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The Pacific environment, sustaining our livelihoods and natural heritage in harmony with our cultures.

Twenty Sixth SPREP Meeting of Officials

Apia, Samoa
 22nd – 24th September 2015

Agenda Item 6.7: Audit Committee Report for period July 2014 to June 2015

Purpose

1. To report on the activities of the Audit committee in accordance with the Secretariat Internal Audit policy and Audit Committee Charter.

Background

2. The Audit Committee is an integral component of SPREP's governance and its responsibilities are to oversee and monitor governance, risk and internal control issues affecting the Secretariat's operations. The Audit Committee also provides guidance and support for the work of the SPREP Internal Auditor.

3. The framework required for the operation of the Internal Audit Unit and the Audit committee are established in the Charters approved and endorsed by the Audit Committee in consultation with the Executive.

4. During 2014/5, the Audit Committee comprises 3 **independent members** namely: **Mr Tagaloa Fa'afouina Su'a** of Su'a and Associates Consultancy as the Chairman; **Ms Sophie Vickers** Deputy High Commissioner for 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

5. The Chairman of the Audit Committee Mr Tagaloa Fa'afouina Su'a resigned due to his work commitments and the process is underway for a replacement. Ms Sophie Vickers returned to NZ at the end of May 2015 and the new NZ Deputy High Commissioner will be her replacement.

6. The Audit committee is required to convene twice a year and could call extra meetings if the need arises. Members of the SPREP Troika participated in one of the Audit Committee meetings in both 2014 and in 2015.

Activities

7. The following provides a brief overview of some of the activities undertaken during the period by the Audit Committee.

- Briefings were provided by the Executive and other members of the management team as a part of the Induction to the work of the Secretariat for the members of the Audit Committee.
- A meeting including TROIKA members was held on the 8th of July 2014. This was in response to the issue of broadening the Audit committee membership composition as raised at the SPREP meeting 2013. The second Audit Committee meeting with the TROIKA members was held on the 13th of July 2015.
- The Audit Committee reviewed the 2013 and 2014 Audited Financial Accounts and the associated management letter. The Audit Committee recommended the Secretariat reviews for the current reserve policy and also formulate a foreign currency policy as a means to manage the Exchange loss risk.
- It was noted by the Audit Committee that the development of the foreign currency policy will be funded under the GEF medium size project in 2015/2016.
- The Audit Committee approved the Internal Audit work plan for 2015 and noted the 2014 progress report by the Internal Auditor.
- A follow up report was submitted to the Audit Committee on the review of the Risk Management Plan, conducted by the Internal Auditor in 2014. The status of management action on the recommendations provided by the Internal Auditor was submitted for the Audit committee's information.
- It was noted by the Audit Committee that there was remaining work to be completed such as updating of the existing Risk Management Policy to incorporate new risks and issues identified.
- The Audit Committee noted there has been no increase in SPREP membership contributions over the last 11 years, even though contributions for other CROP agencies have increased during this period.

Recommendations

8. The Meeting is invited to:

- **note** the activities performed by the Audit Committee during the 2014 - 2015 period.