



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



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### ANNUAL REPORT OF THE ETHICS OFFICE

#### **Executive Summary**

1. The Ethics Office of the Pan American Sanitary Bureau (PASB) was first established in May 2006, and has just completed its first year of operation. This report highlights the role, work and achievements of the Ethics Office since its inception and outlines the various initiatives undertaken by the Organization to promote a culture of ethics and accountability and to establish an effective integrity and conflict resolution system.

#### **Reporting Period**

2. This report covers the period from May 2006 to May 2007. In the future, to facilitate reporting, annual reports will be prepared on a calendar year basis from 1 January to 31 December.

#### **Structure of the Ethics Office**

3. The Ethics Office is an independent entity that does not have any direct reporting relationship in PASB, except for administrative purposes. To assure and maintain its independence, the Ethics Office reports directly to PAHO's Governing Bodies through the Executive Committee. This means that it has complete authority and autonomy and operates without any constraints in carrying out its mission.

4. The Ethics Office is accessible to all PASB staff, family members, clients, stakeholders and vendors. The staffing complement currently consists of two positions, the Ethics Program Manager and a part-time Assistant.

### **Purpose, Mission and Authority**

5. The mission of the Ethics Office is to promote a culture of ethics and integrity in PASB. This includes providing guidance, advice and training to help staff make the right ethical decisions and assuring compliance with all applicable rules and policies on the values, principles and standards of conduct of the Organization.

6. The Ethics Office is also responsible for investigating alleged misconduct, harassment and violations of PASB's Code of Ethical Principles and Conduct. Its role in investigations is limited to findings of fact. Decisions on any administrative or disciplinary action following the completion of an investigation are a management function and are taken by the Human Resources Manager, Director of Administration or Director.

7. The role of the Ethics Office contrasts with that of the Ombudsperson, whose principal function is to address workplace problems and conflicts in a neutral setting through informal discussions and interventions.

### **Access to Records and Staff**

8. The Ethics Office has complete access to all records and staff of the Organization. It has a duty to protect the confidentiality of information that is brought to its attention and can only share this information with people who have a legitimate need to know.

9. During its first year of operation, the Ethics Office has been given unfettered access to staff records and files, when necessary, and staff have generally been cooperative during inquiries or investigations. Nonetheless, in order to improve the overall level of cooperation, staff will need to be reminded that they have a duty to assist in any investigation or inquiry and that such collaboration is not merely voluntary.

### **Organizational Achievements**

10. In recent years, the Pan American Sanitary Bureau has made great strides in promoting and reinforcing a culture of ethics and integrity and in improving the dispute resolution system available to staff. These achievements include:

- Implementing a comprehensive Policy on the Prevention and Resolution of Harassment in the Workplace in May 2004;
- Revising the Staff Rules in June 2005 to clarify the standards of conduct expected of staff, to expand the scope and meaning of misconduct and to broaden the range of disciplinary measures available to deal with cases of misconduct;

- Implementing a declaration of interest program in August 2005 requiring staff to report an interest in any activity that may conflict with the mission of the Organization;
  - Appointing a full-time Ombudsperson in September 2005;
  - Establishing an Information Security Office in October 2005;
  - Implementing a comprehensive Code of Ethical Principles and Conduct in January 2006; and
  - Establishing an Ethics Office in May 2006.
11. These activities reflect PASB's continuing efforts to promote ethical conduct, accountability and a proper and respectful work environment for its staff.

#### **Activities and Achievements of the Ethics Office**

12. The Ethics Office has four principal functions, as follows:
- Providing advice and guidance to staff and management on ethical issues;
  - Providing training and educational opportunities on ethical issues and PASB's Code of Ethical Principles and Conduct;
  - Conducting investigations into alleged misconduct, harassment and violations of the Code of Ethical Principles and Conduct; and
  - Coordinating the Integrity and Conflict Management System (ICMS).
13. The principal activities and results that have been undertaken or achieved in these four areas over the course of the last year are highlighted below:

#### ***Providing Advice and Guidance***

14. Ethics is about doing what is good and what is right. However, sometimes it is not clear to staff what is the right decision or action to take in a particular situation. As a result, one of the most important functions of the Ethics Office is to foster awareness of ethical issues and to guide staff in the right direction. When staff ask questions and are given proper direction or advice, many of the ethical problems or dilemmas that would otherwise arise are avoided. This helps to mitigate risk and any possible damage to the Organization's reputation.

15. One of the cornerstones of the Ethics Office's work is thus to foster awareness of ethical issues and to ensure that staff always have ethical considerations in mind when embarking on any activity, whether within or outside the workplace. To underscore the importance of ethical issues and heighten staff sensitivity, an awareness campaign will soon be launched. This campaign will consist of posters that will be displayed in all offices and individual brochures that will be distributed to all staff. The posters and brochures will be available in four languages, namely English, Spanish, French and Portuguese.

16. Effective communication is an essential component of the Ethics Office's work, and staff need to be able to inquire freely about ethical issues and to report suspected wrongdoing, conflicts of interest or violations of PASB's Code of Ethical Principles and Conduct. To encourage staff to speak up whenever they have a question or an ethical concern to report, an Ethics Help Line has been established. This Help Line is administered by Global Compliance, a world leader in ethics and compliance issues, and consists of both a toll-free telephone and an online reporting system. Staff can use the Help Line – anonymously if they prefer – to simply ask a question or to raise ethical concerns about a specific situation. The Ethics Help Line is available 24 hours a day to all staff at headquarters and in every country office and center as well as to family members, clients, stakeholders and vendors.

17. While the exchange of information is important, it is also critical to safeguard confidential information to ensure an appropriate level of trust and confidence and to safeguard the reputation of the Organization and its staff. With this objective in mind, the Ethics Office implemented a confidentiality declaration program in May 2007 in which staff in sensitive positions are required to pledge not to divulge confidential information except to those who have a legitimate need to know.

18. As part of its mandate, the Ethics Office has given advice on numerous occasions to staff on a wide variety of issues. These include the employment of family members or relatives in PASB, outside employment activities, membership on committees and boards, participation in national elections, activities of family members, the acceptance of gifts and free airline tickets, selling goods on PAHO property, etc.

### ***Providing Training and Educational Opportunities***

19. In conjunction with Human Resources Management, an online course on PASB's Code of Ethical Principles and Conduct was implemented in March 2007. This course is mandatory for all personnel working in PASB, regardless of type of contract, and must be completed by 30 June 2007. The course is now offered in English and Spanish and will soon be available in French and Portuguese.

20. The course consists of 24 case studies, and participants are asked to respond to a series of true or false and multiple choice questions on each case. A grade of 80% is required to pass the two-hour course, and personnel attaining this score receive a certificate of completion.

21. The objectives of this training activity are to enable staff to:

- Become more aware of the values, principles and standards that all PASB personnel need to adhere to, both inside and outside the workplace;
- Have a better understanding of PASB's new Code of Ethical Principles and Conduct; and
- Be more sensitive when dealing with ethical issues and able to better regulate their conduct and actions accordingly.

22. In addition, briefing sessions on the new Code of Ethical Principles and Conduct were held for all PASB personnel in Honduras and Paraguay. More country visits are planned in the future.

### ***Conducting Investigations***

23. During the reporting period, the Ethics Office had 13 cases at various stages of investigation. Of these 13 cases, five were finalized and closed and eight cases remain open. All of the cases pertained to PASB personnel and involved suspected violations of the Code of Ethical Principles and Conduct.

24. A brief summary of some of the noteworthy cases follow.

#### ***Travel Claim Fraud***

25. A number of personnel in a country office submitted falsified hotel receipts with their travel claims in order to obtain a higher rate of reimbursement. An initial review of all travel undertaken in the country was carried out by an outside audit firm and was followed by an investigation by the Ethics Office. In view of the findings, which confirmed the existence of an organized scheme to defraud the Organization, four personnel were separated from PASB.

#### ***Bid Rigging***

26. In a country office, a number of bids were received for the purchase of medical equipment and supplies, and many of the bids appeared to be identical in terms of

content, layout, font and other details. An investigation was launched and it was ascertained that many of the purported suppliers did not exist and that a clear pattern of bid rigging took place. A report was prepared and the matter is now pending with management.

*Educational Qualifications*

27. An investigation is presently ongoing regarding the academic credentials of a staff member. The investigation will soon be finalized and a report submitted to management.

*Involvement in Outside Activities while at Work*

28. An investigation was initiated concerning a staff member who was allegedly using PASB time to carry out an outside activity. The investigation has been finalized and a report drafted, which will soon be sent to management.

*Allegations of Impropriety*

29. A former staff member made allegations of impropriety against a supervisor. The matter is presently under investigation.

*Misrepresentation on Employment Application Form*

30. A candidate for a position in the Organization misrepresented on an employment application form whether any relatives were employed in PASB. The matter was investigated and a report sent to management for consideration.

*Abuse of Sick Leave*

31. A manager reported suspicions regarding the falsification of sick leave certificates and an investigation will soon be launched.

*Allegations against Coworkers*

32. An employee made several allegations against coworkers during the appointment process for a temporary assignment. The matter was investigated and a report sent to management for consideration.

*Abuse of Normal Working Hours*

33. It was reported that some staff are not respecting the normal working hours of the Organization and are not recording the proper amount of annual leave to reflect their absences. This matter is presently being investigated.

*Excess Travel*

34. It was reported that a staff member is engaging in excessive and unnecessary travel, sometimes for personal benefit. This issue is presently under investigation.

***Coordinating the Integrity and Conflict Management System***

35. To effectively deal with important institutional issues such as integrity, accountability and conflict resolution, PASB offers a wide range of services to address workplace-related problems, to perform audits and to carry out reviews and investigations. These services include both informal resources such as the Ombudsperson, the Ethics Office, the Legal Office, the Information Security Office, Human Resources Management, the PAHO/AMRO Staff Association and the Office of Internal Oversight Services, and formal resources such as the Grievance Panel (for cases of harassment) and the Board of Appeal.

36. However, it is not always clear to staff which resource is best suited to resolve a particular concern or conflict. To address this problem, a new Integrity and Conflict Management System is being developed under the direction of the Ethics Office. It seeks to harmonize the existing resources and policies in a robust system so they can be more effective and more easily understood by staff. Under this system, staff would be fully apprised at the outset of the mandate, scope of work, level of authority, reporting relationships, independence, level of confidentiality and accountability of each specific resource and thus would have a better idea of the resource that should be utilized in a given situation.

37. Unlike many other organizations and private sector companies, which have instituted pure conflict resolution systems, the system in PASB combines both integrity and conflict in one cohesive system. This approach is based on the premise that promoting ethical conduct in every facet of the Organization's work can lead to a better work environment and hence a reduction in conflict.

38. With the involvement of the different resources, the structure of the Integrity and Conflict Management System is being finalized, with a target implementation date of May 2007. An integral component of the system will be the establishment of a standing committee whose primary role will be to coordinate the different resources and ensure

that staff have access to an efficient and credible integrity and conflict management system. This committee will be led by the Ethics Program Manager.

### **Future Actions**

39. While a number of important initiatives have already been implemented, many other policies and practices will need to be developed to further promote ethical issues, ensure consistent and equitable treatment of staff, provide clear and relevant information and emulate best practice.

40. Some future initiatives are as follows:

- Develop a manual of investigative procedures to serve as a guide for the conduct of investigations, detailing the role of the different PASB offices and the rights of staff to due process;
- Establish a whistleblower protection policy to further protect staff from retaliation in cases where they report in good faith suspected violations of PASB's Code of Ethical Principles and Conduct;
- Prepare policy guidelines dealing with outside employment activities;
- Develop policy guidelines to prevent staff from being rehired or contractors from being re-engaged when they have been found guilty of ethical violations;
- Review the declaration of interest program to ensure that it meets the specific needs of the Organization; and
- Provide additional training programs and briefing sessions to staff to continuously underscore the importance of ethical behavior.

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