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Conferencia Interamericana de Seguridad Social
Inter-American Conference on Social Security
Conferência Interamericana de Seguridade Social

August 20th, 2019

English – Original Version in Spanish

**Record of the Inter-American Conference on
Social Security Permanent Committee Annual
Extraordinary Meeting**

Mexico City

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RECORD OF THE 2019 INTER-AMERICAN CONFERENCE ON SOCIAL SECURITY PERMANENT COMMITTEE EXTRAORDINARY MEETING.

In order to hold the Inter-American Conference on Social Security (CISS) Permanent Committee Extraordinary Meeting, the following members of such body met on August 20th, 2019 at 10:23 hours: Mexican Institute of Social Security and CISS Chairman Mr. Zoe Alejandro Robledo Aburto; Chilean Ministry of Labor and Social Security and Sub-Region III Southern Cone Representative Mr. Cristian Olivares Pino; Argentinian Mutual Association of Agents of Organizations for the Elder and Associate Member Representative Mr. Jorge D'Angelo. The virtual attendees were: Argentinian National Administration of social Security and CISS Deputy Chairman Mr. Alejo Maxit; Cuban Ministry of Labor and Social Security and Sub-Region V Mexico and Spanish-Speaking Caribbean Representative Ms. Miriam Lau; Ecuador Bank Superintendence and CISS Deputy Chairman Mr. Boris Polanco; Honduran Institute of Social Security and Sub-Region II Central America Representative Ms. Vilma Morales Montalvan; CISS Secretary General Mr. Gibran Ramirez Reyes; Inter-American Center of Social Security Studies Director (CISS) Director Mr. Reginal Thomas; and Conference Controller Mr. Eduardo del Villar Liranzo.

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Before transacting the items to address, Mr. Zoe Robledo Aburto said he had been informed about the revisions made to item 8 of the Agenda. For this reason, Mr. Robledo Aburto asked CISS Secretary General Mr. Gibran Ramirez Reyes to make the relevant clarification in that regard. The Secretary of the Permanent Committee Extraordinary Meeting Mr. Ramirez Reyes then proceeded to say that the members of the Committee would be presented with a project of amendments aimed at different regulatory instruments of the Conference, not a decision made on any reform, as the item in the Agenda claimed.

The Chairman thanked the Secretary General for his comments and said that the now amended item 8 would read as follows: "Presentation of the CISS Regulatory and Statutory Amendments Project."

Having said that, the Chairman said that the Committee would solely be presented with information about the projects as the relevant decision made by the Reviewing Committee was still pending.

Using the floor, Mr. Reginald Thomas said that all the attendees of the meeting should have the records of the Permanent Committee Extraordinary Meeting held in January 2019 so that such records were included in item 8 of the Agenda. He also said that all the actions that transpired during these sessions should be included in such item. Additionally, Mr. Reginal Thomas mentioned all the actions that transpired at the Permanent Committee Meeting were appointing a Reviewing Commission whose members were Mr. Jorge D'Angelo from the Controller's Office, and Mr. Timothy Hodge from Anguilla. Mr. Thomas said that he had attended such meeting and he and the other officers had agreed to be part of the Reviewing Commission. However, that was not set in the records that were distributed. Therefore, Mr. Thomas said he wanted to discuss that procedural matter as to provide guidance for that meeting and see how those topics would be followed up.

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The Chairman said that such question would be the case if it were necessary to hold another extraordinary meeting as to address that particular matter before the September meeting as it involved both making a decision on the bylaws and other potential decisions about the rules.

Mr. Ramirez Reyes mentioned that the agreement reached during the previous Committee was to formalize a Reviewing Commission that had already been appointed in 2018 and whose Secretary was Mr. Jorge D'Angelo. In this regard, the Secretary said that same formalized figure had been used in the record that had already been notarized and accepted by the members – i.e. this mandate was followed through, which meant that this represented an extension to the mandate that dated back to 2018, strictly using the same figure.

Once the matter had been clarified, the Chairman asked Mr. Ramirez Reyes to hold a quorum check as to formally start the meeting, in adherence to Article 16 of the Permanent Committee Rules. Consequently, the Secretary General said that there were seven members with voting rights were in attendance, both in person and remotely, which meant the necessary quorum was in attendance.

Once the quorum had been confirmed, the Chairman proceeded to read the Agenda, which was as follows:

Agenda

1. Quorum Check.

2. CISS Chairman's Welcoming Remarks.
3. Presentation of the Research Team's Report.
4. Presentation of the Public Policies Laboratory's Report.
5. Presentation of the Conference Technical Secretariat's Report.
6. Presentation of the External Audit Results.
7. Presentation of the CISS Financial Report.
8. Presentation of the CISS Regulatory and Statutory Amendments Project.
9. Chairman's Remarks and Session Closure.

2. CISS Chairman's Welcoming Remarks.

The Chairman welcomed the members of the Committee and said he was happy to see them, greet them, and resume the works started by the previous Chairman and the Secretary General, also emphasizing that he hoped the meeting would pose an opportunity to continue with the efforts to energize an activity that should have never been left behind in the first place. Additionally, the Chairman expressed his intention to pay special attention to the transformation towards a comprehensive social security, a policy that is accountable for fighting against poverty, bridging over inequality among institutions based on the great coincidences, common challenges, and diagnosis that require walking the same path that Bolivar did, with a common cause in mind: the Latin American cause.

3. Presentation of the Research Team's Report.

For item three in the Agenda, the Chairman gave the floor to CISS General Coordinator Mr. Jose Antonio Hernandez Sanchez, not before reminding that the document subject matter of this item had already been sent. That is why the presentation would solely revolve around the highlights.

Using the floor, Mr. Hernandez Sanchez reminded the members in attendance that the General Coordination is the area responsible for developing the significant activities. The General Coordinator said that in January 2019, when the new administration took office, the new-coming team faced several things. These included a constant hiring of third parties providing low quality products and overpayments – i.e. a low level of institutionalization and installed capabilities.

Mr. Hernandez said that, in that regard, the General Coordination undertook the task of starting a process of planning and restructuring with three goals in mind: i) Secure the Conference leadership in terms of technical assistance and knowledge creation; and ii) Diversify the mechanisms and sources of assistance through partnership strategies with international organizations, academic centers, and other relevant stakeholders in the

social security arena; and iii) Contribute with input to come up with a theory on welfare for the entire Continent.

The first step was to extend the research capability. He mentioned that there were eight people already, who focused on conducting research on social security, health anthropology, public policy, demographics, actuary. These people also received support in terms of data programming, analysis and visualization.

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Additionally, the General Coordinator said that there were four people in the Technical Assistance and Support area, as well as two other people responsible for editing and proofreading the publications made by this Conference.

It should be noted that this was done by redirecting budget and cutting down expenses. Mr. Hernandez reminded that this allowed that the investments made in human capital gave way to long-term institutional capabilities.

The General Coordinator made a general presentation of eight projects under development that included some matters that were passed down by the previous administration. The first one was the Social Security, Welfare and Wellbeing Report for the Americas, a project that was envisioned for 2020.

Additionally, there is a Disaster Relief Protocol for CISS Members; a Diagnosis on the Progress and Implementation of the Sustainable Development goals (SDGs) in Social Security; Technical Assistance and Systematization of International Experiences; an Inter-American Wellbeing and Welfare Network; a Cartographic Platform; the *Bienestar* Magazine; and a Project on Reform Models for Healthcare Systems.

Discussing each project in general, Mr. Hernandez said that the Social Security, Welfare and Wellbeing Report for the Americas is intended to come up with a diagnosis on social security, identifying successful public policy practices in particular social contexts set by each system. This also proved to be a combination of qualitative and quantitative research along with a quite extensive historical analysis. This project would be presented in February 2020.

Presented on August 19th, 2019 by Messrs. Cristian Olivares and Jorge D'Angelo, the Social Security Cartographic Platform aims at being a dynamic and user-friendly data visualization platform, Mr. Hernandez said. Mr. Hernandez also commented that this platform was intended to be public so that any person can check as it includes more than one hundred social security indicators on labor market, health, education, demographics, society and finances.

The 2030 Agenda Diagnosis, which involved 60%+ of the members in terms of feedback and interviews, aims at identifying, monitoring and assessing how the social security-related SDGs are implemented across CISS institutions, Mr. Hernandez said. He also commented that this was complemented with a SDGs territorializing and public policy successful practices map-out with particular attention paid to the special social contexts of each of the institutions and countries in question. The diagnosis presentation is scheduled for September 2019.

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For the Disaster Relief Protocol, the General Coordinator said that it was intended to create cross-sectoral and interinstitutional coordination elements to ensure and improve people's wellbeing and welfare by activating the social security institutions before, during and after an emergency. It is also envisioned to strengthen the institutional capabilities as to reduce the impact of and risks posed by disasters. For this item, Mr. Hernandez extended a particular acknowledgement to the IMSS for their cooperation via the Special Project Division led by Mr. Felipe Crus as well as the Cuban members.

Later on, Mr. Hernandez mentioned the Inter-American Welfare and Wellbeing Network, saying that this was an initiative that aimed at having updated and significant information created by expert researchers and officers for any and all areas relevant for the Conference. In that way, the Network would aim at building a specialized community as well as build and strengthen, in the long term, a platform that holds and fosters seminars, discussion fora, technical assistance projects, among others.

For technical assistance and support, Mr. Hernandez said that the intention was to strengthen institutional capabilities that contribute towards universalizing the coverage and improve the quality of social security systems. The Coordinator said that, as of the date of the Committee's meeting, there were some projects in process with ANSES in Argentina, and IPES in Guatemala, especially on the actuary arena.

Mr. Hernandez said that, in this regard, the members' engagement has been streamlined in the last seven months, defining what their needs are and trying to meet them via research products and all endeavors undertaken by the General Coordination.

For technical assistance, the Coordinator said that a support and technical assistance process had finally been established, something that did not exist before. Another accomplishment was the systematization of successful context-oriented policies in terms of each institution's actions – which would be published any time soon –, starting with a Disaster Management White Book created in conjunction with the IMSS Disaster and Emergency Operations Virtual Center (CVOED).

For the Inter-American Welfare and Wellbeing Network Website, the General Coordinator mentioned that there were 25+ countries that had been enrolled with 200 people with different characteristics, mainly officers and researchers that were experts in the area.

For the Reforms Model of Healthcare System, he said that this was a new project made in conjunction with ECLAC, intended to analyze how the two institutional models worked and the results they generated. On one side, the model of reforms on Insurance Structures that introduced market mechanisms to the healthcare systems while on the other, there were the organization reforms to the service provision and care models. This project is still in development. But its presentation is expected for late 2019.

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To foster discussion and debate, the General Coordinator said that the Permanent Welfare and Wellbeing Seminar for the Americas was introduced, a monthly permanent effort where academic experts and officers get together to discuss and make proposals on social security. The Seminar had already held five meetings as of August 2019, where officers of the Social Security Bank of Uruguay, IMSS, the Ecuadorian Institute of Social Security, AMAOTE, ISSSTE, WLO, Inter-American Development Bank, ECLAC and UNAM had participated.

Mr. Hernandez said that one of the commitments made by the new administration had been building capabilities that can be turned into knowledge that proved to be useful to the Conference and all of its members. In adherence to this commitment, the General Coordination had launched fourteen publications as of August, much more than what already been done by the previous administration.

Lastly, Mr. Hernandez commented on the *Bienestar* Magazine that aimed at becoming an academic, periodic and peer-reviewed publication that revolves around an intense debate by the academia and officers that are part of the social security systems, striving for having it indexed so that it can be checked by any person interested in the area.

The Chairman thanked Mr. Hernandez Sanchez for his words and proceeded to give the floor to Mr. Thomas. Mr. Thomas then asked the Secretary General if it would be possible to consider a certain level of research on new labor reforms. This question was due to the fact that there was not any methodology in terms of what relationship the social security coverage has with it. The Uruguayan example was then discussed. However, Mr. Thomas said that, as Conference, it was necessary to explore how contributions could be made to this type of position as to define what are the policies and initiatives that should be present and what the Government options are.

Mr. Ramirez Reyes said that that was precisely one line of research that was still in progress, which would be presented in September, before the 29th General Meeting,

through the First Policy White Book for Welfare and Wellbeing regarding future works. The Secretary General said that the challenges in labor future laid on the old banes in labor precariousness experienced throughout the 20th Century, with some of them even dating further back to the 19th Century.

The General Coordinator retook the floor and mentioned that when he first joined the Conference, the General Coordination was tasked with certain actions and projects that were put in place by previous administration. Such projects had been fully completed and were even complemented with other new projects that aimed at developing the knowledge mentioned by Mr. Thomas.

The 2030 Agenda Diagnosis is walking up the same path, he said. And in terms of trying to get the institutions' engagement, it led to a single process where each institution was asked what the situation of social security public policy was in their own country, as well as what that institution's involvement was like, how they created territorializing, transversalization and streamlining processes on social security public policies.

Conversely, CISS Controller Mr. Eduard del Villar said that, since he first joined the CISS, he had always said that the Conference should have become that gold standard across Latin American countries and that the first image that should come to mind when talking about social security should be CISS. He then said that the Conference was an asset for Latin America and the Caribbean, that social security around the world was seeing the need of transforming itself, that it needed to adapt to new times and create instruments that support people's welfare and wellbeing in an evolved and different labor market.

Then, Mr. Ramirez Reyes and his work team were congratulated because they had adopted that idea in a short period of time and reinvigorate actions and initiatives that had been virtually set aside, such as the Social Security Report for the Americas, as it was necessary to develop instruments and statistics that allowed conducting research and also projects that are taking going in the right direction.

Thanking the officer's work, the Chairman submitted the following decision to the Committee's consideration.

Decision Number 3: Pursuant to the provision in Article 16, Sub-Section VI, item I) of the Conference Bylaws, the Permanent Committee is hereby presented with the Research Team Report.

In his capacity of Meeting Secretary, the Secretary General asked the members to cast their votes on the decision. It was reported that such decision had been approved unanimously.

4. Presentation of the Public Policies Laboratory's Report.

To transact item 4 of the Agenda, the Chairman gave the floor to the Head of the Conference Secretariat General Office Ms. Leyla Acedo Ung, adding that the document had been made available in advance, with her presentation revolving around highlights only.

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Using the floor, Ms. Acedo said that she would present the Second Line of Action and the 2019 Activities Work Plan, focusing on the transformation of Public Policies for Welfare and Wellbeing. Therefore, the Secretary General said it was best to spare some time for Ms. Acedo to present and delve into the analysis, takeaways, and significant capacities of the Conference beyond what was particularly presented and approved as part of the Work Plan. In this regard, it was said that the Public Policies Laboratory's goal was to complement the relevant activities undertaken by the General Coordination as to set the theoretical foundations that are specific as to develop comparative Social Security Public Policy studies in the member countries.

The Head of the Office said that these activities were i) creating the Welfare and Wellbeing History White Books (in that regard, she said that the Laboratory had been working on publishing two White Books, one specifically on the CISS History, and other specifically aimed at setting the theoretical foundation that would allow the expected research projects to be developed); and i) the Welfare and Wellbeing Policy White Book, which had been a product that was well received during the first months of this administration, just like the text about the household workers and their inclusion in social security as presented during the ECLAC Forum in April 2019.

Next, Ms. Acedo said that the creation and development of an internal input for the Secretariat General and Secretary General's own activities was expected through an analysis of all context, discourse frameworks, and methodological seminars. In that regard, it was said that a seminar going by the name "CISS Seminar" was being created. This is an internal work seminar that would not only include the Conference's staff, but also other people outside the Conference, considering a list of external guests speaking about several social security-related topics. She added that 15+ CISS Internal Seminars had already been held.

She also said that the discussion table of household workers had taken place in July 2019 as part of the presentation of the afore-mentioned Work White Book. Such discussion table included people from the Studies Center on Social Security, Health and Administration of the Social Security Bank of Uruguay, and the Chairman of the Ecuadorian Institute of Social Security. These people presented the successful

experience seen in these countries in terms of registering the household workers in social security.

Finally, Ms. Acedo said that technical data sheets on significant social security topics were being created. They were intended to set the foundation to disseminate specific public policies among the members. In terms of the byproducts of these activities, two more White Books – one on Welfare and Wellbeing, and other on Abortion, Maternity and Social Security, in addition to a series of technical data sheets – were expected for September 2019.

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The Chairman thanked the Head of the Office for her works and proceeded to give the floor to the Secretary General. The Secretary General then proceeded to say that, as it was evident, some of the Laboratory's publications were about Mexico as specifically requested by IMSS. However, the Secretary General extended an invitation to all the members to make contributions of their own in case they wanted to make any comments as organizations about particularly significant matters, amendments to the law and institutional models presented by any of its members.

He said that this would happen along the approved institutional lines, following the values endorsed in the Cancun Declaration, and based on the programs approved by the Meeting, as well as those that would be approved by the next Meeting.

The Chairman thanked the Secretary for his words and submitted the following decision for the Committee's approval.

Decision Number 4: Pursuant to the provision in Article 16, Sub-Section VI, item I) of the Conference Bylaws, the Permanent Committee is hereby presented with the Public Policies Laboratory Report.

In his capacity of Meeting Secretary, the Secretary General asked the members to cast their votes on the decision. It was reported that such decision had been approved unanimously.

5. Presentation of the Conference Technical Secretariat's Report.

To transact item number five in the Agenda, the CISS chairman gave the floor to the Conference's Technical Secretary Ms. Monica Nuño Nuño.

Using the floor, Ms. Nuño started off with her presentation by saying that in times where multilateralism seemed to be a point of contention in international relations, CISS had

been found adopting a sound position in terms of dialogue among stakeholders and as an international organization with voice and inclusion for all of its members.

In this regard, the Secretary said that one of the most daunting challenges faced by the Secretary General was repositioning CISS among the international organizations. Therefore, the Secretariat General work, through the Technical Secretariat, and the support and outreach division, had had a rippling effect across several activities listed in January as part of the Work Plan.

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Ms. Nuño said that a lack of sufficient and satisfactory outreach had been detected across the members. To mitigate this problem, the Technical Secretariat decided to complete the activities under three lines: i) sending updates about the General Secretariat projects to the members; ii) send updates to the members in terms of statutory obligations in terms of meetings and membership fees payment; and iii) undertake outreach activities to regulate the status of membership fees, asking debtors to pay them off as this allows keeping CISS activities, just like with any other international organization.

Ms. Nuño said that CISS had had executed 10+ agreements with Mexican institutions and other member institutions, as well as international organizations.

Additionally, the Technical Secretary said that the Technical Secretariat had done its homework to hold the next General Meeting, which was to take place on September 18th through 20th, 2019.

Additionally, Ms. Nuño said that she was in the process of creating a report on the member status that were de facto members of CISS, but had never been processed by the previous administration as to complete their relevant membership.

Moreover, Ms. Nuño said that the Technical Secretariat had also been working on disseminating all the projects of the Public Policies Laboratory and General Coordination, sending the byproducts and projects to the members, international organizations and other entities with whom CISS has relationships. The Secretary said that this was intended to send constant updates to the members so that they would always be well informed on the products developed by the Secretariat General.

Moving onto other matters, she said that the process to register the CISS Venue Agreement before the United Nations, among other activities that can be seen in the Report that was submitted.

Secondly, Ms. Nuño said that support had been given to the American Commissions on Social Security as to create work documents with the help of experts. She said that such

documents would be presented that same week by the expert consultants as they would serve as an input so that each of the Commissions discussed the relevant matter with their members.

For Sub-Regions, the Technical Secretary said that the Technical Secretariat had also worked with and talked with the Sub-Regions. She also said that works had been done with both the Chilean and Honduran counterparts as to plan to be developed for the next three years. This effort included the remaining Sub-Region Coordinators. Ms. Nuño said that this was intended to make the Commissions' works converge with those of the Sub-Regions and the projects made by the Secretariat General.

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For the cooperation with other international organizations, Ms. Nuño said that a Memorandum of Understanding had already been signed with ECLAC. Also, the Conference was represented at ECOSOC in July 2019 and outreach efforts had also been undertaken with other international organizations, including the Inter-American Development Bank.

CISS had also participated in Casa de Mexico, in Spain. Furthermore, the Secretary said that another Memorandum of Understanding was about to be signed with Socieux+ for technical assistance, while a Partnership Agreement had already been signed with AISS, and a forum would take place in late 2019 with the Latin American and Caribbean Economic System.

The Chairman thanked Ms. Nuño for her words and since there not any other comments from the Permanent Committee, the following decision was submitted for consideration:

Decision Number 5. Pursuant to the provision in Article 16, Sub-Section VI, item I) of the Conference Bylaws, the Permanent Committee is hereby presented with the Conference Technical Secretariat Report.

In his capacity of Meeting Secretary, the Secretary General asked the members to cast their votes on the decision. It was reported that such decision had been approved unanimously.

6. Presentation of the External Audit Results.

The Chairman said that the next item in the Agenda was presenting the External Audit results. For this reason, the Conference Controller Mr. Eduard del Villar Liranzo was given the floor to transact this item.

Mr. del Villar said that, pursuant to the provisions in the Bylaw and the Financial Rules, hiring the audit firm is a joint responsibility shared by and between the Controller and the Secretariat General while the report would be submitted jointly with the Financial Coordinator.

The Controller initially said that how important public and private administration was, especially for an international organization that required external audits, particularly when dealing with third-party resources coming from all the countries.

The Controller said that one of the proposals that had been made when he took office was trying to work with a different audit firm every year so we would have a different perspective every time the Conference's finances were analyzed as to enrich the process. In early 2019, in coordination with the Secretary General and based on the reference terms drafted by the Controller's Office, it was decided to hire the relevant audit firm that worked objectively and did not see any internal involvement in the reports.

Mr. del Villar, the audit allowed us to know where the institutional weaknesses on the administrative side. However, Mr. del Villar added that such audit was not binding with the regulation that is alien to this international organization – i.e. the comments made by the audit firm were its findings in a sense that neither the CISS Controller nor the CISS Financial Coordination were involved in those works.

The Controller said that this audit reflected matters that had not been reported during previous audits, which even mention procedural inconsistencies that dated back as far as five years. The Controller said he wished to emphasize on this matter since when he joined CISS, there was a hired audit firm that submitted its report to its Permanent Committee and the General Meeting, which had been approved.

Moreover, another audit firm was hired in 2018 that had also submitted its own report. However, neither of these previous reports found any of the findings listed in this report.

As a result of this audit and following up on their previous recommendations, the Controller said it was important to provide the Institution with a firm foundation that is based upon the internal regulations, such as the prepared salary policy.

The Controller then gave the floor to the CISS Financial Coordinator Mr. Jorge Emilio Esparza Rodriguez.

Mr. Esparza Rodriguez said that the hired firm Crowe-Gossler was an internationally reputable accounting firm that tried its best to remain as unbiased as possible during its works.

Mr. Esparza said that the audit was completed on the 2018 Fiscal Year, saying that the works for the 2019 Fiscal Year would be completed the year after. For that Fiscal Year, the firm concluded that the situation had an unfavorable opinion based on its current internal accounting, the Coordinator said.

He said it was necessary to complete a rather archaeological exercise in order to find the information required by the auditor since it would have been virtually impossible to complete the audit in the right terms had the information not been made available. Secondly, he said that information cleaning was missing or lacking, and this meant that this exercise required cleaning and updating the relevant information for 2019 that had been drafted as late as 2019.

The Coordinator said that several findings were found, with the highlights being: One, existing balances in cash via a USD cash fund that had not been checked for three years, did not have any supporting information that validated its existence in the first place. The Controller said that such cash fund of around USD 64,271 was physically nonexistent, there was not any evidence about what had happened with that money, maybe that money was used and was not recorded for accounting purposes or it just disappeared somehow. Whatever the case might be, it is untraceable.

There were some other banking transactions found during the bank reconciliation, which dated back to different years – some dating as far back as three years –. The transactions, which accounted for USD 192,612, had not been registered in the accounting books. This meant that there was income for those amounts that had not been registered in the accounting books.

The third item that was mentioned was the bad debt reserve as it did not have the necessary supporting information for clearing purposes. Mr. Esparza said that the relevant analysis had not been completed given the age and recovery odds of the receivables. He said such reserve was created via balances of the 2013-2015 period while the balance reached during that period was USD 419,735 with a 96-97% accuracy.

He said that that meant that the last balance update took place in between 2013 and 2015, and this impacted on the Conference's financial control since it operated with data that dated back to 4+ years.

Finally, he said that the Conference did not have a cross-referenced accounting inventory, rather an incomplete inventory full of mistakes as it did not draw any cross-reference with the accounting records. In other words, it did not consider the depreciation of assets, such as a computer, a camera, etc., which had financial and budgetary implications.

Given that there were not any comments from the members of the Committee, the Chairman submitted the following decision for the Committee's consideration:

Decision Number 6: The Permanent Committee hereby considers the report of the external audit results as submitted, pursuant to the provision in Article 16, item I) of the Bylaw, and Article 4 of the Financial Rules.

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In his capacity of Meeting Secretary, the Secretary General asked the members to cast their votes on the decision. It was reported that such decision had been approved unanimously.

7. Presentation of the CISS Financial Report.

The Chairman then asked the Financial Coordinator to submit the report for item seven in the Agenda for the Committee's consideration.

Mr. Esparza Rodriguez said that this report was for 2018 as it had not been submitted to the Permanent Committee in due time and manner.

The Coordinator said that the report consisted of three sections: i) the Annual Balance; ii) the Profit and Loss Balance; and iii) Inconsistencies in how the expenditure was used in the last years and months.

For the Annual Balance and Profit and Loss Balance, with figures as of December 31st, 2018 and 2017, these were the highlights: i) General reduction of the figures reported in 2018 vs 2017 given the liabilities paid to the staff during the fiscal year, as well as the fluctuation effect resulting from the changes in the USD - MXN exchange rate, which resulted in a depreciation on the MXN side. The Coordinator said that this was one of the most important points of the financial analysis. The Coordinator said that during the last month of the previous Secretary General's administration, there was a payroll payment, and a settlement and benefits payment for former officers that depleted the Conference's reserves, none of which had been registered.

ii) 8% reduction in liquidity in terms of the availability to cover immediate commitments. The Coordinator said that each USD in debt, there were USD 1.76 in 2017 and USD 1.62 in 2018.

iii) 10% increase in the external financing rate – i.e. external debt for 2018 was higher than the internal debt as it was .53 in 2017 and .58 in 2018. This was related to the funding receiving from suppliers. The Coordinator said that it was deemed convenient to receive

external funding instead of using our own resources, if at all possible, and without paying any interests because that would allow broadening our purchase options. He said that was just a remark, not an inconsistency.

iv) For the income of profit and loss of investments in the 2018 Fiscal year, there was a loss that accounted for USD 953,203 USD, which represented a negative result of at least USD 1,061,296 vs. the authorized amount by the Permanent Committee for that Fiscal Year. When the 2018 budget was approved, it was agreed to have USD 108,093 surplus, the Coordinator said. Such surplus was not just there, there was also a loss of USD 953,203, which explained the lack of planning in the budget creation, the lack of perspective, lack of income as per the forecast budget, and also the expenses incurred during the last two months of 2018, which accounted for MXN 30M. The Coordinator said that this was reflected on the financial report and left us with a USD 953,203 loss.

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v) Deficit in the Staff entry for USD 1,454,600 resulted by the reduced staff in the Secretariat General, the oversettlements and undue compensations – i.e. An expenditure that was higher than what was budgeted, which resulted in a USD 1,454,600 deficit in the Staff entry.

vi) Finally, for the project entry, there is a USD 484,667 deficit that results from certain project that had been originally budgeted, but never came to fruition.

For item two, the Coordinator said that while the audit was completed and procedural recommendations were made, the Financial Coordination decided to review, as of January 1st, how much it would be received and what needed revamping.

In that regard, the Coordinator said that the first finding was a lack of more stringent regulations and guidelines in expenditure control. Although a compensation policy was effectively in place, it had been consistently violated and revolving funds and provable expenses were left unregulated.

The Coordinator said that another of the findings was the lack of accurate records in expenditure control – i.e. sometimes a space was hired or rented for or by the Conference, and some inconsistencies were found in terms of how that income was eventually recorded.

There were also some discretionary expenses. This is due to the fact that the Conference resources were used to pay for products and services that were personal in nature, flights, Netflix and iTunes accounts without control or regulation in place for these types of expenses.

Another finding was hiring overpriced services and products, products that were 300% over the market price. The Coordinator also said that that the services hired by the Conference had an average overprice of 35-40% Surveillance, catering, and cleaning services had an average overprice of 30-35% Some other services were found to have their legal supporting documentation missing – i.e. hiring of staff and services whose fees had their legal supporting documentation missing. For instance, in mid-June 2019, a liability accounting for 1M MXN was found to be due to an actuary firm. It was assumed by the then Secretary General Mr. Omar de la Torre, who informed the new administration about these commitments.

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Another example was the catering service that was irregularly hired three years ago by adhering to clauses that made terminating the service virtually impossible. Such agreement was regularized and standardized without any legal implications. These were the implications of not having a standard record delivery procedure in place.

The Coordinator said that hiring process used to take place in the Conference's HQ to record the sessions. He also said that there were times when these types of hiring were not supported by a contract and/or agreement, a regulation and there were even some cases where the Conference would receive income, but only by triangulating documents, services, and creating low-quality documents that were not consistent with the Organization's reputation. Mr. Esparza said that the Conference's areas were not for rent anymore as to hold other events that were unrelated to the Conference's intent.

All the agreements and contracts where junk products were found to be delivered were discussed and renegotiated, getting a refund of about MXN 2M as a result.

Another aspect that would be confirmed by Audit was the receivables and payables balances showing clearing lag as far back as four years. The Coordinator said that that would difficult the Conference's operations. The Coordinator also said that if the accounts were not cleared and a debtor would show up saying that the debt had already been paid in full, it was necessary to check files as old as five years to find that the debt had been effectively paid off.

Some administrative and procedural inconsistencies at CISS, the Financial Coordinator said. In that regard, the Coordinator said that there was a lack of transparency and control in the people who had enrolled at the CISS courses. The same thing happened with the scholarships that were issued without following any guidelines. This represented a tangible loss for CISS.

Another finding was selling non-institutional services at institutional events from within CISS. This was something informed to the Director Mr. Reginald Thomas by the Secretariat in the most formal and respectful way possible.

Then, during the event of the American Commissions of Administrative Organization and Systems (CAOSA) at the occasion of CARICOM, one of the CISS officers by the name of Eduardo de la Parra offered a virtual service about a social security platform. Eduardo de la Parra mentioned an alleged agreement we had with the Tecnológico de Monterrey University – an agreement that was utterly non-existent. In other words, he deceived the members as the agreement he claimed we had does not exist. What did exist was – as he said – a business relation with people who had worked or studied at Tecnológico de Monterrey.

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The Coordinator said that such platform was offered and this Eduardo de la Parra even mentioned that a payment for this reason had been made. However, there was not a single file about the virtual social security platform offered by Eduardo de la Parra in Guyana in any of the records of the Financial Coordination, the area that receives all the money resulting from these collection processes.

The Coordinator also said that another finding was that there were some staff registered at CISS that exhibited systematic inconsistencies. In other words, when the new administration took office, the same officer that had sold the platform in Guyana was found to be living at the CISS hotel, receiving services at the Conference's expense. This was also an inconsistency that was remedied.

The afore-mentioned officer also spent some time deleting videos. The deleted videos were those of the 15 days before the date when the new administration would take office. He did what he did as to prevent us from tracking how the documentation had been destroyed, as later confirmed by the Conference's cleaning and surveillance personnel.

Additionally, an actuary study was hired with Consultoria Farell that does not only fail to adhere to the Conference's regulation, but also represented a millionaire commitment for the Conference with related companies and consultancy firms. This agreement would account for MXN 1.2M (around USD 60K). The Controller said that he had been holding meeting to solve this problem in the best terms, always safeguarding the Conference's image and reputation so there would not be any more problems.

For the use of credit cards and revolving funds, several inconsistencies were found, the Financial Coordinator said. Paying highway tools, Netflix and iTunes accounts, as well as flights violated the regulations in terms of control and use of revolving funds and corporate credit cards. In that regard, it should be noted that Mr. Thomas was asked to be the

accountholder of the corporate credit card for this division. Mr. Thomas asked to pass this matter down to Mr. Alfonso Zoreda, but his request was denied.

Several inconsistencies were found in planning and executing the Activities Program, as Mr. Esparza said. He claimed that due to problems in planning, CISS spent around 30-35% more in hiring hotel services, buying plane tickets, etc.

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The same thing happened with services such as catering because hiring an urgent service with a vendor is not the same as reserving the same service one month in advance, the Coordinator said.

It was also observed that there was no interest in standardizing and expediting how the Conference's resources were spent, particularly in terms of travel expenses. For instance, the Secretariat General refunds whatever funds were not used. Those refunds had reached an average of 50% of the expenditure in travel expenses. However, the CISS did not follow this same pathway as they had consistently refused to provide supporting documentation for their expenses.

The Coordinator said there were loans that went as high as 600% over the Refund Policy in effect. The Coordinator mentioned that there was a MXN 900K loan, one of the last things the last administration did, and it flagrantly violated the CISS Refund Policy. Such loan was requested by Mr. Reginald Thomas, the Coordinator said.

The Coordinator said that another potential damage to the Conference's assets was the attempt of rehiring staff that had been previously laid off. An example is the case of Mr. Valentín Vargas, an officer who received around MXN 800K as settlement payment in December 2018 while the CISS had asked for him to be rehired in that very same month. That would represent damages to any serious private company or institution's assets, an action that is worth prosecuting, the Coordinator said.

Another finding was the duplication of hiring functions for staff, particularly with a company by the name SmartSoft that works in IT. Concurrently, a worker by the name of Eduardo de la Parra was hired to do the same thing the afore-mentioned company. All in all, both the company and the employee did the exact same job, and they were charging accordingly. This represented a cost of MXN 1M in 2018 (USD 50K), the Coordinator said.

The Chairman thanked CISS Financial Coordinator for his word, and then asked the Secretary General to order the Financial Coordinator to disseminate all the required documentation, not only the Report, but all the other documentation that supported his claims. Next, the Chairman gave the floor to CISS Director Mr. Reginald Thomas.

Mr. Thomas said that Eduardo de la Parra was one of the Conference's employees since February 2017, and Thomas had nothing to do about his recruitment or lay-off processes.

For professional fees, membership fees and scholarships, Mr. Thomas explained that when he took office, one report from the external auditors required CISS to explain the inconsistencies in profits. Mr. Thomas then proceeded to check the Bylaw, saying that any and all members were entitled to receive a scholarship for the activities conducted at the Conference, in addition to an additional 50% scholarship assigned to associate members.

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Other members were also entitled to a 200% for scholarships p.a. [*sic*], Mr. Thomas claimed. Mr. Thomas said that he had brought this matter to the Committee's attention during his first meeting, where the Controller was also found among the attendees, and asked if the institution was for-profit or not-for-profit and whether the members were entitled to receive these scholarships or not. Back then, Mr. Thomas asked that a Special Committee would be created to review these matters in order to define the scholarships amount and if they were consistent with the Bylaw and rules. Mr. Thomas claimed that he had never set a policy within CISS for financial inconsistencies.

For travel expenses, Mr. Thomas said that he had been to a meeting where a document was drafted – whose copies had been sent to the Controller. This was a standard operating procedure document requiring to enter the travel status. He said the answer he got was that the travel expenses system had been applied and he had to do nothing but submit the travel information and the Finance Coordinator would keep a record. Mr. Thomas said he did not sign any checks or had any credit card with his name.

He mentioned there was not any evidence showing that he had received a credit card. He further said that he had informed the Secretary General that his bank account, where his salary was paid, was from Saint Vincent and the Grenadines. That was the agreement when Mr. Thomas took office.

Mr. Thomas said that he was working on two projects, for which he had asked to get a travel authorization and presented the amount that had to be refunded. Mr. Thomas said that for both cases, the money was refunded. Mr. Thomas said that the order had been given to charge the money from his salary while the debits accumulated and letters had been sent to the Chairman and the Committee members to review what charges had been made on his salary. Mr. Thomas claimed he had not any ill intent to profit from anything he was not originally entitled to.

Mr. Thomas said the document he had in his power gave him the right to make one annual trip with his family. And when he had asked for that trip, he was accusing of flying to Las

Vegas. He then received a second letter after the Secretary informed the Financial department that he would have to follow the route Mexico-Miami-Barbados-Saint Vincent to fly back to Saint Vincent.

Such letter said that Mr. Thomas had gone to Las Vegas. However, the ticket he had bought for the trip was issued by a travel agency in Las Vegas and the ticket particulars indicated that he had effectively flown to Saint Vincent and back to Mexico. Nobody had seen the details of that ticket, just the place it had been issued. Mr. Thomas further explained that when his secretary explained the situation, a second letter had already been written, and he had a copy of such letter in his possession. Mr. Thomas said that his character would not be affected by anyone.

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For CAOSA and Tecnológico de Monterrey, Mr. Thomas said that he had been touching base with all of the members to see what topics would bring added value to their respective institutions. Mr. Thomas said that, as a Caribbean man, he was well aware of the IT systems and costs studies were a significant element of institutional costs. He then asked the countries that they should have added value as countries and strengthen their staff. After conducting some reviews, Mr. Thomas made his presentation to Dominica, Saint Lucia, Antigua and Barbuda, and the British Virgin Islands.

Mr. Thomas claimed that when the situation with Dominica had happened, he reported it to WLO and reviewed it on time while Saint Lucia had just finished reviewing it. Mr. Thomas said he had made a presentation to the Board of Directors in Antigua and he had offered help in strengthening the works done by the Antigua and Barbuda Social Security Board.

It was possible to negotiate the price Antigua would pay with Consultoria Farell, a company used by CISS before he had even taken office. This was intended to complete the relevant actuarial reviews with IMSS and ISSTE, Mr. Thomas said. Mr. Thomas further said that these hiring processes would only be signed once the agreements had been approved by the Board of Directors and the Permanent Committee. Mr. Thomas said that all the work projects mandated by this Committee had been approved by the Board of Directors, also saying that it was really unfair that accusations had been made against him considering the fact that an agreement would only be signed once it had already been approved by the Center's Board of Directors. Mr. Thomas emphasized that all work projects were overseen by CISS Board of Directors, each and every one of them.

From the USD 60K that were paid to Farell, as approved by the Antigua and Barbuda Social Security Board, USD 32K had been paid to the Conference. Additionally, the hired product was delivered to the Government and the institutions, the CISS Director said. Mr. Thomas also said that all the fees and taxes had been refunded to the Institution,

given its status as an international organization, and as instructed by Legal, Mr. Thomas said.

Mr. Thomas said that the Conference earned USD 10K for the actuarial review, and such money did not end up in his pocket. Mr. Thomas also mentioned that he would not accept to be bedeviled as he had committed such a crime. Mr. Thomas said that he had intended to bring added value to the countries.

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For the project presented in Guyana, Mr. Thomas said that he had invited Eduardo de la Parra to discuss how an Information and Communication Technology (ICT) project could be designed as to streamline social security. Such project and the Caribbean product would cost more than USD 1M.

The project was conceived and an agreement was presented to the Association's Board of Directors that in turn mapped out the relationships to bring added value to the member countries, highlight the work done by CISS and bring more visibility. Mr. Thomas said there had not been any agreement with Tecnológico de Monterrey because there was not any agreement with any third parties. That was why there is not anything written in a file.

CISS Director said he had contacted that university, visited the students that were in the process of completing their final projects, and met its principal. Mr. Thomas said that he had asked if the students could present a project proposal so that they would design an approved concept.

There was not any agreement with any third party. The only thing in the document that was submitted for the Board of Directors and Permanent Committee for approval was exactly that. The students made a presentation about its application. That was it.

Mr. Thomas said that what was presented during the meeting was nothing more than an idea, a proposal, of how CISS might work with social security institution, mainly in the Caribbean region, as to help them design and develop an social security operating system that was of their property, based on which the Conference could pay keep its costs and fees and eventually earn some income from the project.

In that regard, the rationale behind the project was approved upon Mr. Matthias' request. Mr. de la Parra presented the concept of how an operating system could be operated for ICT. That was what had been approved.

For the credit card, Mr. Thomas said that he had received an invitation to have a credit card with his name on it, and he claimed he did not have it or want it as the agreement was simple: every time he had to be paid, he was given a check, drafted in either USD or

MXN, as Mr. Thomas decided from time to time, and that would help him cover his expenses for living in Mexico. The Finance Coordinator would set a balance of his salary and send it to his accounts.

For the loan, the loan was asked for medical reasons regarding the Conference's staff. Mr. Thomas said that was the reason why he had asked for the loan. Mr. Thomas also claimed that he had supported the request since the worker's mother's health required financial assistance, especially as to cover a costly surgery. However, Mr. Thomas also said that he did not control the Conference's finance, and he did not do anything but support the request. In other words, Mr. Thomas said he was supporting a humanitarian request.

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Mr. Thomas repeated once more that he did not control the Conference or CISS Finances, and he was not authorized to grant any type of scholarship. Pursuant to the Bylaw and the rules, Mr. Thomas said that a meeting had been held to define the value of the member countries and what they are supposed to have. The Controller reported it to the Permanent Committee during the first meeting because the auditors required specifications as to why the income was less and that they were supposed to know what had happened in 2016, Mr. Thomas said.

Mr. Thomas further said that he did not know these matters would be addressed during the meeting, but he wanted to clarify that nothing that was done was meant to be illegal. The Farell program, the money reserved for the courses, scholarships, and travel expenses was found to be compliant with the Bylaws. It was a system that had been already put in place when Mr. Thomas joined CISS. Mr. Thomas said he had met with the Secretary General and the Financial Department and there was not ever any problem whatsoever.

Mr. Thomas further said that he did not receive any earnings from travel expenses as the first time he made a trip, he was told a system similar to that used by the United Nations was used and there was not ever any problem in that regard.

The money earned from actuarial reviews paid by the countries was not charged to the Conference. Antigua and Barbuda had already paid USD 32K to CISS. Mr. Thomas finally concluded his intervention by saying that when VAT was refunded, the outstanding balance would be paid, USD 10K.

Mr. Esparza Rodriguez asked for the floor to say that, in terms of the loan, all CISS workers were entitled to receive medical attention at IMSS. Mr. Esparza Rodriguez also said that saying that simply supporting a request was just saying that simply an agreement had been signed. Mr. Esparza Rodriguez said that administrative acts take place all the

time, they have their own implications, and those implications should be assumed as responsible officers as we are.

For Mr. Eduardo de la Parra, Mr. Esparza Rodriguez said that this evidenced that had happened during the last months of 2018 in terms of hiring services and other obligations that accounted for MXN 30M. In other words, this represented almost one third of the Conference's annual budget. Mr. Esparza Rodriguez claimed that Mr. Thomas had received a worker subscribed under the Secretariat General who the Secretariat General had laid off, someone who had been living in a hotel, who misused the Conference's CCTV tapes and was later involved in several other irregularities. Mr. Esparza Rodriguez also said that Mr. Thomas had covered up for such subscription.

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For the scholarships, Mr. Esparza Rodriguez said that there was not any observance of any type of regulation to issue scholarships. Mr. Esparza Rodriguez also said that these scholarships resulted in a MXN 400K deficit to CISS due to the absence of a procedure to cash them in. Mr. Esparza Rodriguez claimed that we were fostering the existence of these scholarships, but we were also promoting the Conference's financial stability.

For the trip to Las Vegas, Mr. Esparza Rodriguez said that that situation had been clarified in better terms, but he further explained that he was not talking about that trip, but another one to Trinidad that was non-compliant with the set procedure. During such trip, Mr. Thomas had asked for a refund of around USD &K. That was why Mr. Esparza Rodriguez had requested for clarification regarding that trip.

For the actuarial study and the USD 10K earned by the Conference as profit, Mr. Esparza Rodriguez said that claim was false. In fact, Mr. Thomas also said that the Conference had to pay for the flights, accommodation and travel expenses that accounted for MXN 1.2M. The debt had been structured to be paid in five installments of around USD 15K each, out of which two had already been paid, even when it was still being discussed with the Government of Antigua. Mr. Thomas said that this had been done with virtually any other irregular contract and agreement so that, as the Coordinator said, all the parties involved would have the best way out possible with as minimum negative impacts as possible.

He said that the Conference was far from having a USD 10K income due to actuarial studies outsourcing, services that could be effectively provided by CISS. Mr. Esparza Rodriguez also asked why this hiring was not completed directly by and between the country and the consultancy firm, and said that the agreement had stated the Secretariat General would approve the results byproduct. In that regard, Mr. Esparza Rodriguez claimed he had personally asked for those products to the consultancy firm, but did not receive anything.

For the travel expenses, it was true that we had a payment scale similar to the one used at the UN for travel expenses. Mr. Esparza Rodriguez further commented that he found it excessive for CISS's sake. Mr. Esparza Rodriguez said that the Secretary General's orders were that if the travel expenses did not have supporting documentation, then those that were not used would be the ones that had to be refunded. Mr. Esparza Rodriguez said that he had discussed with Mr. Thomas and his staff since the beginning of their administration and Mr. Thomas even made a procedural proposal whose response came from the Financial Coordination. However, CISS did not follow it through.

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For the IT platform, Mr. Esparza said that Mr. Thomas had shared a document with the members, and Mr. de la Parra talked about a specific agreement with Tecnológico de Monterrey during a CAOSA Meeting, in addition to discussing a payment for USD 60K.

Mr. Alejo Maxit intervened to request for the exact information of all the claims as to issue a sound opinion on the matter, in addition to observe the role played by internal audit and how its involvement was, if any, in these procedures, because, as Mr. Maxit said, there is a pivotal role played by internal audit and all the information that was provided. That was the reason why this matter had to be checked.

The Chairman thanked Mr. Maxit for his intervention, and said to all the attendees in the meeting that, as public servants and members of the Conference, they are committed to transparency, cost efficiency, and responsibility for each and every word uttered in the Permanent Committee and any other space. The Chairman continued by saying that we were living an important political moment in the region and maybe around the entire world, that required accountability and public discussions, open deliberation, all of this in a responsible manner. Consequently, the Chairman asked the Controller, as per the statutory authority listed under Article 25, to i) conduct a comprehensive review on what the CISS resources were, how they were used and spend and for what purposes as this was a matter that the Conference members found interesting as there must be clarity on how funds and resources are used, irrespective of their origin; and ii) for any personal remarks made within the Committee, the Controller should ask all the competent areas to duly document and share such remarks with any and all participants and members of the Committee.

The Chairman further said that, in his opinion, the members were obliged to provide comprehensive and well-supported documentation in order to correct and provide clarification on any matter, always bearing in mind the commitment we had with human rights and the people's reputation. For that reason, the Chairman asked the Controller to present a proposal to put that matter off for the next extraordinary meeting that would be held.

Since there were not any more comments, the Chairman submitted the following decision for the Committee's consideration:

Decision Number 7. Pursuant to the provision in Articles 16, item l); Article 22, item g), and Article 5, item b) of the Conference Bylaws, the Permanent Committee hereby considers the CISS Financial Report as submitted.

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Based on the requests submitted by the Chairman himself, the Secretary General asked for certain revisions to be made to the decision phrasing, a motion that the Chairman seconded as to have the relevant phrasing prepared. Consequently, it was decided to transact the next item on the Agenda before voting the final phrasing of Decision Number 7.

8. Presentation of the CISS Regulatory and Statutory Amendments Project.

To transact item eight of the Agenda, the Chairman gave the floor to the Secretary General, whose said that the Secretariat General and the Conference Presidency, which had been traditionally chaired by IMSS since the 1960's, had made the mutual decision to refound the Conference.

The Secretary General said that it meant a serious refoundation might mean that not all original mandates and conditions would be picked up again as we were living in ever-changing times and the social security, wellbeing and welfare needs are different from what they once were. This endeavor meant tracing back our historical roots as presented in the Inter-American Conference on Social Security in 1942 where one of the most important highlights was having Salvador Allende in attendance sharing the same room with opposing personalities such as Mr. Rockefeller.

The intent behind refounding the Conference was, as Mr. Ramirez Reyes said, that both CISS and CIESS rebuilt their historical grandeur paved by its track record, as the CISS HQ was the venue that housed the Grupo Contadora's negotiation rounds, as well as the main instruments of Mexican social diplomacy to ever existed. Mr. Ramirez further said that CISS greatness laid in the small things that could not be perceived in pictures – it laid in the actuaries trained at CIESS as part of the alumni from the Master in Statistics it once had.

Developing capabilities is over, and the Secretariat General wanted to be picked up the mission of building an institution for the region, without systematically hiring external

consultancy, but building capabilities among the members that would help address such members' problems, irrespective of their ideologies.

The Secretary said that he would like CISS to conduct fundamental research, just like the most serious international organizations did, in addition to applied research where the courses would be taught by the new full-time professors and researchers from CISS; a place where top-quality academic programs would be available, including Master's Degree in Governance; Network Sciences Applied Statistics; and Big Data; a place where the members could receive training; a program that would recruit young Math enthusiasts from Caribbean, Central American and South American countries that are missing actuaries so that they would receive training at CISS as part of partnerships built with Mexican universities so that they would have the chance to live at the Conference's venue.

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For this purpose, he said it would be necessary to have not only administrative control, but also relevant activities at the occasion of the 29th General Meeting.

He also said that we had enough financial resources with the USD 10K reduction made to his salary, and the research time hired to work, along with the Public Policy team, that would have produced more technical and research documents in 10 months than in the last 10 years of the Conference.

Despite his wishes of earning a high salary, as it was the rightful thing to do, the Secretary said he wouldn't want this to happen at the Conference's major works expenses. He further said that he was part of a political project led by the Mexican President. He also said that it was not possible that the Conference top officials would earn twice or thrice as much as the Mexican President.

He added that the Reform Package, along with the refoundation started with the CISS Presidency, was intended to study proposals more thoroughly where it would be possible to see that duplicity was avoided across positions, just like in any other international organization.

He also added that there would not be just more control in place for the Secretariat General, but also more responsibility, a responsibility that meant crystallizing the projects defined throughout the meeting as to make the long-pending regulation a reality. For instance, among the proposals that were presented was the salary guideline stating that the highest salary earned within the Conference would be equal to the one earned to the Deputy Minister or Deputy Secretary of the host country, not the OECD Secretary General. This seemed as something reasonable, especially when there were other benefits available as part of a career in diplomacy, the Secretary General said.

He also said that there were proposals revolving around rules for hiring staff so that the salaries were not arbitrary in nature and could not be earned just by anyone as each position had a particular profile that had to be covered.

The Secretary further commented that in this way, a general reform to the bylaws, rules, compensation guidelines, in addition to other administrative guidelines, would be implemented, which had already started by the Controller's Office since the last administration.

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With this intent in mind, the Secretary asked the Committee to study the project in detail. However, he also asked that a stronger commitment should be acquired as since there was the intent to bestow more authority upon the Secretariat General, the ultimate decision was to be made by the Committee and if the goals were not met as defined, the mandate would be decided by the Committee.

Next, the Chairman gave the floor to the CISS Controller, Mr. Eduard del Villar who said that from a financial and administrative perspective of the Conference, the diagnosis of what had been presented was basically just that: A diagnosis that was still under construction to correct several matters and to build the instruments to overcome these problems as to prevent them from resurfacing in the future. However, the Committee was actually responsible for approving all the guidelines so that the resources would be used correctly. Mr. del Villar also emphasized on how transparently the new administration was using CISS resources. He further commented that it used to be virtually impossible to have access to the corporate credit card statements of account. It was just impossible. However, the new administration would deliver them shortly. He also said that this new administration was barely using the card as it was trying to build more sound procedures. He also said that as Controller, he supported the new administration's initiative as it was daring to make something that a lot of the Conference members were trying to do for a long time: Changing internal regulations.

He also said that, as the Secretary General said, it was necessary to see CISS within the current context of the Americas, the English-speaking countries, and across all structural transformations that the countries did for CISS to work out, that CISS would be constant through time, and above all, that CISS would give added value and would be cherished by the countries.

Next, Mr. Reginald Thomas took the floor and proceeded to say that what would be received in the meeting was a letter of intent for the amendments that had to be studied, and asked what the next step would be.

The Chairman gave the floor to the Associate Member Representative Mr. Jorge D'Angelo. Mr. D'Angelo said that the Reviewing Commission would receive a reform proposal and proceed to study it. However, Mr. D'Angelo said it would not be possible to have an extensive analysis in terms of duration. That is why Mr. D'Angelo then proceeded to ask for clear timelines that were mutually agreed as to effectively study the proposal in detail.

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Additionally, Mr. D'Angelo proposed that all the members of the Committee should get together to study it, to nourish it with the contributions made by their comments and remarks. For this purpose, Mr. D'Angelo asked for the Technical Secretariat for support.

The Secretary General said that the goal was first presenting the project to the Committee so that the Commission that had been created to serve a different purpose could receive a new mandate from the Committee as to decide over this series of reforms.

Following up on the comments said by Mr. D'Angelo and as part of the new Mandate of the Reviewing Committee, the Chairman asked to define what the members of the Commission would be. In response, Messrs. Cristian Olivares, Alejo Maxit and Zoe Alejandro Robledo Aburto requested to be part of the Commission, in addition to the Commission's original members.

The Chairman also congratulated the Secretary General for their intent to refund a space that had been so important for the region. In this regard, the Chairman said that going back to the basics, the original reasons behind the Mexican people's intention to create and envision a Welfare and Wellbeing State that was social security-oriented played a pivotal role in the 20th Century with IMSS being the ultimate example of this. The Chairman also said that going back to the basics is the ultimate testament of that endeavor.

Later on, the Chairman mentioned that the first thing to do was giving a new mandate to the Reviewing Commission. But before that, he submitted the next Decision for the Committee's consideration:

Decision Number 8: The Permanent Committee is hereby aware of the draft projects that had been submitted and accepted to study and analyze the amendment proposals to several regulatory instruments (bylaws and rules) of the Inter-American on Social Security.

In his capacity of Meeting Secretary, the Secretary General asked the members to cast their votes on the decision. It was reported that such decision had been approved unanimously.

Then, the Chairman gave the floor to Secretary General to present the new mandate the Reviewing Commission would have and how it would be put in place.

In this regard, Mr. Ramirez Reyes said that it was necessary to work cross-sectionally in the efforts as to include them across all CISS legal instruments. Therefore, the most appropriate proposal for the work plan was that the Committee gave a new mandate to the Reviewing Commission created in November 2018, which would also be formed by the same members plus Messrs. Cristian Olivares, Alejo Maxit and Zoe Robledo to decide what the deadlines would be for the reform proposals, understanding that the Permanent Committee would formalize the Commission's creation during an ordinary meeting as to be able to come up with a decision that could be subject to voting in the General Meeting.

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In order to prepare the phrasing for Decision Number 9, the Secretary thought it was appropriate that, during recess, the outstanding Decision number 7 would be voted. Therefore, The Committee members were presented with the following decision:

Decision Number 7: Pursuant to the provision in Articles 16, item l); Article 22, item g), and Article 5, item b) of the Conference Bylaws, the Permanent Committee hereby considers the CISS Financial Report as submitted.

Moreover, pursuant to the provisions in Articles 23; 24, paragraph two; and 25, item a) of Bylaws, the Controller is hereby requested to ask several areas of the Conference to provide the supporting documentation on how the CISS financial resources were used so that it is reviewed in detail and shared with the members of the Committee.

In his capacity of Meeting Secretary, the Secretary General asked the members to cast their votes on the decision. It was reported that such decision had been approved unanimously.

Next, the Secretary General proceeded to read the proposal of

Decision Number 9: Pursuant to the provisions in Article 16, item i) of the Bylaw, and Article 39 of the General Meeting Rules, the Permanent Committee sends a new mandate to the November 2018 Reviewing Commission to learn about all the reforms to the submitted instruments, with the Commissions consisting of the same members of the Commission plus Messrs. Cristian Olivares,

Alejo Maxit, Zoe Robledo, or the institutions they represent. It would receive the Technical Secretariat as to make a decision on such proposal during the next General Meeting.

The Chairman asked to submit it for voting. In his capacity of Meeting Secretary, the Secretary General asked the members to cast their votes on the decision. It was reported that such decision had been approved unanimously.

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The Chairman wished the best in the works that the Commission would start, and since all the topics listed in the Agenda had already been transacted, proceeded to thank the members of the Committee and emphasized the intent to work openly, collaboratively, transparently, democratically and overtly.

In witness thereof and pursuant to the provisions in Article 17 of its Bylaws, the Inter-American Conference on Social Security Permanent Committee Extraordinary Meeting was declared closed on August 20th, 2019 at 13:18 hours.-----
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