectiveness of these controls.

Notwithstanding the above, the OIG's inability to obtain some form of supporting documentation for a relevant portion of the claims implies that internal assurance cannot be fully provided to the settlement of claims process. Considering that, the OIG recommended the General Secretariat hire an external consultant to perform a medical and pharmacy claims audit of the GS/OAS Medical Benefits Plan/Program to help the Organization in mitigating the underlying risks of the two observations noted above. Such audit would be within the terms of the GS/OAS' contract with Cigna.

#### **AUD-19/05– Audit of GS National Offices in OAS Member States**

The approved OIG's Audit Plan for 2019-2020 considered the audit of the National Offices in Member States. The OIG performed an analysis of these Offices. Based on that analysis, the National Offices selected were the following: Belize, Haiti, Panama, the Dominican Republic, and the Technical Office in Argentina. The audit scope covered the transactions recorded for the period from January 1 through December 31, 2018. The fieldwork included onsite visits to the National Offices in scope as well.

The objective of this audit was to provide the General Secretariat's Senior Management and Member States with independent and objective assurance about the effectiveness and efficiency of governance, risk management, and control processes at the National Offices and Units, as well as at the Coordinating Office for the Offices and Units of the General Secretariat in the Member States.

Some of the Audit's highlights and findings are noted below:

**1) Under the leadership of the Coordinating Office, the Offices of the General Secretariat in the Member States (OGSMS) have established a good internal control system.**

Our audit work noted full transparency and adherence to the GS/OAS regulations in the execution of OGSMS disbursements.

**2) The coordination among the OGSMS and the other areas of the GS/OAS may be enhanced by changing the reporting line of the Coordinating Offices of the OGSMS to the Office of the Secretary General (OSG).**

The Coordinating Office has promoted and successfully increased the level of collaboration among the OGSMS and the other areas of the GS/OAS, however our analysis noted the following:

- Level of collaboration is still not optimal. OGSMS are requested by other areas of the GS/OAS to provide services; they are notified with short notice and/or without receiving sufficient background information of the request or not receiving background information at all. This hinders their level of service.
- Country Representatives advise the Secretary General, the Assistant Secretary General, and the Chief of Staff on all political matters relative to the functioning of the OGSMS. Those

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<sup>1</sup> SSAE stands for Statement on Standards for Attestation Engagements. Overseen by the American Institute of Certified Public Accountants (AICPA), SSAE 18 governs the way organizations report on their various compliance controls.



political matters might require a direct interaction of the Country Representatives with the Office of the Secretary General. Considering that part of the role of the National Offices is to deal with political matters and that the other Secretariats of the GS/OAS report to the Office of the Secretary General, in OIG's opinion, it would be a more natural fit to move the reporting line of the Coordinating Office of the OGSMS to the Office of the Secretary General.

### **3) GS/OAS costs might be further optimized by increasing the role of the OGSMS.**

As an outcome of the OASCORE project, it is expected that personnel of the OGSMS will have full access to the new system; therefore, the OIG foresees opportunities for increasing the role of the OGSMS, which as a result would enhance the cost effectiveness of the Organization.

The OIG suggests that the GS/OAS assesses as part of the Strategy for the OGSMS - or as a standalone project - the transactional functions or activities currently managed centrally at Headquarters that could be decentralized to one or more National Offices.

## **AUD-19/06– Inspections of Personnel Transfers, Internal and External Competitions, and Reclassifications Included in the Program-Budget 2019 – 1st Semester 2019**

The General Assembly through Resolution AG/RES. 1(LIII-E/18) rev 1 - Program Budget of the Organization for 2019 requested the following under the Human Resources section:

*“12 c. To instruct the Office of the Inspector General in its Semimanual reports to ascertain that personnel transfers, internal and external competitions, and reclassifications included in this program-budget are done in strict accordance with the applicable standards.”*

As per the General Assembly instructions, the OIG performed a review of the related personnel actions for the period from January 1, 2019 to June 30, 2019. The Department of Human Resources (DHR) provided the OIG with a list of 109 files/records that covered personnel transfers, competitions and reclassifications of posts. Our review, based on representative samples randomly selected by us, noted the following:

### **1) Special Duty Allowance (SDA) recipients for more than 18 months:**

As per Staff Rule 103.7(a): “Any staff member may be instructed to assume temporarily duties and responsibilities of a post of a higher level as part of his/her regular work and without additional compensation; however, an allowance for special duties shall be paid to a staff member who is required to assume on a temporary basis, for a period of more than six months and up to 24 months without interruption...”.

Staff Rule 103.7(e) indicates that: “the payment of an allowance shall not exceed 18 months.”

As of June 30, 2019, there were 11 staff members receiving SDA payments; of those, eight had been receiving the SDA payments for more than 18 months.

The aging of months for employees receiving SDA for more than 18 months fluctuated between 18 to 83 months.

From those eight cases mentioned above there is an exceptional case - with SDA benefits starting in 2012 – that involves a Special Observer Contract (SOC), which is not subject to a competition

process per the Staff Rules. Excluding that case, the other seven cases for employees receiving SDA for more than 18 months fluctuated between 18 to 42 months.

**2) Retroactive payment for a post reclassification:**

We noticed an instance in which an officer had his post reclassified from P03 in December 2018 to P04 in June 2019. According to the rules of reclassification, the incumbent of the post being reviewed shall not be entitled to any payment prior to or retroactive from the date of approval by the Secretary General, which in this case was May 20, 2019. However, the DHR Memo of approval requested the Secretary General confer a retroactive payment effective April 1, 2019, which was subsequently granted.

**REV-20/01– Audit of OASCORE/ERP Implementation Project**

In conformance with the Permanent Council resolution CP/doc. 5576/19, the Office of the Inspector General co-sourced with Baker Tilly Virchow Krause, LLP (Baker Tilly) an audit of the OASCORE/ERP Implementation Project.

The objectives of the Audit were to:

1. Verify disbursements to third-party vendors
2. Assess potential causes for the project delay
3. Assess when significant issues could have been reasonably identified
4. Assess which levels of management were briefed
5. Assess accuracy of status in progress reports
6. Evaluate measures proposed to address project implementation challenges
7. Assess whether requests for additional time, funding, and personnel are reasonable

The audit engagement found that disbursements were made in a timely manner and in accordance with the payment schedule established in the corresponding service agreements.

Regarding the project delay, the potential causes identified were: 1) the lack of a full-time project manager; 2) a defined project plan with the required resources (roles and hours) was not created; and 3) no defined objectives and plan for business process review were either created or used.

The audit team observed inconsistencies in the levels of management briefed during the execution of the project, as well as inaccurate information reported and/or shared among the main project stakeholders.

The audit concluded that the project would not meet its original schedule and that the reassessment plans provided by management for the project will most likely not meet the proposed revised January 1, 2021 go-live date.

To address all the shortcomings, a variety of actions were recommended to the GS/OAS.

**AUD-20/02– Inspections of Personnel Transfers, Internal and External Competitions, and Reclassifications Included in the Program-Budget 2019-2020 – 2<sup>nd</sup> Semester 2019 and 1st Semester 2020**

The General Assembly through Resolution AG/RES. 1 (LIII – E/18) - Program Budget of the Organization for 2019 requested the following under the Human Resources section:

*“12 c. To instruct the Office of the Inspector General in its Semimanual reports to ascertain that personnel transfers, internal and external competitions, and reclassifications included in this program-budget are done in strict accordance with the applicable standards.”*

Moreover, the General Assembly through Resolution AG/RES. 2940 (XLIX – O/19) - Program Budget of the Organization for 2020 requested the following under the Human Resources section:

*“11 c. To instruct the Office of the Inspector General in its Semimanual reports to ascertain that personnel transfers, internal and external competitions, and reclassifications included in this program-budget are done in strict accordance with the applicable standards.”*

As per the General Assembly instructions stated above, the OIG performed a review of the related personnel actions for the period from **July 1, 2019 to June 30, 2020**. The Department of Human Resources (DHR) provided the OIG with a list of **120 files/records** that covered personnel transfers, competitions, and reclassifications of posts.

The most relevant issue noted in our review was the following:

**Special Duty Allowance recipients for more than 18 months:**

Staff Rule 103.7(e) indicates that: “the payment of an allowance shall not exceed 18 months.”

As of June 30, 2020, there were five staff members receiving SDA payments. In all those five cases, the individuals had been receiving the SDA payments for more than 18 months. The aging of months fluctuated between 20 to 95 months. Of those five cases, there is an exceptional case – (Special Observer Contract (SOC)), which is not subject to a competition process as per Staff Rules. Excluding that case, the other cases for employees receiving SDA for more than 18 months fluctuated between 20 to 54 months.

As noted in the preceding paragraphs with the summary of the Audit AUD-19-06, this is a recurrent matter observed by the OIG. It should be noted though that total number of cases under this situation reduced from eight cases in the prior period reviewed to five cases.

The OIG recommends addressing this issue the sooner possible to prevent the risk of having incumbent receiving SDA payments for a long-extended period as a way of circumventing the General Standards’ requirements for post competitions.

**AUD-20/03– Disbursements of the Mission to Support the Peace Process in Colombia (MAPP/OEA)**

The OIG’s Audit Plan for 2020 - 2021 included the audit of the MAPP/OEA Project financed by the Specific Fund.

The objectives of the audit were as follows:

- Verify compliance with donors’ agreements and GS/OAS Internal Regulations regarding the MAPP/OEA Project’s (“the Project” or “Mission”) disbursements, which include but are not limited to travel expenses, hiring of consultants and other purchases connected with the Project.
- Assess the internal control environment surrounding the Project’s disbursements transactions to ensure transparency and accountability in the uses of the funds assigned to the Project.

The audit scope covered the period from January 1, 2019 to December 31, 2019.

In our review, we noted that the internal control environment surrounding the MAPP/OEA Administration, specifically as related to the disbursement process was adequate during the period under review. Functions of requesting, approving, and recording expenditures were adequately segregated within the disbursement process of the project; as well as the GS/OAS disbursements guidelines established in the Budgetary and Financial Manual and Procurement Rules are generally followed.

Overall, we noted a good level of conformance with the GS/OAS Internal Regulations and donors' agreements. We did not identify issues of non-compliance related to the three categories of expenditures covered in the audit scope.

#### **AUD-20/04– Disbursements of the Comprehensive Action against Antipersonnel Mines Program (AICMA)**

The audit of the Comprehensive Action against Antipersonnel Mines (AICMA)'s Disbursement's objectives were:

- Verify compliance with donor's agreements and GS/OAS Internal Regulations regarding Program's disbursements
- Assess the Program's internal control environment in the uses of the funds assigned to it in terms of transparency and accountability.

The audit scope covered the activities of the AICMA Program for the period from January through December 2019.

In our review, we noted an adequate internal control environment in terms of segregation of duties regarding requesting, approving, and recording expenditures within the AICMA Program, as well as overall good level of compliance with internal rules and regulations and donor's agreements. However, we observed that a service rendered by a consultant to support another program/project was partially covered with the AICMA's funds. This exception was not representative though, as it represented less than 1% of our sample. We issued one recommendation.

#### **IV. Investigations**

In the January 1 to December 31, 2020 period, the OIG's Investigation Section (hereinafter OIG/INV) processed 13 investigative matters, 6 of which were completed. Of those received in this period two were "*Special Requests*" by the Secretary General, (*REV-20-02*) and (*REV-20-08*).

Details are reflected in the following table:

Code	Technical Area/Subject	Status as of 12/31/20
INV-19/05	Alleged Workplace Harassment in the SAF	Closed
INV-19/06	Follow-Up OAS Belize-Guatemala Mission - Improper Hiring of Domestic Partner as Consultant	Closed
INV-19/09	Altercation at the Secretariat of Administration and Finance	Closed
REV-20/02	Alleged Unauthorized Entries to OAS Buildings During	Closed

Code	Technical Area/Subject	Status as of 12/31/20
	COVID-19 Telework Period	
<b>INV-20/03</b>	Possible Breach of Privacy: Personal Email Details of CPRs	Closed
<b>INV-20/05</b>	Alleged Irregularities in Post Competition	Closed
<b>INV-18/11</b>	Alleged Misconduct of OAS Staff Member	In Process
<b>INV-20/01</b>	Alleged Irregularities at the IACHR Executive Secretariat	In Process
<b>INV-20/04</b>	CICTE - Alleged Workplace Harassment	In Process
<b>INV-20/06</b>	Possible Breach of Privacy – Staff’s e-mail Redirection to Group Account	In Process
<b>REV-20/08</b>	Alleged Assignment of Work to CPRs Without a Valid Contract	In Process
<b>INV-18/10</b>	Alleged Irregularities in Program Administration	Not Started
<b>INV-20/07</b>	Alleged Workplace Harassment in the DGS	Not Started

In accordance with the Uniform Guidelines for Investigations, all investigations conducted by the OIG/INV are administrative in nature and are intended to assist the Secretary General in fulfilling his internal oversight responsibilities with respect to the resources and staff of the Organization as well as to assist the OAS Permanent Council, the Board of External Auditors and the CAAP in their fiscal supervision duties (OAS General Standards, Article 120).

If, as an outcome of the investigative work, a staff member is found by a preponderance of the evidence to have engaged in misconduct, OIG/INV includes specific recommendations to the Secretary General for disciplinary measures or employment-related sanctions in accordance with the facts, findings and supporting documentation of each case. Staff Rule 111.1 - Disciplinary Measures, establishes that disciplinary measures shall be imposed by the Secretary General: at the recommendation of the corresponding Office or Department Director, including the Inspector General.

Specific OIG/INV recommendations for staff members are omitted from this report in order to protect the privacy of the respective personnel and confidentiality of any related administrative internal processes.

The results of the completed investigations were as follows:

#### **INV-19/05 – Alleged Workplace Harassment in the SAF**

On Aug. 5, 2019, a senior employee at the Secretariat for Administration and Finance (SAF) filed a complaint and submitted a request for a formal investigation with the Office of the Inspector General for alleged workplace harassment against her and other GS/OAS colleagues by a Senior Department of Human Resources (DHR) Employee. Following the submission of supplemental information by the complainant, as well as a preliminary assessment by the OIG-INV, the formal investigation began on Sept. 1, 2019, and included the collection of documentary evidence and obtaining sworn testimony from both parties to the complaint plus 25 witnesses.

Based on the evidence and findings, the OIG concluded that the Senior DHR Employee:

- Incurred in inappropriate, disrespectful and bellicose verbal and written communications, as well as denigrating and out-of-place comments relayed in person and through disproportionate and aggressive responses;

- Engaged in a pattern of misconduct: 16 out of 25 witnesses interviewed stated that the respondent behaved improperly toward the complainant on more than one occasion. Aggressive speech is explicitly included in the GS/OAS Policy as a harassing form of behavior; the Organization has established in its Policy a *zero tolerance* for any form of harassment;
- Moreover, the respondent acted inappropriately in a pattern of misconduct toward SAF colleagues and DHR subordinates; in multiple instances, she addressed her superior in an offensive and disrespectful manner; conversely, at no time did her superior exhibit an aggressive or disrespectful behavior toward her; the respondent's prohibited conduct towards two DHR subordinates was perceived as the trigger for a toxic work environment within DHR.

The testimonial and documentary evidence, in the form of email exchanges and in general, denoted repeated inappropriate behavior by a senior official of the GS/OAS, actions overwhelmingly found to be in direct violation of the internal rules, regulations and norms of the GS/OAS, specifically the Policy and System for Conflict Resolution for the Prevention and Elimination of All Forms of Workplace Harassment and the Code of Ethics.

The OIG, in its report issued on Feb. 13, 2020, provided a specific recommendation for the Secretary General to initiate a disciplinary process against the respondent.

#### **INV-19/06 – Follow-Up OAS Belize-Guatemala Mission - Improper Hiring of Domestic Partner as Consultant**

A complaint was filed on August 16, 2019, by an area director accusing another director of having facilitated the hiring of a CPR consultant who happened to be the common-law wife or domestic partner of a Staff Member.

The undisclosed romantic relationship was the subject of Report No. **OIG/INV-19/02**, which determined that the Staff Member - while under the partial supervision of the director in question here - not only recommended his domestic partner but helped promote and award her four CPR contracts from June 19, 2017 to November 15, 2018. Said report concluded that both parties violated GS/OAS rules and regulations and failed the Code of Ethics of the GS/OAS by not revealing their sentimental ties to Management.

This investigation did not find any direct evidence to support that the director alluded to had any knowledge of the romantic relationship; however, this Staff Member was not diligent as expected and ignored several alerts that would have allowed a reasonable person to identify the irregularities in the hiring and contracting early on of the CPR consultant.

Instead, the director's oversights or omissions caused this person to breach the duties of due care and delegated responsibilities. The OIG further determined that the director's attempt to distance himself/herself from any administrative obligation demonstrated a partial or total non-compliance and ignorance of the regulatory framework that regulates the exercise of the delegated responsibility of officers and managers in areas and programs of the GS/OAS in relation to results-based performance contracts.

In addition, the director did not maintain a standard of diligence expected of senior professionals in the Organization by failing to ascertain a relationship embodied in the hiring that he/she promoted and launched at Headquarters.

On February 4, 2020, the OIG issued a report with specific findings, observations and recommendations to the Secretary General.

## **INV-19/09 – Altercation at the Secretariat of Administration and Finance**

On December 9, 2019, the OIG/INV received a verbal complaint from a Director of the SAF alleging that he was the victim of a physical aggression by another SAF Director during an altercation at a meeting.

The verbal testimony of the complainant detailed an incident that allegedly took place that afternoon after a presentation by the alleged offender about the OASCORE/ERP Implementation Project.

Below is a summary of the complainant’s testimony:

- During his intervention to conclude the afternoon session of the ERP project, the alleged offender made some pointed remarks directed at the complainant while the complainant was using his cell phone.
- The complainant felt the alleged offender was “calling him out” to humiliate him.
- After the alleged offender concluded his remarks, the complainant approached him in an attempt to clarify the situation.
- In doing so, the complainant proceeded to put his hands over the alleged offender’s shoulders and then his face.
- The alleged offender reacted by slapping him in the face.

Following the altercation, the OIG/INV also received a written statement of an eyewitness’s account of the incident and reached out to another eyewitness who provided a verbal testimony.

Both eyewitnesses’ testimonies and accounts of the event underscored the key facts of the altercation, specifically that: 1) the complainant approached the alleged offender after his comment and put his hands on him; 2) both engaged in a low-tone conversation; and 3) the alleged offender reacted by slapping the complainant in the face.

In addition to these two eyewitnesses, the OIG/INV also interviewed the participants in the ERP implementation project meeting as potential witnesses. In general, their testimonies also corroborated the key facts of the altercation between the two parties.

In light of the information gathered during the course of this investigation, including: a) the verbal testimony of the complainant and his formal response (i.e., allegation/complaint); b) the testimonies of several eyewitnesses of the incident; and 3) the formal response of the alleged offender (i.e., his counter allegation and defense), the OIG/INV concluded as follows:

- The alleged offender committed an act of physical aggression against his colleague by slapping him in the face with an open hand; and
- The complainant committed an act of misconduct by invading the physical space of his colleague prior to being slapped in the face and using profane language afterwards.

The OIG/INV also concluded that these actions by two senior members of the Organization’s Management were direct violations of OAS internal rules, regulations, and administrative policies, among other internal norms and directives, including the Policy and Conflict Resolution System for Prevention and Elimination of All Forms of Workplace Harassment and the Code of Ethics.

Consequently, on January 8, 2020, the OIG issued a report with specific findings, observations, and recommendations to the Secretary General.

### **REV-20/02 – Alleged Unauthorized Entries to OAS Buildings During COVID-19 Telework Period**

On May 7, 2020, the Office of the Secretary General forwarded a formal request asking the OIG to “carry out the pertinent investigations in relation to the alleged unauthorized entry of people to OAS buildings during the past weeks to the present.”

On March 18, March 20 and April 20, there were two DHR circulars and one SAF memorandum reminding all staff and other personnel of the continued teleworking arrangements and the related closure of all GS/OAS Headquarters premises “until further notice.” Despite the notices, there were several reports of personnel approaching OAS premises and accessing the GSB through its parking garage, as well as instances of unusual sounds coming from GSB offices and other Staff Members allegedly instructing security guards to retrieve personal items from OAS offices.

After the week of March 16-20 for the exceptional General Assembly election session, there were several confirmed attempts to enter the MNB and GSB facilities via the parking garage/lots and on foot. However, because of reinforced security protocols and guidance, the number of such incidents quickly declined and then disappeared altogether through the end of April.

The sounds heard and reported in early April at the GSB were consistent with a fumigation or decontamination device, a fact ascertained by GS/OAS Management, which reported that cleaning crews, as well as a heating and cooling maintenance contractor were present those days.

The OIG/INV discerns that despite the email notices delivered to all GS/OAS personnel on March 18 and March 20, some staff members did not heed the warning and still attempted to access their workspaces to retrieve personal belongings and/or professional work material without prior authorization in the early days of the pandemic emergency.

Stricter building access guidelines and/or protocols went into effect after the issuance of the April 20 DHR Circular No. 44/20. By then and immediately afterwards, the GS/OAS Security Section refined its procedures as a result of the earlier incidents, as well as the renewed scrutiny by GS/OAS Management and the OIG’s inquiries. Random checks by the OIG/INV *in situ* in mid-May confirmed the strict adherence to authorization request protocols by the contracted security guards.

The OIG did not make any additional recommendation as it assessed that GS/OAS management had already taken the appropriate actions to ensure compliance with the telework-related building closure directives.

### **INV-20/03 – Possible Breach of Privacy: Personal Email Details of CPRs**

On May 8, 2020, the Secretary of Administration and Finance alerted the Inspector General that an external party had emailed “a number of CPRs engaged by the OAS” using their personal email addresses to solicit their participation in an academic research survey.

The complaint further stated that the outreach to CPRs raised the possibility that the external party had help inside the Organization to obtain personal email addresses of consultants “surreptitiously” and in contravention of “internal norms and regulations.”



The OIG undertook inquiries of open sources found online to assess whether the personal email addresses could easily be obtained; the OIG concluded that emails can be found through social data mining and through proprietary commercial databases; but the OIG determined that that is a time-consuming effort that requires individual research.

Despite the collection of considerable testimonials, documentary, and forensic evidence, the OIG/INV could not pinpoint the source of any unauthorized breach within the GS/OAS. And the OIG's inquiries did not establish the level of participation of any GS/OAS employees in the purported unauthorized access and disclosure of GS/OAS data to outside parties.

The OIG/INV therefore moved to close this investigation at the preliminary stage, as the initial complaint's allegations of a potential leak of information could not be corroborated with the evidence gathered.

### **INV-20/05 – Alleged Irregularities in Post Competition**

The OIG received an anonymous complaint on July 7, 2020, via email indicating potential irregularities in the competition process for the post of an area director; the email also stated that the alleged irregularities had been reported to other entities within the GS/OAS.

The complaint specifically alleged that the competition had been potentially manipulated to favor a certain individual to the detriment of other job applicants within the GS/OAS, by including specific technical certifications listed as requirements instead of optional competencies in the job description for the post, as was done in prior post selections.

The preliminary investigation determined that the terms of reference were modified in relation to the previous competition undertaken in 2016, and that in several instances, the changes introduced as essential requirements for the post coincided with credentials and descriptors reported by the individual allegedly favored.

No evidence surfaced that changes to the terms of the reference were made deliberately to favor any candidate; however, the mere appearance of bias in the selection process was deemed to be detrimental to the work environment of GS/OAS personnel eligible to apply for the post competition. Therefore, the OIG recommended that the prior competition process be canceled and relaunched with a new post advertisement that excludes the impugned language and certification requirements. The OIG also recommended that the recruitment and selection process be outsourced to an external recruiting firm to avoid any potential perception of bias and to guarantee a fair, objective and transparent process.

## **V. Status of Audit Recommendations**

The OIG monitors on a quarterly basis the status of pending outstanding OIG audit recommendations within the GS/OAS. Subsequently, in a quarterly presentation, an analysis and the results of such monitoring are reported to the CAAP.

In the period from January 1 to December 31, 2020, a total of 20 high/medium priority audit recommendations were monitored, of which three were deemed as fully implemented. For the remaining 17 still open recommendations, in most of the cases the General Secretariat had already initiated the actions needed to address them.

In accordance with resolution AG/RES. 2957 (L-O/20), Program-Budget for 2021 of the Organization, paragraph IV.30.a., the OIG will continue with this oversight and its reporting.

## VI. Training

In accordance with the Institute of Internal Auditors (IIA) Standard 1230 – Continuing Professional Development, the OIG endeavors to make training an essential part of staff development in order to sustain and enhance their knowledge, skills, and other competencies to ensure that they are adequately prepared to meet the Organization’s needs.

During the period of January 1 to December 31, 2020, the OIG staff virtually completed the following Web-based e learning, Video-based Learning, Webinars and/or Virtual Classrooms:

OIG Trainings from January 1- December 31 2020	Institution
"Robotics Process Automation - UiPath Training & Build your first Bots"	IIA D.C Chapter
A New Focus on Corporate Culture: How to Assess Culture and Why	AICPA
The 2020 IIA Virginia District Training Academy	IIA D.C Chapter
COSO Internal Control Certificate Program Online	The IIA
Data Analysis Fundamentals Certificate	AICPA
Integrating Audit Data Analytics into the Audit Process	AICPA
Ethical Investigations Interviews: 10 Things to Consider	i-sight-webinar
Gestión con Énfasis en Liderazgo	OAS-SODOEC
Conducting Investigations Remotely	i-sight-webinar
Financial Investigations for Non-Financial Professionals	ACFE
Detecting and Deterring Conflicts of Interest	ACFE
"Tips, Templates and Best Practices for Conducting Investigations Remotely"	i-sight-webinar
Microsoft Excel: Starter Guide	Udemy
Excel Quick Start Tutorial: 36 Minutes	Udemy
Useful Excel for Beginners	Udemy
Excel for Finance and Accounting	Udemy
Free Basic Excel Course + Lookup Function	Udemy

The attendance led to the accrediting of **106.5** Continuing Professional Education (CPE) credits during the 2020 for OIG Staff.

## VII. OIG Participation at Meetings and Coordination with Other Oversight Bodies

Due to the ongoing COVID-19 pandemic outbreak, the OIG staff participated virtually in some meetings of the CAAP, as well as observers in various committee meetings and working groups of the General Secretariat that may affect internal controls, such as the Contract Awards Committee.

The OIG also remained in communication with the External Auditors of the Organization, as well as with other oversight bodies of the GS/OAS in order to ensure proper coordination, coverage and minimize duplication of efforts.

## VIII. Proposed Audit Plan 2021

The risk-based audit plan proposed for year 2021 takes into consideration the following elements:

- **Organization’s Strategy:** the information available with the Organization’s strategy was considered in the design of the audit plan.
- **Elapsed time since last audit;** consideration was given to areas that have not been audited for a long time.
- **Perceived Risks, Concerns or Relevant Changes;** these factors were analyzed for each component of the Audit Universe based on the major risks already identified by Management, as well as the OIG insight. In that regard, the proposed audit plan has also considered the challenges of the COVID-19 pandemic in the performance of the audit engagements.
- **Significance:** consideration was given to the amount at risk of each Audit Universe component. The significance was estimated by the OIG based on the information available and produced by the GS/OAS.
- **Value Added of an Audit;** last but not least, the proposed Audit Plan took into account the potential value that an internal audit can add to mitigate the risk being analyzed, considering the nature of the risk and/or existing management actions addressing it.

The following table details the proposed audit plan for 2021 that resulted from our risk-assessment referenced above.

#### Proposed Audit Plan 2021

#	Code	Subject	Proposal Basis
1	AUD-19/02	IACHR – Audit of Disbursements & Hiring of Personnel	Carry Over
2	AUD-21/01	Inspections of Personnel Transfers, Internal and External Competitions, and Reclassifications Included in the Program-Budget 2020 - 2nd. Half	General Assembly Mandate
3	AUD-21/02	Follow Up – Contract Management – Major Contracts of the GS/OAS	OIG Risk Assessment
4	AUD-21/03	Project Monitoring Follow Up	OIG Risk Assessment
5	AUD-21/04	Audit of Common Costs and Other Disbursements	OIG Risk Assessment
6	AUD-21/05	Cash Management - GS/OAS Treasury Fund	OIG Risk Assessment
7	AUD-21/06	Conference Management	OIG Risk Assessment
8	AUD-21/07	Inspections of Personnel Transfers, Internal and External Competitions, and Reclassifications Included in the Program-Budget 2021 - 1st Half	General Assembly Mandate

#### IX. Other Relevant Activities Conducted by the OIG in 2020

During the course of 2020, the Office of the Inspector General has collaborated in the *development and execution* of the following mandates established and adopted by the General Assembly at its *FIFTY REGULAR SESSION OAS / PROGRAM-BUDGET OF THE ORGANIZATION FOR 2021* (Approved at the first plenary session, held on October 20, 2020):

- To instruct the General Secretariat, for consideration by the CAAP in preparation for program-budget 2022 discussions, to develop with the Board of External Auditors options for establishing an *Audit Committee*, as proposed by the Inspector General, including structure

and costs associated with it. Reference Resolution: (AG/RES. 2957 (L-O/20), paragraph IV.30.c).

- b.** To instruct the Office of the Inspector General and the Office of the Ombudsperson to present to member states a report detailing the number of cases – among them the fraud, harassment, and whistleblower cases – that were handled annually, the time spent in the course of each proceeding of those investigations, the measures generally adopted as well as identification of potential weaknesses and violations observed with respect to the implementation of the Organization’s policies on fraud, harassment, and whistleblowers and whistleblower protections. Reference Resolution: (AG/RES. 2957 (L-O/20), paragraph IV.31).

*In September of 2020*, the first “Annual Report of the year “2019” of all cases of workplace harassment managed by both offices was presented to the CAAP”.

- c.** To instruct the Permanent Council to continue analyzing, through the CAAP and with support from the General Secretariat, options for establishing a separate and independent budget process for OAS oversight mechanisms including the Office of the Ombudsperson, the Inspector General, and the Administrative Tribunal (TRIBAD). (AG/RES. 2957 (L-O/20), paragraph (IV) (7) (d)).

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Inspector General