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September 28, 2023

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United States of America

Uruguay

Venezuela

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

OIG-IG-23-04

Mr. Secretary General:

I have the honor to submit to you the Activity Report of the Office of the Inspector General for the period January 1 to July 31, 2023.

I remit this Activity Report to you, for subsequent forwarding to the Permanent Council, in accordance with the provisions of Article 131 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.

Pedro Ruz Gutierrez
Inspector General, *ad interim*

Encl.



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2023

Activity Report of the Office of the Inspector General
for the period of January 1 to July 31, 2023

This report is presented in compliance with Article 131 of the
General Standards to Govern the Operations of the General Secretariat

Office of the Inspector General

September 28, 2023

Original: English

Contents

I. Summary.....	3
II. Mandate	4
III. Internal Audits	5
IV. Investigations.....	7
V. Status of Audit Recommendations	8
VI. OIG Participation at Meetings and Coordination with Other Oversight Bodies.....	9

I. Summary

This report is submitted in conformity with Article 131 of the General Standards. It covers the activities of the Office of the Inspector General (OIG) from January 1 to July 31, 2023.

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 July 31, 2023, the OIG staff:

1. Engaged in five audits; two were completed.
2. Addressed seven investigative matters, of which one was concluded.
3. Completed its risk-based bi-annual internal audit plan for the General Secretariat of the Organization for the period 2022-2023.
4. Collaborated and led the execution of the following activities and reports established by General Assembly mandates:
 - a. Annual Report of Workplace Harassment Cases Managed by the Office of the Inspector General and the Office of the Ombudsperson (AG/RES. 2957 (L-O/20), paragraph (IV) (31) – renewed through resolution (AG/RES.2985 (LII-O/22) – Annex II. N° 16)).
 - b. Inspections of the personnel transfers, internal and external competitions, and reclassifications included in program-budget (AG/RES.2971 (LI-O/21), paragraph (IV) (12) (b) – renewed through resolution (AG/RES.2985 (LII-O/22) – Annex II. N° 9)).
 - c. Reports to the CAAP of the analysis on the status of implementation of recommendations made (AG/RES. 2957 (L-O/20), paragraph (IV) (30) – renewed through resolution AG/RES.2985 (LII-O/22) – Annex II. N°. 15)).
5. Continued to act in an observer capacity at several GS/OAS committees, as well as met with and presented reports to the OAS governing bodies.

II. Mandate

Article 126 of the General Standards to Govern the Operations of the General Secretariat - Internal Audit and the Internal Audit Charter: *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, after consultation with the Audit Committee, the Secretary General shall issue an Internal Audit Charter through an Executive Order regulating such activities, in accordance with these General Standards, with the Permanent Council duly apprised.*

Article 128 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, the CAAP, the Audit Committee 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 131 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/she conducts, with copies to the Audit Committee. The Inspector General's reports will also be made available to the member states upon their request. In such cases the Inspector General will keep the Secretary General duly apprised. In submitting his/her reports, the Inspector General recommends such measures as he/she deems necessary to safeguard their confidentiality.*

[...]

e. *The reports of the Inspector General will be made available to the member states upon request by the OAS Permanent Missions. In submitting his/her reports, the Inspector General shall take the measures that he/she deems necessary to protect 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 providing 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 - July 31, 2023 period, the OIG's Internal Audit Section engaged in five audits, two of which were completed, as detailed in the table below:

Code	Title	Origin	Status as of 07/31/2023
AUD-23/01	GS/OAS Cybersecurity	Audit Plan	Completed
AUD-23/02	Inspections of Personnel Transfers, Internal and External Competitions, and Reclassifications Included in the Program-Budget 2022 – 2nd Semester 2022	General Assembly Mandate	Completed
AUD-23/03	Travel Expenses	Audit Plan	In process
AUD-23/04	Facilities Maintenance Expenses	Audit Plan	Not Started
AUD-23/05	Expenditures' Approval Process	Audit Plan	Not Started

The results of the completed audits were as follows:

AUD-23/01 – GS/OAS Cybersecurity

The Office of the Inspector General co-sourced with CliftonLarsenAllen LLP (CLA) an internal audit to perform a Cybersecurity Assessment Review. The Audit procedures engagement covered the period from January 1, 2023, through February 28, 2023. The review, which also included an External Penetration Test, aimed to assess the following:

- Revision of the processes
- Understanding of the controls and configurations related to OAS's Cybersecurity program
- Revision of the policies and practices

CLA reviewed the Information Security Program for completeness and made inquiries of key personnel to gain an understanding of the process in place related to OAS's cybersecurity program.

The specific domains and subtopics included in the scope of the cybersecurity assessment were based on the Supplemental Guidance within the Global Technology Audit Guide (GTFG) contained within the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) specific to assessing cybersecurity risks.

Based on the results of their procedures, the CLA auditors concluded that overall, the OAS Department of Infrastructure and Technology Services (DOITS) has the following:

- Strong processes in place to identify, mitigate and manage the day-to-day risks associated with addressing information technology risks that could expose OAS employees and data to cybersecurity threats.
- Road maps to further enhance the existing controls.

At the same time, the audit review found:

- Critical gaps with specific cybersecurity and information technology governance activity for which DOITS should obtain management support for risk mitigation activities, and system and process improvements.

The results of the audit identified several observations and recommendations with respect to the following areas: Cybersecurity Governance; Inventory of Information Assets; Standard Security Configuration; Information Access Management; Prompt Response and Remediation; and Ongoing Monitoring.

AUD-23/02– Inspections of Personnel Transfers, Internal and External Competitions, and Reclassifications Included in the Program-Budget 2022 – 2nd Semester

The General Assembly through Resolution AG/RES.2971 (LI-O/21), Program Budget of the Organization for 2022 requested the following under the Human Resources section:

“12 b. To instruct the Office of the Inspector General in its Semiannual 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, 2022, to December 31, 2022. The Department of Human Resources (DHR) reported to the OIG a list of 35 transactions covering personnel competitions, transfers, and reclassifications of posts (completed processes) for the audit period. The OIG randomly selected 19 transactions from that list, for which DHR provided the corresponding files.

From our review, we identified two cases of transfers that the OIG will review in the next audit as integral cases along with their respective reclassification processes.

We also ascertained that as of December 31, 2022, there were 10 staff members receiving special-duty allowance (SDA) payments; of those, six had been receiving the SDA payments for more than 18 months. The aging of months fluctuated between 21 to 30 months. This is a recurrent matter noted by the OIG in previous reports of inspections of personnel transfers, competitions, and reclassifications (AUD-19-06, AUD 20-02 and AUD 21-07, respectively). It should be noted that the total number of cases in this situation has been reduced significantly.

IV. Investigations

In the January 1 to July 31, 2023, period, the OIG's Investigation Section (hereinafter OIG/INV) processed seven investigative matters, one of which was completed. Of those addressed in this period, one was a Special Request by the Office of the Secretary General, (SR-22/02).

Details are reflected in the following table:

Code	Technical Area/Subject	Status as of 07/31/23
INV-23/01	Alleged Workplace Harassment and Discrimination Reported by IACHR Intern	Completed
INV-18/10	Alleged Irregularities in Program Administration	In Process
INV-18/11	Alleged Misconduct of OAS Staff Member	In Process
INV-20/01-A01	Alleged Workplace Harassment to Human Resources of the Executive Secretariat of the IACHR	In Process
INV-20/01-A04	Alleged Improper Use of Resources in CPR Contracting	In Process
INV-20/01-A05	Senior Staff Assignments Without Competitions	In Process
SR-22/02	Follow-Up of Alleged Assignment of Work to CPRs Without a Valid Contract	In Process

In accordance with the Conference of International Investigators (CII)'s Uniform Principles and 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 Audit Committee and the CAAP in their fiscal supervision duties (OAS General Standards, Article 120).

If the outcome of the investigative work determines that a staff member engaged in misconduct, the OIG issues specific recommendations for disciplinary measures or employment-related sanctions in accordance with the facts, findings and supporting documentation of each case. For disciplinary steps other than summary dismissal or separation from the Organization, the preponderance of the evidence standard is required to prove that a misconduct is more likely than not to have occurred. For cases involving dismissal or separation from the Organization, the evidence must be clear and convincing, which means that the truth of the facts asserted is highly probable.

Per an Administrative Tribunal judgment last year, the OIG adopted the application of the higher standard of proof for all current and future cases involving summary dismissal or separation from the Organization.

Staff Rule 111.1 - Disciplinary Measures, establishes that disciplinary steps shall be considered and imposed by the Secretary General at the recommendation of the corresponding Office or Department Director, including the Inspector General, or the Director of the Department of Human Resources.

The results of the completed investigation were as follows:

INV-23/01– Alleged Workplace Harassment and Discrimination Reported by IACHR

On April 28, 2023, an intern at the Inter-American Commission of Human Rights (IACHR) submitted a complaint to the Office of the Inspector General (OIG) alleging acts of workplace harassment against him/her and derogatory comments about a section coordinator by a supervisor. The situation had been previously reported to the OIG and the Department of Human Resources (DHR) a week earlier by IACHR's management.

In line with the GS/OAS workplace harassment policy, the OIG/INV undertook a preliminary evaluation of the complaint. After reviewing the available documentation, emails and screenshots submitted, the OIG/INV conducted sworn interviews with all parties involved and formally requested any additional supporting documentation as evidence. The preliminary evaluation established that the allegations described in the complaint fall into workplace harassment behaviors identified in the GS/OAS policy.

Despite the assertions, the intern admitted that he/she had no recordings or transcripts of conversations with his/her supervisor or witnesses that would corroborate the alleged workplace harassment behavior, or the discriminatory comments allegedly uttered by the staff member. Virtual videoconferencing tools offer recording options, but unless participants specifically select such features, exchanges are not recorded. The IACHR section coordinator also indicated that he/she had no evidence of the alleged misbehavior and that he/she complied with reporting allegations transmitted by the intern.

The documents, such as written email communications, reviewed by the OIG/INV show that the intern's supervisor remained polite and professional with the complainant. The supervisor denied any inappropriate behavior and instead suggested that the complaint against him/her was submitted as retaliation for marks given in a final evaluation of the intern that the latter perceived as negative; two days after the evaluation, the alleged inappropriate behavior was reported by the intern.

Except for the complainant's accusations (and the IACHR section coordinator conveying the allegations) the OIG did not receive, collect, or identify supporting elements of proof (testimonial, documentary and/or forensic) that would support the assertions about any inappropriate behavior. Based on the foregoing, and per Article 13.5 of the GS/OAS workplace harassment policy, the OIG closed the case due to a lack of evidence.

V. Status of Audit Recommendations

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

In the period from January 1 to June 30, 2023, a total of 14 high- and medium-priority audit recommendations were monitored. For these remaining 14 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), paragraph (IV) (30) – renewed through resolution AG/RES.2985 (LII-O/22) – Annex II. N°. 15 of the Program-Budget for 2023 of the Organization, the OIG will continue with this oversight and its presentation of reports.

VI. OIG Participation at Meetings and Coordination with Other Oversight Bodies

The OIG staff participated in 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 Members of the Audit Committee and the External Auditors of the Organization, as well as with other oversight bodies of the GS/OAS, for consultations and to ensure proper coordination, coverage and minimize duplication of efforts.

Pedro Ruz Gutierrez
Inspector General, *ad interim*