AGENDA ITEM 6.5: Audit Committee Report

Purpose

1. To provide a report to SPREP members on activities of the Audit Committee over the period July 2012 to June 2013.

Background

2. SPREP established its Internal Audit Unit with the recruitment of the Internal Auditor in July 2012. SPREP is the only CROP agency that has an Internal Auditor and an independent Audit Committee. The establishment of this position aimed to improve governance of the Secretariat and was also in response to issues raised by the EU assessment in 2011 and the Accreditation Fund Panel.

3. The Audit Committee carries out a key independent oversight role of SPREP’s Internal Audit function. The Audit Committee is an integral component of improving the governance of SPREP and its responsibilities are to oversee and monitor risk and internal control issues affecting SPREP’s operations as well as other relevant governance issues. The Committee also enhances the integrity of accountability for allocating and management of SPREP’s resources.

4. The Audit Committee is one of the core requirements of the Internal Audit policy approved in 2012 which aims to strengthen internal audit, risk management and governance processes across the organisation.

5. The frameworks required for the operation of the Internal Audit Unit and the Audit committee are established in the Charters now being approved and endorsed by the Audit Committee in consultation with the Executive.

6. The Audit Committee consists of 3 independent members namely Mr Tagaloa Fa'afouina Su'a of Su'a and Associates Consultancy as the Chairman; Mr Stuart Horne - Deputy High Commissioner New Zealand and Mr Jovilisi Suveinakama, General Manager Tokelau Office Apia. The other 2 non-independent members are Mr Clark Peteru - Legal Adviser of the Secretariat and the Human Resource Adviser - Simeamativa Vaai. The independent members offer their services on a voluntary basis.
7. The Audit committee is required to meet twice a year and two meetings were held during the period under review: one in November 2012 and the other in June 2013.

8. The following provides a brief overview of some of the activities performed by the Audit Committee during the period under review.

- Briefings provided by the Executive and other members of the management as a form of Induction to the work of the Secretariat for the members for the Audit Committee
- The internal Audit framework was completed and endorsed by the Audit Committee, including the:
  - Internal Audit Policy
  - Internal Audit Charter
  - Audit Committee Charter
- The review of the 2012 Audited Financial Accounts and the management letter by the Audit Committee.
- Approval by the Audit Committee of the Internal Audit work plan for 2012 and 2013 performed by the Internal Auditor and ensure that recommendations provided are being implemented in consultation with the Secretariat management.
- Contribution of the Internal Audit Unit to the Accreditation process of the Adaptation Fund currently ongoing.

**Recommendation**

9. The Meeting is invited to:

- **note** the activities performed by the Audit Committee during the 2012-2013 period.