

SPREP Secretariat ICR Implementation Plan Report 5: to July 2010

| ICR Recommendation | Action required | Action taken/pending | Time line for completion and status |
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| <p>31: <i>Members to reaffirm need for a regional environmental organisation and their commitment to adequately manage and fund the agency</i></p> | <p>Members to review their financial commitments to the organisation, especially with regard to the RIF outcomes</p> | <ol style="list-style-type: none"> 1. Discussed at Special Members' meeting, July 2009, and SPREP Meeting, November 2009: Members 'committed' to paying current and unpaid contributions in full in 2009. 2. Director raised unpaid contributions during country visits; noted during regional consultations on the strategic plan, and by many follow up letters in May 2010. | <p>November 2009</p> <p style="background-color: #92d050; text-align: center;">Complete + ongoing</p> |
| <p>38: <i>Members and the Secretariat to work together to address the fundamental causes of low morale of Secretariat staff, the associated problems of staff recruitment and retention ...</i></p> | <p>Address issues of low morale</p> | <ol style="list-style-type: none"> 1. Open communication adopted between staff and SPREP Management, including reporting on Executive Team outcomes to staff within 2 days of each meeting. 2. Staff satisfaction survey undertaken September-October 2009 and to be repeated in August 2010: results reported to staff and SPREP Meeting. 3. Action taken in collaboration with Staff Committee and newly established Task Groups to address institutional strengthening initiatives (e.g. recruitment and performance management). 4. Staff team-building retreat held in July 2010. | <p>December 2009</p> <p style="background-color: #92d050; text-align: center;">Complete + ongoing</p> |

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| <p>59: directed the Secretariat to focus its core business to Members primarily on:</p> <ul style="list-style-type: none"> • enhancing the strategic capacity of its Members to include mainstream environmental considerations ... • facilitating the coordination of regional environment-related assistance ... • supporting compliance, negotiations and advocacy in MEAs ... • cooperation among Members ... | <ol style="list-style-type: none"> 1. Define SPREP's core business 2. Next Action Plan to reflect core business | <ol style="list-style-type: none"> 1. Secretariat papers discussed at SPREP Special Meeting, July 2009; at ICR task force meeting; at the SPREP Meeting, November 2009: definition adopted, pending further discussion. 2. New Strategic Plan reflects core business and priorities, as determined by Member surveys and regional consultations, May 2010. | <ol style="list-style-type: none"> 1. November 2009 2. May-September 2010 <p style="background-color: #FFA500; padding: 5px;">Further discussion may be required at 21st SPREP Meeting.</p> |
| <p>60: the Secretariat to separate its roles and related activities into:</p> <ul style="list-style-type: none"> • core business activities which are fully costed; and • project-related activities that contribute to the core by way of both a project management fee and the growth of knowledge and expertise within the Secretariat and its Members | <ol style="list-style-type: none"> 1. Separate roles and activities into core business and project-related activities 2. Staff to reflect recommendation in annual individual work plans (IWPs) | <ol style="list-style-type: none"> 1. Annual work programmes and budgets specify core business and projects more clearly. Members did not focus on this during the strategic planning consultations, May 2010. 2. All staff have IWPs in place and this will be reflected in their performance agreements under the new performance development system from late 2010. | <ol style="list-style-type: none"> 1. See Rec. #59 2. February 2009-ongoing <p style="background-color: #FFA500; padding: 5px;">Further discussion may be required at 21st SPREP Meeting, as per rec #59.</p> |

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| <p>61: <i>the Secretariat to increase its effectiveness and efficiency by:</i></p> <ul style="list-style-type: none"> • <i>giving more attention to facilitating, advising on and coordinating technical and policy advice and assistance;</i> • <i>... training, institutional strengthening and information sharing;</i> • <i>showing leadership by playing a coordination role and working collaboratively and cooperatively with relevant partners;</i> • <i>improving organizational management ...</i> • <i>maintaining flexibility to respond to Member-specific priorities</i> | <ol style="list-style-type: none"> 1. New Action Plan / Strategic Plan 2. Continue to strengthen work with partners 3. Improving organisational management 4. Planning for 2010 Work Programme and Budget takes into account this recommendation. | <ol style="list-style-type: none"> 1. Regional consultations on priorities for the Strategic Plan took place in May 2010: 18 Members participated. 2. MoUs and other mechanisms developed and maintained. New MOUs with the CBD, Ramsar and USP. 3. AWPID in use by staff to track activities; transparent executive team processes in place; new financial controls (procurement manual) in place; new performance/development system under way. 4. 2010 WP&B agreed at SPREP Meeting. | <ol style="list-style-type: none"> 1. May 2010 2. Ongoing 3. Ongoing 4. 2009 SPREP Meeting. <p style="text-align: center;">Tasks completed or under way</p> |
| <p>62: <i>SPREP to give more consideration to the diversity of amongst membership and be proactive in ensuring how it operates and promotes greater equity in the way the Secretariat interacts with, and provides services to, Members.</i></p> | <ol style="list-style-type: none"> 1. As regards service to francophone members, SPREP will actively increase the number of programme officers with French language ability. 2. Improve participation of territories 3. Secretariat to consider appointing a Francophone Focal Point per SPC | <ol style="list-style-type: none"> 1. Some improvement, but still discussing options for increasing French-language ability among staff: some are undertaking language training, for some recruitment exercises it may be necessary to place more emphasis on language ability. There has been an increased level of programmatic activity in French Territories in 2010. 2. Secretariat reviewed progress on action items from 2006 territories meeting; ideas raised at SPREP Meeting, November 2009; discussed during senior SPREP officer visits to territories. 3. Secretariat to investigate feasibility of appointing a FFP | <p>2010</p> <p style="text-align: center;">Under way; additional suggestions welcome.</p> |

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| <p>73: <i>to increase ownership of SPREP by its Members and enhance accountability to them, directed SPREP to prepare and implement a strategy for all its core business activities to be funded by Member contributions as well as by programmatic funding ...</i></p> | <p>Develop and implement strategic/corporate plan in consultation with Members</p> | <ol style="list-style-type: none"> 1. Draft SPREP Strategic Plan developed in 2010 after an extensive consultation with SPREP Members. 2. Budget contributions will ensure that core business activities are funded by Member contributions and programmatic funding. 3. Corporate plan embedded in the new strategic plan – confirmed by regional consultations in May 2010. | <p>May 2010</p> <p>Tasks completed or under way</p> |
| <p>74: <i>the Secretariat to make a more targeted effort to engage with SPREP's large (both current and potential) donor countries and organizations, to explore ways to achieve longer-term programmatic funding ...</i></p> | <p>Targeted effort to engage donors</p> | <ol style="list-style-type: none"> 1. Regular discussions implemented with Australia and New Zealand towards 3-year programmatic funding, which may come into effect in 2012. 2. Director invited New Zealand and Australia in 2010 to better engage with these countries. 3. Improved engagement with other donors – increasing links, e.g. EU; Finland. 4. Considering appointment of Donor Liaison Officer, but initially working largely through Director. | <ol style="list-style-type: none"> 1. 2009 2. Ongoing 3. Pending funding <p>Complete + ongoing</p> |

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| <p>79 as amended by SM19: <i>the Secretariat to explore further options for strengthening the engagement between the Secretariat and Members</i></p> | <p>Options for strengthening engagement between Members and Secretariat</p> | <ol style="list-style-type: none"> 1. Secretariat proposal for a chair’s advisory group discussed at Special Members’ meeting, July 2009, ICR task force and SPREP Meeting, November 2009. 2. A number of options are under consideration, including development of a sub-regional presence by 2012, holding regular sub-regional consultations and rotating SPREP Executive Meetings between different Member countries | <p>21st SPREP Meeting</p> <p>Further work required and is scheduled.</p> |
| <p>80: <i>encouraged ongoing interaction between Secretariat staff and representatives of all Members ...</i></p> | <p>As for recommendation 79</p> | <ol style="list-style-type: none"> 1. Thematic contact points discussed at the SPREP Meeting November 2010, and are being put into effect, particularly to update country profiles. 2. Level of Programme staff involvement with SPREP Members significantly increased in 2010 | <p>Ongoing</p> <p>Complete + ongoing</p> |
| <p>81: <i>encouraged more technical and policy focused discussions between individual Members and the Secretariat at the SPREP meeting</i></p> | <p>Develop and implement an agreed modality for more Member-Secretariat technical and policy focused discussions</p> | <p>See Rec #80</p> | <p>2010</p> <p>Complete + ongoing</p> |

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| <p>98: <i>the Secretariat to strengthen its systems for learning from its experiences and sharing lessons learned and best practices within the Secretariat as well as with Members and other stakeholders ...</i></p> | <ol style="list-style-type: none"> 1. Development of lessons learned manual/toolkit 2. AWPID development and implementation | <ol style="list-style-type: none"> 1. Lessons learned being factored into revised institutional policies (e.g. performance management system) and programmes (e.g. mid-term reviews of climate change programmes). 2. Use of Regional Information Networks PEIN, PILN, has been expanded in 2010. 3. SPREP website is developing as a major tool for communicating census with over 500,500 “hits” per month. 4. AWPID finalised and in use. | <ol style="list-style-type: none"> 1. 2009 2. March 2009 finalization <p>Under way but further work required on a lessons 'toolkit'.</p> |
| <p>99: <i>the Secretariat should ensure that all staff have opportunities to enhance their performance through professional development and related activities</i></p> | <p>Identify staff development needs; do Training Needs Analysis</p> | <ol style="list-style-type: none"> 1. Training needs analysis complete for support staff. 2. Stronger emphasis on skills and career development will be included in revised performance system. 3. Staff training and professional development are under consideration by staff and Management. | <ol style="list-style-type: none"> 1. June-December 2009 2. Consultant working with staff in mid-2010. <p>Tasks completed or under way</p> |
| <p>100: <i>the Secretariat to appoint designated staff to be responsible for preparing and updating a revised form of the country profile and acting as a focal point for a PICT or for a small group of PICTs</i></p> | <p>Designate staff responsible for country profiles and focal points</p> | <ol style="list-style-type: none"> 1. Country profiles database being populated: to cover past interventions, current issues and opportunities. 2. Improved Secretariat focal point system under trial (thematic: marine ecosystems, terrestrial ecosystems, climate change, pollution and waste management, environmental governance). | <p>December 2009</p> <p>Under way</p> |

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| <p>101: <i>encouraged Members to consider, agree on and implement a relationships management system that addresses the challenges in the current system of Focal Points ...</i></p> | <p>Focal point strategy to be prepared</p> | <p>As for Rec #100</p> | <p>Under way</p> |
| <p>102: <i>The Secretariat to ensure greater transparency, accountability and sensitivity, including to gender equity ... and to ensure that all recruitment within SPREP is merit based ...</i></p> | <ol style="list-style-type: none"> 1. Revised HR policies to clarify staff conditions (home leave, education allowance). 2. Revised Performance Management System. 3. Improved transparency in financial management. | <ol style="list-style-type: none"> 1. Implementation under way 2. Performance development system to be finalised with consultant (initial work in Apia in May 2010). 3. SPREP gender balance amongst staff is consistent with, or better than other CROP agencies. 4. Procurement manual in effect April 2010. | <p>Ongoing</p> <p>Tasks completed or under way</p> |
| <p>103: <i>within the limits ... actively encourage relevant organisations to locate within the Secretariat's facilities ...</i></p> | <p>Co-location to be encouraged</p> | <ol style="list-style-type: none"> 1. Pacific Adaptation Strategy Assistance Program (PASAP) climate change team began co-location in March 2010. 2. UNEP task adviser began partial co-location (40%) in April 2010. 3. JICA (Waste project) 4. WMO (Pacific Sub-regional office) | <p>Ongoing</p> <p>Tasks completed + ongoing</p> |

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| <p>112: <i>The Secretariat should place greater emphasis on developing and implementing joint programming with other PROs, at both regional and country/territory levels</i></p> | <p>1. Review effectiveness of CROP working group mechanism</p> | <p>1. Forum Secretariat’s review consultancy included SPREP’s input. 2. MOU with USP 3. Enhanced collaboration with SPC 4. Climate Change Taskforce and CROP established (joint Chair SPREP and PIFs).</p> | <p>Ongoing</p> |
| | <p>2. Joint Country Strategy (JCS) programming missions</p> | <p>5. Participating in SPC JCS programming missions to Member countries.</p> | |
| | <p>3. Joint project design and implementation</p> | <p>3(a) <u>EDF10</u> SPREP and SPC merged our proposals for funding concepts. 3(b) <u>Sustainable Land Management</u> GEF – UNDP. SPREP initiated the re-establishment of the CROP Land Resources Working Group. 3(c) <u>Mainstreaming</u> Collaborating with SOPAC and partners on Pacific guidelines for mainstreaming in disaster management is ongoing.</p> | |
| | <p>4. Joint SOPAC-SPREP activities</p> | <p>4. All functions transferred via MOU in April 2010.</p> | <p>Tasks completed + ongoing</p> |

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| <p>113: <i>The Secretariat should consider the feasibility of decentralizing some Secretariat activities by locating selected staff at strategic locations, in order to service a group of PICTs that require extensive support.</i></p> | <p>Consider feasibility of decentralizing some SPREP activities</p> | <p>1. Options of sub-regional presences (e.g. in Micronesia) are under examinations.</p> | <p>1. June-August 2009 2. 2009-2010</p> <p>Requires further consideration</p> |
| <p>114: <i>Before the RIF-related decisions are implemented, SPREP Members should clearly define the role of the region's environmental organisation, and commit to funding and governing it effectively.</i></p> | <p>Members to clearly define SPREP's role and commit to funding and governing it</p> | <ul style="list-style-type: none"> Role of SPREP addressed in 2010 Strategic Plan. | <p>Ongoing</p> <p>Ongoing</p> |

**EC institutional assessment of SPREP
Implementation plan (from EC report, pp. 15-24)**

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| 5.1.4 | <ul style="list-style-type: none"> ▶ The condensed financial guidelines are based upon the regulatory framework laid out in the Financial Regulations as adopted, and approved by the SPREP Meeting in September 2006. The Financial regulations that can be traced back on SPREP's website are the ones approved by the September 2004 SPREP Meeting. | <ul style="list-style-type: none"> ▶ We recommend placing the latest version of the Financial Regulations on SPREP Website | Low | | Done |
| 5.1.4.1 | <ul style="list-style-type: none"> ▶ SPREP prepared the financial statements under a mix of modified cash and modified accrual basis of accounting. The financial statements are prepared on accrual basis of accounting with a modification to income. Note 1(e) 'Revenue Recognition' in the notes to the 2007 financial statements states that income is recorded on a cash basis except for interest income. | <ul style="list-style-type: none"> ▶ Since SPREP is using the IFRS (as adopted by the Samoa Society of Accountants) they should adopt and implement the accrual basis of accounting rather than a modified basis. IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. ▶ The financial statements need to be amended in order to be compliant with IAS 20 (IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'). Under IAS 20, all grant income received need to be recorded (credited) in a Donor Grant account in the balance sheet. | High | <p>The accrual basis of accounting is adopted by SPREP except the treatment of members contributions. The status of SPREP member contributions is designated as "voluntary" which is out of step with all other regional organisations which require their members to pay "assessed" contributions. While this matter had been raised several times with SPREP's governing council to move to a system of "assessed contributions", the member countries did not support the concept of contributing on a "firm and assessed" basis.</p> <p>It is on that basis of "voluntary" member contributions that contributions is recorded on a cash basis rather than the accrual basis of accounting. Also refer SPREP Financial Regulation 27 1 (b) which addresses this.</p> | Done – approved by November 2009 SPREP Meeting |

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| | | | | The accounts are in compliance with IAS20 in that Government Grants which were received in kind for the construction of building and other major capital assets have been credited to the balance sheet under capital reserves as these were the only government grants received. The release of yearly income through amortisation of capital grants will certainly distort the fund concept as adopted by SPREP. | |
| 5.1.4.2 | <p>▶ SPREP does not present a clear and complete set of financial statements. There is no statement of changes in reserves and funds, however, the details to all - except one - reserve accounts are disclosed in the notes to the financial statements.</p> | <p>▶ The financial statements need to include a statement of changes in reserves and funds on the face of the financial statements; and they need to disclose details regarding the Medical evacuation reserve. At a minimum, the balance at balance date, comparatives, and a brief narrative.</p> | Moderate | We believe a clear and complete set of financial statements have been prepared, except on the medical evacuation reserve that required a note to the accounts. | Done for 2009 accounts |
| 5.1.4.2 | <p>▶ SPREP does not clearly identify the date covered by the financial statements. The accounting period only indicates the end date of the financial year, that is, 31 December 200x ("for the year ending 31 December 200x"). The starting date of the financial year is not mentioned;</p> | <p>▶ SPREP's external auditor is to identify clearly the reporting date covered by the financial statements. Within the Statement of the accounting policies, a paragraph can be included about the reporting date covered. The first and the last day of the reporting period will have to be mentioned in this paragraph;</p> | Low | The comment is acceptable in that the income statement does not include the commencing date, however the accounting period ending date is clearly noted on the financial statements, therefore any person can determine that financial statements are for a period of twelve months. | Done for 2009 accounts |

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| 5.1.4.2 | <ul style="list-style-type: none"> ▶ The current accounting treatment of property, plant and equipment is not in accordance with IAS 16 'Property, Plant and Equipment' and IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. | <ul style="list-style-type: none"> ▶ The financial statements need to be amended in order to be compliant with IAS 16 and 20. | Very High | The above comments are noted; however we believe IAS 20 provides two broad approaches ie capital approach and income approach. SPREP has adopted the capital approach because we believe it is inappropriate to recognise as income the grants/donation from the Government of Samoa and Government of Japan in the construction of the premises and acquisition of other major assets. These grants are not earned but constitutes capital assets gifted by these governments to establish the SPREP organisation. The amounts are clearly disclosed in the notes to the financial statements under capital reserves. | Done – see 5.1.4.1 |
| 5.1.4.3 | <ul style="list-style-type: none"> ▶ The financial statements do not disclose the address and legal form of the entity and jurisdiction under which it operates. | <ul style="list-style-type: none"> ▶ In line with general regulations for the public sector, the legal form and the jurisdiction under which SPREP operates, should be clarified in a transparent way. Within the Statement of accounting policies, a paragraph can be included about the legal form (international Governmental Organisation) and the jurisdiction under which SPREP operates. | Low | The comments are noted and will include an appropriate statement in the future. | Done for 2009 accounts |

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| 5.2.4.1 | <p>▶ SPREP partially complies with the types of audits to be performed. SPREP has not had a compliance, internal, or performance audit.</p> <p>Financial audits are conducted for each financial year. The contract for the financial audit covers 2 consecutive financial years, after which a new invitation to tender is issued. Lesa ma Penn, a recognised audit firm in the Pacific region and member of the Samoa Society of Accountants, audited the 2007 financial statements.</p> <p>There are no compliance or internal audits performed to assess the compliance of SPREP with the internal control framework requirements except for the overall assessment of internal controls by the external auditor.</p> <p>There is no performance audit performed to assess efficiency and effectiveness of SPREP activities.</p> | <p>▶ We recommend SPREP to perform compliance and internal audits to assess the compliance of SPREP with the internal control framework requirements. Moreover, to execute performance audits to assess efficiency and effectiveness of SPREP activities.</p> <p>○ Given the size of SPREP, it might be better practice to have these audits performed in cooperation with other CROP Member. We recommend proposing the solution to the other CROP members.</p> | High | <p>SPREP had considered the practice of conducting performance audits in the past, but was not possible to implement a performance audit due to financial constraints. An internal audit division is not feasible due to the size of SPREP but we would explore and liaise with other CROP agencies to carry out compliance and internal audits.</p> | Not done due to lack of funds and because no other CROP organisation does so |
| 5.2.4.1 | <p>▶ Our review of the external auditor's report for the financial statements for the year ended December 2007 indicates that the following values for auditors in the public sector are not explicitly mentioned in the external auditor's report:</p> <ul style="list-style-type: none"> ▶ Complying with the ethical requirements; ▶ The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error; | <p>▶ We recommend the SPREP Meeting to safeguard their organization for threats, created by the relationship or circumstance, by issuing a code of ethics for its (external) audit firms. This should be in line with the International Federation of Accountants' Ethics Committee's Code of Ethics for professional accountants – Exposure draft, issued in July 2008, and the Commission Recommendation 2002/590/EC of 16 May 2002 "Statutory Auditors' Independence in the EU: A Set of Fundamental Principles" [Official Journal L 191 of 19.7.2002].</p> | Low | <p>The recommendation on the audit reporting requirements have been included in the external audit report.-refer page 1 & 2 of the auditors report on the 2007 audited accounts.</p> | Being addressed by SPREP Finance – incorporated in tender process for auditors, July 2010 |

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| | | <ul style="list-style-type: none"> ▶ We recommend the SPREP Meeting to impose their external auditor to draw up the auditor's responsibilities in the auditor's report, instead of the scope of the independent audit. | | | |
| 5.2.4.2 | <ul style="list-style-type: none"> ▶ An unqualified audit opinion was provided by SPREP's External auditor, notwithstanding the non compliance with IAS 16. | <ul style="list-style-type: none"> ▶ We recommend Management to request the SPREP Meeting to revise the current Financial Regulations/ Fund Accounting Policy regarding the depreciation rules to comply with the standard IAS 16. | Very High | We accept the recommendation and a submission is being prepared for consideration by members of the next SPREP Meeting in September 2009. The notes to the financial statements clearly states the fact that the fixed assets are not being depreciated as approved by the SPREP meeting. | Done |
| 5.3.4.1 | <ul style="list-style-type: none"> ▶ There is no specific code of conduct for the staff of SPREP as such. There are 'bits and pieces' but no one formalised document. The new acting director, in his maiden speech to SPREP Staff and Management, informed that honesty and integrity are values he highly cherishes. No minutes were made from this speech | <ul style="list-style-type: none"> ▶ Create a written code of conduct that is approved by the SPREP Meeting and that will be communicated to all staff. Staff should read the Code of Conduct and e.g. on a yearly basis acknowledge to adhere to this Code of Conduct. | High | We agree with the recommendations – plans are already in the pipeline for the establishment of a Code of Conduct for Staff. This is in addition to reviews of Human Resource policies and procedures already in progress at the time of the EU visit. . A number of policies are already in draft form awaiting Management consideration. | Being addressed by SPREP HR in May-August 2010 in the performance development system (will be available for information to SPREP Members) |
| 5.3.4.1 | <ul style="list-style-type: none"> ▶ The Staff manual (Approved Staff Regulation_2008 edition) does not contain provisions promoting ethical behaviour and values. Regulation 6- 10 refer to some aspects of behaviour and conduct expected to uphold the integrity and values guiding the organization. | <ul style="list-style-type: none"> ▶ The Staff manual should contain provisions promoting ethical behaviour and values. | Moderate | The Staff Regulation is reviewed annually and recommendations are noted for the next review. | Done: SPREP code of conduct developed by staff and endorsed by management July 2010 |

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| 5.3.4.1 | <ul style="list-style-type: none"> ▶ There is no formal or informal procedure or any documents stressing publically the ethical aspects of top management towards the staff. | <ul style="list-style-type: none"> ▶ An organization culture should be set up emphasizing the importance of integrity, values and ethics. ▶ Ethical aspects have to be publicly stressed towards the staff by top management of the organization ("tone at the top"). | High | | Done: SPREP organisational values developed by staff and endorsed by management July 2010 |
| 5.3.4.1 | <ul style="list-style-type: none"> ▶ Part XII of the Staff Regulations covers Disciplinary matters specifically in relation to Offences, Penalties, Procedures and Suspension. Financial responsibility and personal liability of officers who do not respect the rules are not specifically foreseen. These references cover any misconduct including misusing of financial responsibility and personal liability such as misappropriation of funds or properties. | <ul style="list-style-type: none"> ▶ The regulations of SPREP have to foresee a responsibility (disciplinary sanctions, financial responsibility and personal liability) towards officers who do not respect the rules. | High | | Being addressed by SPREP HR in the 2010 update of staff regulations |
| 5.3.4.1 | <ul style="list-style-type: none"> ▶ There was a permanent performance appraisal system of support staff in place, yet without proper guidance to eliminate subjective input. The evaluation system is currently being revised and is also in a try out phase, targeting less room for subjective input as was the case in the previous system.(IWP Template Jan 2009_approved by management for try out) | <ul style="list-style-type: none"> ▶ We recommend setting up an effective permanent performance appraisal system of the staff. | Moderate | Agree with the Recommendation and as highlighted during the visit, a draft revised Performance Management System (PMS) is already in place with the trial of Individual Work Plans already started in January 2009. | Under way – consultant working with SPREP HR in May-August 2010 |
| 5.3.4.1 | <ul style="list-style-type: none"> ▶ Neither the previous system nor the system in try out takes into consideration the roles of the staff in the internal control. | <ul style="list-style-type: none"> ▶ The roles of the staff in the internal control have to be taken into consideration with the system that is currently in try out. Another target with the draft evaluation system also has to be getting everyone aligned and start creating smart goals, as based on the existing Job descriptions. | Moderate | | Under way – consultant working with SPREP HR in May-August 2010 |

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| 5.3.4.1 | <ul style="list-style-type: none"> ▶ SPREP does not have an organized system of competence development plan of the staff that meets the development needs of individuals. Part XIV of the Staff Regulations states that the Director shall, where deemed necessary in the interests of SPREP, provide for the training of staff members in areas directly related to their duties and advancement. Priority shall be given to support staff. ▶ SPREP had created a document in which e.g. the assessment of development needs, training development programmes, etc is included. The 'Proposed Performance Evaluation System'. This policy however is not yet in place, dates from 8 November 2007, and is not yet approved and up for revision. In this context, SPREP refers to any upcoming review of policies and procedures as presented by the Harmonisation workgroup. | <ul style="list-style-type: none"> ▶ We recommend SPREP to create a formal and organized system of competence development plan of the staff that meets the development needs of individuals. E.g. assessment of development needs, training development programmes | Moderate | This revised PMS has a Professional Development Plan section built into it to address the capability needs of individuals and organisation. This work is being finalised. | Under way – consultant working with SPREP HR in May-August 2010 |
| 5.3.4.1 | <ul style="list-style-type: none"> ▶ There are no written human resources policies and practices ensuring that competent, trust-worthy personnel is recruited, developed, promoted and retained. | <ul style="list-style-type: none"> ▶ We recommend including an additional paragraph in the existing human resources policies and practices ensuring that competent, trust-worthy personnel is recruited, developed, promoted and retained. | Low | A draft revised Recruitment & Selection policy is now going through its second revision by Management. This revised policy addresses issues made in the recommendation. | Under way – HR revising selection & recruitment policy |
| 5.3.4.1 | <ul style="list-style-type: none"> ▶ The organization has a very limited governance and oversight structure, containing only the SPREP Meeting (oversight body) and the External Audit Body. | <ul style="list-style-type: none"> ▶ We recommend SPREP to expand its governance and oversight structure. For instance via the creation of an additional layer between the SPREP Meeting and management. Management already is going to propose two possible bodies to the next SPREP Meeting. | High | The EU recommendation is in line with the recommendation 79 of the SPREP Independent Corporate Review (ICR). The Secretariat has developed a proposal on a governance structure in response to the ICR which will address this issue. Furthermore, this proposal will be submitted for consideration by members at the 20 th SPREP meeting in September 2009. | Under consideration: proposal not accepted by November 2009 SPREP Meeting, alternative ideas to be addressed in 2010 |

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| Reference | EC observations | Recommendation | Importance | SPREP Comment | Status |
|-----------|---|---|------------|---|---|
| 5.3.4.1 | <ul style="list-style-type: none"> ▶ SPREP's Organisation Chart describes both the entity's key areas of authority and responsibility and well-defined reporting/delegation lines. The chart that can be traced back on SPREP's Website however, is not the most recent one. | <ul style="list-style-type: none"> ▶ We recommend placing an updated organisation chart on the SPREP Website. | Low | An up-to-date SPREP organisational chart has been uploaded to the Website | Done |
| 5.3.4.2 | <ul style="list-style-type: none"> ▶ The 10 Year strategic plan is based upon a 5-year action plan, instead of the other way around. This implies that long-term goals are based upon short-term goals. | <ul style="list-style-type: none"> ▶ We recommend basing the shorter-term action plans on the longer-term strategic plan, thereby implying that short-term goals are based upon longer-term goals. | Moderate | In terms of a broad strategic/planning framework, the action plan is the equivalent of a strategic plan in other organizations. The Secretariat is planning to replace the action plan with the Strategic Plan for 2010. The Strategic Programmes will be reviewed in 2010 to be in line with the new Strategic Plan. | Under way: November 2009 SPREP Meeting agreed to work towards a single Strategic Plan in 2010 – Members consultations in May 2010; draft circulated in July |
| 5.3.4.2 | <ul style="list-style-type: none"> ▶ The goal is furthermore to ensure that the chosen objectives support and align with the mission of the organisation. This is also stated in the SPREP Meeting Minutes. Yet, as noted in the Independent Corporate Review and the AZN reporting this is not yet fully in place. A big first step has been set via the Individual Work plans and a new access Database. | <ul style="list-style-type: none"> ▶ We recommend following up on the realisation of recommendations noted in the Independent Corporate Review and the AZN reporting. | Moderate | ICR recommendations have been implemented in accordance with the 19th SPREP Meeting and two periodic reports have been sent to the members so far this year. | |
| 5.3.4.3 | <ul style="list-style-type: none"> ▶ There currently is no formal risk management framework in place. Hence, management cannot determine for SPREP the main risk areas where the Internal Audit should focus its attention. | <ul style="list-style-type: none"> ▶ Introduce a risk management system whereby the risk universe of SPREP is identified and rated (in terms of both likelihood and impact). This may also provide guidance to an internal auditor to prioritise audit visits. | Very High | The Secretariat accepts this recommendation and will develop and put in place a Risk Management Framework. | Under way – Risk management framework drafted, to be completed in 2010 |

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| 5.3.4.4 | <ul style="list-style-type: none"> The following procedures are created; Staff regulations, Financial Procedures Manual. Operational and performance manuals are not. | <ul style="list-style-type: none"> We recommend setting up operational and performance manuals. | Moderate | We concur with the recommendation and operational and performance manuals are now being developed. | <p>Being addressed by SPREP HR as individual components</p> |
| 5.3.4.4 | <ul style="list-style-type: none"> There are a number of procedures; yet, it is not always clear which procedures are the most current ones, which are the ones to be used etc. Furthermore, we note that there are also many draft procedures (not approved), that are used. In addition, when a current procedure does not provide the required info, the older version tends to be used. | <ul style="list-style-type: none"> We recommend setting up one final set of procedures. These procedures need to be reviewed periodically by management (e.g. at least yearly). Evidence of review should be kept. The procedures should note the latest date of the review and the next date of review. | High | We concur with the recommendation and we are developing a process to facilitate the review of the procedures periodically and to incorporate any approved changes to the procedures periodically. | |
| 5.3.4.4 | <ul style="list-style-type: none"> When the rules of the game change, the adjustments are mainly distributed to responsible employees via email, yet not adjusting the current regulations. These procedures do not ensure the correct application of the internal rules and an effective fulfilment of the objectives. Mainly due since the fact that there is no link with the objectives. | <ul style="list-style-type: none"> When rules change, they should not only be communicated to the responsible and involved employees but also the current procedure has to be adjusted accordingly. | High | | |
| 5.3.4.4 | <ul style="list-style-type: none"> Access rights: The Finance Manager, who is to review and approve the postings, has write access to the ACCPAC system. | <ul style="list-style-type: none"> We recommend that the Access rights of the Finance Manager are adjusted in a way that she only has "Read only" access to the ACCPAC system. | High | Access rights of the Finance Manager to the ACCPAC system has been adjusted on 16th March 2009 to "Read only" access. | <p>Done</p> |

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| 5.3.4.4 | <ul style="list-style-type: none"> The segregation of duties is not declared as a principle of SPREP. Part of it is included in the 2007 Delegation of Authority. | <ul style="list-style-type: none"> The segregation of duties should be declared as a principle of SPREP e.g. in a revised Delegation of Authority. Following duties should be segregated: authorizing transactions, processing transactions, recording transactions, custody of values, and reviewing transactions. | Moderate | | Being addressed by SPREP Finance – revised financial manual of procedure to be finalised in 2010 |
| 5.3.4.4 | <ul style="list-style-type: none"> All budget holders can authorise transactions. The Finance people execute payments. This implies that the duties of the Finance employees, who serve as a budget holder, are not properly segregated. (Three employees). | <ul style="list-style-type: none"> We recommend adjusting the current Delegation of Authority in a way that when Finance employees serve as a budget holder, they are not allowed to approve for payments. In these cases, the approval is to be provided by a level N+1. | Very High | We concur with the findings and will revise existing Delegation of Authority to address the three recommendations with full implementation by 31st July 2009. | Done in early 2010 |
| 5.3.4.4 | <ul style="list-style-type: none"> The Bank is not informed about the amounts authorized people can sign to. The Bank received a listing with all signatures on it in an A and B listing, (A = management, B = non-management) stating who can sign, yet does not receive information on the authorised amounts. | <ul style="list-style-type: none"> We recommend informing the banks about the amounts authorized people can sign to. | Very High | | |
| 5.3.4.4 | <ul style="list-style-type: none"> The Property Services Officer and an assistant accountant physically count assets on an annual basis. All Fixed assets are tagged. There are no physical counting procedures available. No blind counting is performed. | <ul style="list-style-type: none"> We recommend setting up physical counting procedures, including the principle of blind counting. | Low | We concur with the findings and the recommendation (1) will be incorporated in the Finance operational and performance manual. | Being addressed by SPREP Finance – revised financial manual of procedure to be finalised in 2010 |

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| 5.3.4.4 | <ul style="list-style-type: none"> ▶ Fixed Assets have not been depreciated since 2003 (refer to accounting policy 1 in financial statements and Financial Reg 28). | <ul style="list-style-type: none"> ▶ Regarding the non-depreciated fixed assets we refer to earlier recommendations made (Cf Supra). | Very High | Recommendation (2) is addressed under the accounting and auditing standard pillars. | Done |
| 5.3.4.4 | <ul style="list-style-type: none"> ▶ There are no formal procedures to report improprieties. ▶ No unit is responsible for anti fraud actions and investigations. | <ul style="list-style-type: none"> ▶ We recommend setting up a Code of Conduct (Cf Supra) in which the principle of whistle blowing is added. | Moderate | This is addressed under Staff Regulation 30 (c) which provide for procedures in respect of various unlawful conduct committed by an employee including stealing and misappropriation of properties of SPREP. | Done |
| Risk man5.3.4.5 | <ul style="list-style-type: none"> ▶ There is no formal state of internal control. Therefore, Management cannot issue an annual report/declaration on its assessment of internal control. | <ul style="list-style-type: none"> ▶ Based upon the earlier recommended Risk Management, a formal state of internal control should be created. Management is to issue an annual report/declaration on its assessment of the internal controls. | Very High | The Secretariat accepts these recommendations and will develop and put in place a Risk Management Framework. [See also 5.2.4.1: explore with other CROP agencies] | Under way |
| 5.3.4.6 | <ul style="list-style-type: none"> ▶ There is no Internal Audit Body at SPREP. ▶ All further criteria relate to an Internal Audit Body. These questions are assessed Not Applicable. | <ul style="list-style-type: none"> ▶ We recommend setting up an Internal Audit Body. Given the size of SPREP (some 70 employees), a full time equivalent of an internal Auditor would be considered too large. Better practice would be to organise such a function over e.g. the members of the CROP. Thereby it will also be able to leverage and benchmark all knowledge gained at both SPREP and other organisations, enhancing the overall level of internal controls, risk management etc. | Very High | | Not done due to lack of funds and because no other CROP organisation does so(see 5.2.4.1) |

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| 5.4.4.1 | Numerous recommendations are created re Procurement. | <ul style="list-style-type: none"> ▶ Given the fact that the procurement manual is currently under revision, we recommend incorporating the items from the 'Minimum questions to evaluate the compliance with the standards' as noted in the Questionnaire. | Very High | The findings are agreed to and the recommendations will be incorporated in the procurement manual currently revised to be completed by 31st December 2009. | <p>Done: procurement manual in place April 2010</p> | |
| 5.4.4.1 | <ul style="list-style-type: none"> ▶ The Financial Procedures Manual does not mention what documents have to be published and/or provided with the invitation to tender. | <ul style="list-style-type: none"> ▶ The Financial Procedures Manual needs to include the type of documents that have to be published or provided with the invitation to tender. | High | | | |
| 5.4.4.1 | <ul style="list-style-type: none"> ▶ There are no criteria documented in the Financial Procedures Manual to guide the evaluation of tenders and the exclusion or award of contracts. | <ul style="list-style-type: none"> ▶ Criteria need to be documented in the Financial Procedures Manual to guide the evaluation of tenders and the exclusion or award of contracts. | High | | | |
| 5.4.4.1 | <ul style="list-style-type: none"> ▶ Guidelines for the evaluation process are not documented in the Financial Procedures Manual and as such, there is no obligation to report the events/processes in writing. There are no guidelines documented in the Financial Procedures Manual regarding the authority to open of tenders, the assessment of the eligibility of tenderers and conformity of tenders. There are no procedures documented in the Financial Procedures Manual that guide the process of publishing the results of tender evaluations. | <ul style="list-style-type: none"> ▶ Following criteria need to be documented in the Financial Procedures Manual to guide the evaluation of tenders and the exclusion or award of contracts. <ul style="list-style-type: none"> ○ The obligation and responsibility to report the tender events/processes. ○ Tender procedures relating to the opening of the tenders, assessment of eligibility and conformity of tenders. ○ Guidelines over the publishing of tender results. | High | | | <p>Done: procurement manual in place April 2010</p> |
| 5.4.4.2 | <ul style="list-style-type: none"> ▶ The texts do not set out the obligation to comply with the principles of non-discrimination and equal treatment of all candidates. | <ul style="list-style-type: none"> ▶ Procedures and guidelines setting out the obligation and responsibility to comply with the principles of non-discrimination and equal treatment of all candidates should be included in the Manual. | High | | | |

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| 5.4.4.2 | <ul style="list-style-type: none"> ▶ The texts do not contain provisions to guarantee equal access to all candidates. | <ul style="list-style-type: none"> ▶ The Manual should include provisions to guarantee equal access to all candidates. | High | | <p>Done: procurement manual in place April 2010</p> |
| 5.4.4.2 | <ul style="list-style-type: none"> ▶ There are no measures to ensure equal and impartial treatment of the candidates | <ul style="list-style-type: none"> ▶ The Manual should include measures that ensure equal and impartial treatment of all candidates. The measures may include: <ul style="list-style-type: none"> ○ Opening of tenders only after submission date; ○ Protection of confidentiality of tenders; ○ Existence of opening/evaluation committees; ○ Evaluation criteria fixed before the tender opening and unchanged during the evaluation process; ○ Documentation of the evaluation, allowing subsequent verification of the decision; and ○ Prohibition of internal and external influences on the evaluators (lobbying, political, etc) | High | | |
| 5.4.4.3 | <ul style="list-style-type: none"> ▶ There is no clear description of the different tendering procedures foreseen. | <ul style="list-style-type: none"> ▶ The Manual should include detailed descriptions of the different tendering procedures including a clear indication of the circumstances and conditions under which each procedure must be used. The responsibility and rules for implementing procurement policies must be documented in the Manual. | High | | |

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| 5.4.4.3 | <ul style="list-style-type: none"> ▶ There is no existence of opening and evaluation committees foreseen | <ul style="list-style-type: none"> ▶ The Manual should document the existence and responsibilities of opening and evaluation committees. | High | | Done: procurement manual in place April 2010 |
| 5.4.4.4 | <ul style="list-style-type: none"> ▶ The only provision in the Financial Procedures Manual is a requirement for an explanation to be provided to the directors if a contract is awarded to a candidate whose quotation was not the lowest value. No other procedures are mentioned in the Financial Procedures Manual to guide this process. | <ul style="list-style-type: none"> ▶ The obligation of SPREP to be compliant with the principle of best value for money must be specifically mentioned in the Manual along with guidelines on achieving this. | High | | |
| 5.4.4.5 | <ul style="list-style-type: none"> ▶ SPREP does not make the results of grant awards public. Candidates who have been awarded contracts through the tender process are informed via post. The letter to the candidate comprises a consultancy agreement which includes: <ul style="list-style-type: none"> ○ the name and address of the beneficiary; ○ the subject of the grant (i.e. sectoral programme, action, title and summary of the activity being supported); ○ the grant amount awarded; and ○ co-financing rate (if applicable). | <ul style="list-style-type: none"> ▶ The Manual needs to state a criterion on the types of tenders whose results should be made public, and guidelines over the process of publishing the results. | High | The finding is agreed to and a different method of informing the candidates of the results of the tender process through sending letters will be incorporated in the revised procurement manual. | |
| Additional | SPREP receives a large portion of its funds in non US\$ currency, yet reports in US\$ and has multiple payments to be made in US\$. When the receiving fund currency drops in value against the US\$, this might cause problems to SPREP's cash position. | <ul style="list-style-type: none"> ▶ We recommend that SPREP investigates Hedge funding or setting up agreements with the donors in which the currency risk is covered by the donor. | High | -- | Being addressed by SPREP Finance – revised financial manual of procedure to be finalised in 2010 |