

A. INTRODUCTION

1. This report covers the work of the Audit Advisory Committee (AAC) of the United Nations Development Programme (UNDP) for the calendar year 2015.
2. The AAC is composed entirely of members who are external to UNDP, and are therefore independent from UNDP and its administration and management. All of the members of the AAC individually declared that they had no conflicts of interest at the start of each pre-meeting briefing session.

The members are:

- Ms. Sheila Fraser (Canada) as Chairperson, effective 1 July 2015
 - Ms. Ellen Yaffe (USA)
 - Mr. Jayantilal Karia (Uganda)
 - Ms. Fayezul Choudhury (United Kingdom/Bangladesh), new member effective 13 July 2015
 - Mr. Antoine Antoun (France/Lebanon), new member effective 13 July 2015
 - Mr. Kamlesh Vikamsey (India), term ended 30 June 2015
 - Mr. Louis Wong (Australia), term ended 30 June 2015
3. The AAC is very appreciative of the support and cooperation it received from UNDP and its offices during this past year. The presentations and briefings to the AAC were of the highest quality, reflecting a great deal of thought and attention. The AAC also appreciated the dialogue on key issues during briefing sessions and in formal meetings.
 4. This report consists of nine parts:
 - Introduction
 - Terms of Reference (TOR) for the AAC
 - Self-assessment and analysis undertaken by the AAC for 2015
 - Summary of AAC Advice
 - Strategic advice provided to UNDP management during 2015
 - Advice related to the internal audit and investigation functions and particularly OAI
 - Advice related to Other Internal Oversight Offices
 - The responsibilities of the AAC in relation to the United Nations Board of Auditors (UNBOA)
 - Conclusion and 2016 workplan

B. TERMS OF REFERENCE

5. The AAC has operated under the TOR (attached) approved by the Administrator on 8 March 2011. As required, the AAC reviewed its TOR and has been considering updates to ensure that the AAC remains in line with best practices and reflects the changing environment in which UNDP operates. With the change in its leadership as well as the change in the Associate Administrator, any changes to the TOR have been temporarily put on hold. Also under consideration is the recommendation of UNBOA to include the UN Common Development Fund, an affiliate of UNDP, in the AAC TOR.

C. AAC SELF-ASSESSMENT AND ANALYSIS

6. As required by the TOR, the AAC carried out its annual self-assessment and for the first time, also conducted a general survey for 2015, in order for the AAC to add even more value to UNDP. Overall results were positive. Suggestions regarding the number and length of meetings, as well as agenda items, are being considered by the AAC.

D. SUMMARY OF AAC ADVICE

7. During the year, the AAC met three times and reviewed a number of issues, encompassing management matters (such as the structural change, enterprise risk management, financial management, human resources, information and communication management, travel management, legal office operations and regional bureau operations) and internal and external oversight activities. Comments and advice were provided, among the key ones were:

- Clarifying roles and responsibilities in the new service delivery model of UNDP
- Ensuring that appropriate controls are maintained in a highly decentralized organization
- Regularly reviewing the policy and procedures relating to enterprise risk management for continued improvement
- Carefully negotiating contractual modalities for long-term agreements considering volume discounts/rebates
- Taking urgent management action to address delays in handling disciplinary cases and avoid heavy backlog of cases
- Establishing a system whereby prior period adjustments to the financial statements would be eliminated or reduced to a minimum
- Formulating a materiality threshold for financial statement disclosures
- Ensuring predictable core funding for audit and investigations and not relying on other resources that could negatively impact OAI's independence
- Having an effective tracking system for investigation cases referred by OAI to other parts of UNDP to ensuring monitoring of cases up to their resolution.

E. ADVICE TO UNDP MANAGEMENT

Structural change

8. The AAC was briefed on the status of the organization's structural changes, including the restructuring of the then Bureau of Management aimed at more effectively and efficiently meeting their clients' needs. The AAC took note that certain functions like travel, IT support, procurement and human resources were identified as having significant opportunity for efficiency gains from the overall business process re-engineering.
9. The AAC encouraged management to clearly articulate roles and responsibilities in the new service delivery model given the importance of the services provided by the Office of Operations, Legal and Technology Services to human resources and finance functions, particularly the Global Shared Services Centre. The AAC also advised that management look into the limited authority of the finance function at the headquarters level over the finance-related decisions made in the field.
10. While UNDP had largely completed its review and reorganization of headquarters, the review of country offices would take place in 2016. In this regard, the AAC cautioned management to ensure that appropriate controls are maintained and to further identify measures on how to address political implications, particularly when considering the closure of some country offices. The AAC advised management to clearly articulate the management policies/framework underlying decentralization and suggested that the following aspects be considered: rationale for presence in a particular country or region, structure of country office, staffing (local vs international), assessment of capacity and alternative modalities where necessary (e.g., clustering), financial arrangements (sharing of cost recovery) and accountabilities.

Enterprise Risk Management (ERM)

11. The AAC commended management on the ERM policy that was presented. The AAC advised that the policy be reviewed one year after its implementation and that it be constantly reviewed for continued improvement. The AAC further urged management to actively monitor social media in order to manage reputational risk. The AAC will continue to be available for advice on the implementation phase of the ERM. The Director of OAI indicated that the results of the audit of the ERM became the framework for the new policy.
12. While noting the considerable progress made during the year on the risk framework and register, the AAC recognized that more progress needs to be made on risk mitigation, where applicable, and on the plans to deal with risks that cannot be mitigated. The AAC suggested that management consider the issue of risk tolerance and that stakeholder support be considered in relation to funding risks. The AAC also agreed with management on the inherent risks in crisis situations and that these risks should be accepted with appropriate risk management strategies, including monitoring.

Financial management

On financial situation and resource mobilization

13. The AAC was updated on the funding situation and the expected decline in regular resources and cautioned management that while steps were being taken to reduce costs, core management functions must be sustainable, especially if the extrabudgetary funds are increasing. The AAC was briefed on: trends of UNDP funding and the growing importance of vertical funding and government cost sharing; the areas to strengthen the resource base; the new approaches to more coherent non-resource mobilization; the efforts to diversify funding sources beyond government; and the collaborative efforts across the organization on resource mobilization and its challenges. The AAC encouraged management to continue its consideration of the broader policy aspects of donor funding, particularly the use of thematic funding, and its ongoing efforts to improve project planning and implementation and efforts to reduce transaction costs.
14. The AAC noted the significant change in the allocation of resources to be applied to headquarters units and to general management support on government cost sharing and the introduction of an upfront funding resources envelope for each unit that could lead to better efficiency and effectiveness, transparency, consistency and functional alignment.
15. The AAC will be briefed during future meetings on the new funding mechanisms by the Bureau of External Relations and Advocacy. The AAC was also informed of the ministerial level conference planned for February 2016, which will focus not only on the organization's 50 years of experience, but also on its strategic plan moving forward. It was further communicated to the AAC that UNDP was working on a strategy to broaden the donor base and planned to continue to communicate to donors that UNDP is a cost conscious organization, as can be seen from the results of the corporate structural reform, and future business reengineering initiatives will show UNDP's ability to act as one UNDP.

On budget

16. The AAC also noted that the organization, for the first time, had an integrated budget and that there was a commitment to move part of the integrated budget from overall management to programming, taking into account the nature of the business, and that this would be tracked.

On NIM modality

17. The review by management of risks under NIM modalities to ensure efficient and effective implementation of programmes was welcomed by the AAC. The comments of the AAC and UNBOA were being seriously considered and a discussion paper and action plan on how to mitigate the identified risks will be presented to the Operational Performance Group.

On fund management/investment

18. The AAC was pleased to note that the 2014 hedging strategy was effective in reducing the overall impact of the dollar-euro foreign exchange fluctuation and the mechanisms being put in place to protect against currency fluctuation that was notable in 2015. The AAC was further briefed on savings that were attributable to new banking arrangements entered into by headquarters and noted that country office banking arrangements were progressing through the Working Group on Common Treasury Services.

On ASHI

19. The funding of ASHI continues to be an important issue and the AAC advised management to continue to manage this taking into consideration the impact of actuarial valuations. The AAC also took note that a paper was being presented by the finance network to the High Level Committee on Management pertaining to possible adjustments to implementing ASHI.

Financial statements

20. The AAC was pleased to note that the Office of Financial Resources Management of the Bureau for Management Resources had submitted the financial statements 15 days in advance despite challenges faced as a result of the restructuring process. The AAC considers this a significant achievement that would not have been possible without the dedicated preparatory work across UNDP, the continued support of the Associate Administrator as the champion of this effort, and an appropriate focus on the management of the risks inherent

in this project at the corporate level, thus leading to a strong commitment to meet all deadlines. The early receipt allowed the AAC to review the financial statements and comments, and the advice provided by the AAC focused on the establishment of a system whereby the prior period adjustments would preferably be eliminated or at least reduced to a minimum, as well as on the formulation of a materiality threshold for financial statement disclosures.

21. The AAC encouraged management to continue discussions with UNBOA on questions raised by the external auditors on previously agreed accounting policies so that they are resolved long before the close of the audit deadline.
22. The AAC noted that, although small, the number of recommendations related to financial management and internal controls had increased, and as a result, the AAC still raised concerns on the strength of financial management in country offices, taking into account the reduction of staff in OFRM/BMS. The AAC encouraged the Chief Finance Officer to be involved in the hiring and assessing the performance of the financial officers and that he should have a clear ability to intervene where necessary and remove delegated authorities and put in place other arrangements.
23. On the use of the Hyperion system for financial statements, the AAC was pleased to note that UNDP is on the right track, as the system allows for the accelerated preparation of financial statements.
24. The AAC was briefed on the change in accounting policy on fixed assets regarding the capitalization threshold from \$500 to \$1,500, which has been streamlined to those of other international organizations.

Procurement

25. The AAC received a briefing on procurement and noted key improvements in regard to the following: the Procurement Strategy 2015-17, which promotes clean supply chains and stronger partnerships; the goals to shift the administrative burden away from Bureaux to increase the use of long-term agreements; and the measures to increase the quality of procurement, through country office assessments, vendor sanctions and certifications of staff.
26. The AAC advised management that contractual modalities for long-term agreements, which were to be issued for various procurement activities, should be carefully negotiated upfront, taking into account volume discounts/rebates.

Human resources

27. The AAC was briefed on the UNDP-wide 2014 Global Staff Survey results and took note of the action plan of management. The AAC also encouraged management to reconsider yearly full-scope staff surveys and to conduct more regular “pulse surveys” instead, as these surveys will focus on specific areas and will point to actions taken in response to previous survey results and will be a positive way of showing staff that actions are being taken on these results.
28. During the briefing on human resources, the AAC expressed particular interest in the e-recruitment project and requested that management provide a demonstration of the system.

Information & Communication Technology (ICT) Management

29. The AAC was briefed on: the ICT strategy, governance and investment plan and took note of the cloud security gateway, which would improve access security and provide better information on any incidents that may occur; on the submission of the projects to the ICT Governance Group; and on the establishment of a clear portfolio management function within the Office of Information Management and Technology (OIMT).
30. The AAC was also briefed on the strategy and direction of OIMT and noted the initiatives to streamline projects and services; the increased outsourcing allowing for fewer initial investments; and the regular updating of systems. The AAC also reviewed the LENS report, which gives a clear snapshot of the progress of various projects.

Legal Office

31. Following the advice by the AAC in April that urgent action be taken by management on the delays in handling disciplinary cases, which had been a recurring issue, the AAC was pleased to note a reduction in the backlog of disciplinary cases by December. Nonetheless, the AAC reiterated that management should ensure that action is taken to avoid heavy backlog of cases, as was reported in the past. The AAC advised that UNDP management address the issue on capacity and adequacy of staffing in the Legal Office. The AAC also took note of the audit recommendation on the lack of a written policy for settlement agreements that had been agreed upon by the Legal Office for implementation.

Travel management

32. The AAC followed up on the findings and recommendations relating to OAI's audit of travel management and took note that most of the issues were directed at country offices and that management had taken action on recommendations relating to headquarters.

Regional Bureau for Asia and the Pacific

33. The AAC was briefed on the following: UNDP operations in Asia and the Pacific region and noted the large number of countries served; the relative significance of Afghanistan; the changing profile of the region and its challenges; and the role of UNDP in the region. The AAC took note of the plans to review the country office functions and efficiencies and advised management to ensure that adequate controls are maintained.

F. ADVICE RELATED TO THE OFFICE OF AUDIT AND INVESTIGATIONS

34. In accordance with its TOR, the AAC had a private meeting with the Director, OAI, immediately after the briefing session on OAI matters.

Workplan and resources

35. The AAC was briefed on OAI's 2014 annual report, the quarterly progress reports and 2014 post client survey report. On the progress reports regarding the implementation of the 2015 annual workplan, it was noted that key matrices were generally favorable. The AAC was pleased to note the improvement in the timeliness of audit reports and that OAI was meeting its self-defined report target. The improvement in the Global Staff Survey results pertaining to OAI were welcomed by the AAC and note was taken of the action plan developed by OAI to address the issues raised. The AAC noted that OAI had signed a long-term agreement with several audit firms to conduct DIM audits on behalf of OAI to improve efficiency.
36. The AAC expressed concerns on funding arrangements and advised UNDP management that OAI needs predictable core funding for audit and investigations and there should be no reliance on drawing resources from others, which may negatively impact OAI's independence. The AAC advised OAI, that despite budget cuts and due to its importance, priority should be given to the IT audit.
37. On investigation matters, the AAC noted that OAI was reviewing processes in order to reduce the time required to complete an investigation due to the substantial increase in the number of investigation cases. The AAC encouraged management to analyze complex cases, to review control frameworks and explore preventative measures, such as data mining techniques to reduce the amount of time required to process a case. The AAC observed that a large number of cases taking a significant amount of time to process were coming from three regions. The AAC advised UNDP management and OAI to do more work on fraud prevention controls.
38. The AAC further advised OAI to have an effective tracking system for cases referred to other parts of UNDP to ensure monitoring of the cases up to resolution. The AAC was pleased to note that work had been initiated to analyze the cost recovery of investigations with a study on the financial recovery policy formulation.
39. On reporting investigations, the AAC encouraged OAI to distinguish in its reports whether cases involve staff or third parties, or a combination thereof, as this will be useful in managing public perception.

Quality assessments

40. The AAC was briefed on the internal quality assurance review of the audit function and took note that OAI continued to be in general conformance with IIA standards. The AAC noted that actions to implement recommendations in the areas of audit documentation, procurement processes and supervision of DIM audits were underway by OAI.
41. The AAC was briefed on the external assessment of the investigations function and took note of the results of the assessment, which reported that OAI was in compliance with the underlying investigation principles, policies and guidelines and that it conducted its work in a professional and proficient manner. The AAC noted that management's responses were largely in agreement with the recommendation and that many of the recommendations tied into OAI's 'The Timeliness Project'.

Audit monitoring of management actions

42. With regard to OAI's follow-up efforts on audit recommendations, the AAC encouraged management to implement recommended corrective action on the significant increase in the number of long outstanding recommendations and the items which were ranked as high priority. The AAC encouraged management to resolve the long outstanding issues relating to the Office of Human Resources and the UNDP Mali country office. UNDP management was commended on resolving one of two recommendations which had been outstanding for more than 36 months and encouraged UNDP management to pursue the implementation of the remaining recommendation.

G. ADVICE RELATED TO OTHER INTERNAL OVERSIGHT OFFICES

Ethics Office

43. The AAC was briefed on the Ethics Office 2014 annual report and 2015 annual workplan and was pleased with the outreach activities and the Office's productivity and accomplishments given its limited resources.
44. It was noted that the code of ethics training was the first of its kind in UNDP and that the related course will be offered on-line. The AAC pointed out that the best practice would require all staff to take the training annually and encouraged senior management to ensure that all staff complete the training over a reasonable period. The AAC encouraged the Ethics Office to continue using webinars for communicating messages.
45. The AAC noted that the Ethics Office is working with OAI, Ombudsman and the Office of Human Resources to address non-investigative complaints more effectively.

Independent Evaluation Office

46. The AAC received a briefing on the evaluation function and discussed the relationship of the Independent Evaluation Office to the decentralized evaluations. It was noted that management responded well to the recommendations made by the Independent Evaluation Office.

H. ADVICE TO EXTERNAL AUDITORS, UN BOARD OF AUDITORS (UNBOA)

47. The Director of External Audit of UNBOA was unable to meet the AAC in any of the meetings. The Deputy Director attended two out of the three meetings. The importance of the presence of the Director has been emphasized by the AAC to UNBOA. As required under its TOR, the AAC met with the Deputy in April and December 2015.
48. The main areas of discussion were UNBOA's workplan and the audits of the 2014 and 2015 financial statements. UNBOA confirmed to the AAC that there was no impairment to the independence of the external auditors and no scope limitation. The AAC advised the auditors: (a) to use a risk-based approach in the audit of 2014 financial statements and other thematic areas that will be covered in 2015, and in assessing and closing long outstanding audit recommendations; and (b) to suggest to management ways to reduce the value and volume of prior period adjustments and non-material financial statement disclosures (and for management to establish the relevant materiality threshold).

49. The AAC recognized that while work was underway on the 2015 audit, the same issues might be presented in the 2015 audit report, notably on programme and project management, which are becoming a common trend in both internal and external audit reports. The AAC took note of the status of the long outstanding recommendation concerning Argentina and the Internal Control Framework.
50. The AAC reviewed the key areas of the 2016 workplan and noted that the external auditors were generally comfortable with UNDP's transition to Hyperion. The AAC raised certain areas for consideration, such as hedging and foreign exchange. The AAC was satisfied with the timelines for the submission of the financial statements and the audit thereof. The AAC also took note that UNBOA was aware of the new international auditing standards on audit reports. The AAC encouraged management to discuss the impact of these new standards if UNBOA adopts them and consider a pilot test on its 2015 audit report.

I. CONCLUSION AND 2016 WORKPLAN

51. During 2015, the AAC was able to carry out its mandate providing advice to UNDP senior management in various areas, including the structural change, financial management and reporting, ERM, and internal and external audit functions. For 2016, the AAC has developed a workplan to guide it in its activities. It will work in consultation with the Administrator and the Associate Administrator and UNDP senior management as well as UNDP's external auditors, UNBOA. It will continue to review the financial stability of UNDP and will continue to provide advice to promote proper governance (including high ethical standards), risk management and control systems and accountability in UNDP in 2016.



AUDIT ADVISORY COMMITTEE

TERMS OF REFERENCE

Purpose and Context

1. The purpose of the Audit Advisory Committee ("Committee") is to assist the Administrator in fulfilling his/her responsibilities regarding oversight, financial management and reporting, internal audit and investigation, external audit, risk management, and systems of internal control and accountability. The primary role of the Committee is to advise the Administrator, taking into consideration the Financial and Staff Regulations and Rules as well as policies and procedures applicable to UNDP and its operating environment.
2. The Committee has an independent advisory role and is not a governance body; no language or clauses in these Terms of Reference ("TOR") shall imply otherwise.
3. The Committee shall seek to promote proper governance and high ethical standards, as well as the adoption and use by management of best practices in risk and financial management.
4. Members of the Committee shall act in an independent, non-executive capacity. Members shall not be held personally liable for decisions taken by the Committee acting as a whole.
5. The United Nations Board of Auditors ("BOA") performs the external audit of UNDP operations and the Office of Audit and Investigations ("OAI") provides internal audit and investigation services.

Mandate

6. The Committee shall:
 - a) Review and advise the Administrator on policies significantly affecting financial management and reporting, the internal audit and investigation functions, and the effectiveness of UNDP's systems of internal control and accountability; including its governance, risk management and control processes;
 - b) Review and advise on the fraud and corruption prevention policy, ethics function including the code of ethics and whistle blower policy;
 - c) Consult on any proposed changes to the Financial Regulations and Rules;
 - d) Review and advise on UNDP's financial statements and reports, including any significant changes in accounting policies, presentation and disclosures;

- e) Promote the understanding and effectiveness of the audit and investigation functions, provide a forum to discuss internal control and matters raised by the BOA and OAI as well as strive to maintain open communication with them;
- f) In relation to OAI review and advise on:
 - (i) The Charter;
 - (ii) The appointment, performance evaluation, extension and dismissal of the Director ;
 - (iii) The strategy, annual work plans, budget and periodic reports;
 - (iv) The quality and assurance improvement programme, including internal and external assessments;
 - (v) Relevant reports and management letters;
 - (vi) The status of implementation by management of audit recommendations;
 - (vii) Policy for disclosure of internal audit reports and implementation thereof.
- g) In relation to the BOA review and advise the Administrator on:
 - (i) Audit scope and related matters;
 - (ii) BOA reports and relevant management letters;
 - (iii) The status of implementation by management of audit recommendations.
- h) Consider the risk and control implications of audit reports and management letters and highlight, as appropriate, issues that may need further examination with due consideration as to confidentiality and due process;
- i) Review and advise on the governance, development and management of information technology systems impacting financial management and reporting;
- j) Review and advise on any issues arising from activities covered by these TOR.

Authority

7. The Committee has the authority and the responsibility to review all activities that it deems appropriate and relevant to these TOR. In exercising this responsibility, the Committee may:
- a) Obtain all information and/or documents it considers necessary to perform its mandate including all internal and external audit reports;
 - b) Seek any information from any UNDP personnel or request information generated from UNDP's systems and require all UNDP personnel to cooperate with any request made by the Committee in performing its mandate; and
 - c) Obtain legal or other independent professional advice, as it deems appropriate.

8. The Committee shall meet with the Director of OAI at least annually in a private session.
9. The Committee shall meet with the representatives of the BOA at least annually in a private session.

Membership

10. The Administrator shall appoint five members of the Committee. All members will be independent and external to UNDP.
11. In appointing members, the Administrator shall ensure that the Committee as a whole is made up of people with working knowledge and familiarity of finance, accounting, governance, internal audit and investigation, external audit, internal control and risk management practices and principles.
12. The Administrator shall designate a Chairperson from amongst the five members of the Committee. The terms of office for members shall be three years, renewable once.

Remuneration

13. Members will not be remunerated for activities undertaken in their capacity as members of the Committee.
14. UNDP will reimburse all committee members for any travel and subsistence costs that are necessarily incurred in relation to participation in Committee meetings.

Secretariat

15. The Associate Administrator will provide the Secretariat to the Committee. The Secretariat will convene meetings at the request of the Chairperson.

Number and Organization of Meetings

16. The Committee shall establish an annual programme of work.
17. The Committee shall normally meet at least four times a year at Headquarters. The Committee may meet in a regional setting, as it determines appropriate. The Chairperson, any member, the Administrator, the Associate Administrator, the Director OAI, and the BOA may request additional meetings. Meetings will normally be face to face, but where circumstances demand, meetings may be conducted virtually such as by video or teleconference.
18. The time and duration of a meeting will be scheduled to reflect the quantum of work and as decided by the Chairperson in consultation with members and the Administrator/Associate Administrator. Time will be allowed for any pre-briefing of the Committee by UNDP staff and the BOA, as the Committee shall deem appropriate.

19. The Chairperson, in consultation with the members, will prepare a provisional agenda, which will be circulated by the Secretariat together with all supporting documents, (including any proposed presentations by staff invited to brief the Committee) one week prior to the relevant meeting.

20. The BOA may also submit documents.

21. Members of the Committee shall normally be given at least 21 days notice of meetings.

Attendance

22. All meetings of the Committee at Headquarters will be attended by the Associate Administrator or his/her representative and by the Director of OAI or his/her representative, Chief Finance Officer or his/her representative, Director of the Bureau of Management or his/her representative. Other UNDP staff may attend at the invitation of the Chairperson.

23. If the Chairperson designated by the Administrator is not present at a meeting, the members will elect an acting Chairperson from amongst the members present.

Quorum

24. Any three members present, in person or virtually, shall constitute a quorum. An alternate cannot represent a member.

25. It is expected that members will be present for meetings in person. Exceptionally, members may attend meetings by video or teleconference.

Disclosure of Interest

26. All members of the Committee shall sign a statement of disclosure of interest. In order to avoid any appearance of doubt, members shall consult the Director, Office of Ethics, prior to any meeting at which they expect to raise any potential conflict of interest and to inform the Chairperson and Administrator of the outcome of such consultation. A register of interests will be maintained by the Secretariat to record members' interests in general or on specific matters. Where an actual or potential conflict of interest arises, the interest will be declared and will cause the member(s) to be excused from the discussion and abstain from voting on the matter. In such an event, a quorum will be required from the remaining members.

Voting

27. The Committee's decisions will be made by the members present (including by video or teleconference) by voting and based on a simple majority. Should the votes be equally divided, the Chairperson shall have the casting vote. However, as the desired option, the Committee should strive to achieve decisions on a consensus basis of all members attending the meeting.

Minutes

28. The Secretariat will prepare and keep minutes of all meetings. The Committee shall approve the minutes by correspondence within a month of each meeting.

Self-Assessment and Reporting

29. The Chairperson will interact regularly with the Administrator/Associate Administrator on the results of the Committee deliberations as well as on forthcoming issues relevant to its business.

30. The Committee shall perform from time to time a self-assessment relative to the Committee's purpose, duties, and responsibilities outlined herein and also review its TOR to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Administrator for approval.

31. The Committee shall prepare a report on its work for the previous calendar year for presentation to the Administrator by 31 March of every year. The report will be made available to the Executive Board at its annual session. Upon request, the Chairperson shall present this report.

Confidentiality

32. All members of the Committee shall sign a statement of confidentiality on first appointment.

33. The deliberations of the Committee and the minutes of the meetings are confidential unless otherwise decided. The documents and informational material circulated for the consideration of the Committee shall be used solely for that purpose and treated as confidential.

Indemnity of Members

34. Committee members will be indemnified from actions taken against them as a result of activities performed in the course of exercising their responsibilities as members of the Committee, as long as such activities are performed in good faith and with due diligence.

Approved: _____
Helen Clark, Administrator

Date: _____

