



## Twenty Third SPREP Meeting of Officials

4-6 September 2012  
Noumea  
New Caledonia

### Agenda Item 10.2: Attachment – Response to EC Institutional Assessment

#### Purpose

1. To table the revised financial regulations in compliance with the International Financial Reporting Standards (IFRS) and to seek approval of these revised financial regulations by the SPREP Meeting.
2. Specific changes are shown in the underlined text below.

#### Background

Current	Proposed
Financial Statements	Financial Statements
Regulation 27 – Maintenance of Accounting records	Regulation 27 – Maintenance of Accounting records
a) The Secretariat's Financial Statements, shall among other things, include the following statements and details: <ol style="list-style-type: none"> <li>1) Income and Expenditure Statements of all funds for the financial year;</li> <li>2) Comparison of actual expenditure and budgeted expenditure for the financial year</li> <li>3) Balance Sheet for the financial year</li> <li>4) Cash Flow Statement for the financial year</li> <li>5) Notes to and forming part of the accounts</li> </ol>	a) The Secretariat's Financial Statements, shall among other things, include the following statements and details: <ol style="list-style-type: none"> <li>1. Income and Expenditure Statements of all funds for the financial year;</li> <li>2. Comparison of actual expenditure and budgeted expenditure for the financial year</li> <li>3. Balance Sheet for the financial year</li> <li>4. Cash Flow Statement for the financial year</li> <li>5. Notes to and forming part of the accounts</li> </ol>
b) The accounts will be prepared in accordance with generally accepted accounting principles	b) The accounts will be prepared in accordance with <u>International Financial Reporting Standards (IFRS)</u>
c) The Director shall also give such other information as may be appropriate to indicate the current financial position of the secretariat	c) The Director <u>General</u> shall also give such other information as may be appropriate to indicate the current financial position of the secretariat
d) The accounts for each financial year shall be submitted by the Director to the Auditor by 31 March following the end of that financial year	d) The accounts for each financial year shall be submitted by the Director <u>General</u> to the Auditor by 31 March following the end of that financial year
e) Audited Financial Statements signed by the Director are to be submitted to the next meeting of the SPREP meeting	e) Audited Financial Statements signed by the Director <u>General</u> are to be submitted to the next meeting of the SPREP meeting

Current	Proposed
<p>Regulation 30 – Submission of Audit Report</p> <p>The Auditors shall submit their report to the Director as soon as possible following the end of the fiscal year to which it relates. The Director shall circulate the full report of the Auditors including comments on the financial operations of the Secretariat and accounts, together with such remarks as the Director may wish to offer to members, prior to the next SPREP Meeting.</p>	<p>Regulation 30 – Submission of Audit Report</p> <p>The Auditors shall submit their report to the Director <u>General</u> as soon as possible <u>but no later than 31<sup>st</sup> May</u> following the end of the fiscal year to which it relates. The Director <u>General</u> shall circulate the full report of the Auditors including comments on the financial operations of the Secretariat and accounts, together with such remarks as the Director <u>General</u> may wish to offer members, prior to the next SPREP Meeting.</p>

### Recommendation

3. That the Meeting
  - **Approve** the proposed new Financial regulations to become effective immediately after the conclusion of the 23<sup>rd</sup> SPREP Meeting.

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25 July, 2012