

# XXXI General Assembly

## ICCROM GA31/2019

30-31 October 2019  
Rome, Italy



**Document GA31/15.2: For Approval and Action**  
**Title: Finance and Audit Committee**

### **Summary**

ICCROM Council established a Finance and Audit Committee in 2018, to advise Council on issues related to the financial administration of the Organization. To improve the involvement of Member States in the governance of the Organization, the composition of Council's Financial and Audit Committee may be revised, and comprise a maximum of 6 Member State representatives, elected by General Assembly, who have special competence in financial and administrative matters in international organizations.

### **Action required**

The General Assembly requests Council to revise the composition of its Finance and Audit Committee by a maximum of 6 Member State representatives, proposed by Member States and elected by the General Assembly during the 31st GA.

## **Document on the Composition of the Finance and Audit Committee**

### **Background**

At its 91<sup>st</sup> session in November 2018, the ICCROM Council, at the request of the Bureau and the Director-General, established a Finance and Audit Committee as a committee of the Council.

Rule 15 of the ICCROM Council Rules of Procedure, states that the Council shall establish such committees as may be necessary to advise it in the performance of its functions. When establishing a committee, the Council shall determine its composition, terms of reference and, to the extent possible, and the duration of its mandate. The rules further state that Committees of the Council shall report to the Council, and unless otherwise provided, the Rules of Procedure of the Council shall be applicable to the committees established by the Council. Finally, the rules state that the Chairperson of the Council shall be an ex-officio, non-voting member of all committees established by the Council. At the time of its approval, it was agreed that the new Finance and Audit would be comprised of the three members of the ICCROM Bureau (the Council Chairperson, Deputy Chairperson Administration/Finance, and Deputy Chairperson Planning) and two additional Council members.

The Terms of Reference of this Committee were to:

1. review the proposals of the Secretariat for the biennial programme of activities and budget, and make recommendations to the Council for its approval;
2. provide oversight to administration and budget procedures and operations to ensure they are in concurrence with the Financial Regulations of the organization and are compatible with IPSAS;
3. recommend the appointment of external auditors to the Council, and approve the audit plan and fee;
4. review the annual financial statements and recommend their approval to the Council;
5. review the external auditors reports and make appropriate recommendations to the Council;
6. review the planned activity and results of the external audit and the adequacy of management response to issues identified by the audit activity;
7. ensure that the risk assessment, controls and governance processes are adequate are in line with best practice for organizations of a similar nature and size.
8. review and recommend human resource management policies to the Council.

The Finance and Audit Committee held its first meeting in May 2019 in conjunction with the 2019 Bureau meeting.

### **Proposal for Member State Involvement in the Finance and Audit Committee**

Subsequent to the creation of the Finance and Audit Committee, discussions began on the benefit of including representatives of Member States on the committee. The rationale for the inclusion of Member States on the Finance and Audit Committee include:

- ensuring that Member States have a stronger involvement in the governance of the organization;
- ensuring the enhancement of transparency, efficiency and effectiveness for Member States;

- ensuring that the Finance and Audit Committee has the necessary financial background to make it effective;
- ensuring that representatives of Member States can, in an anticipated way, weigh in on some of the key financial issues facing the organization.

For these reasons, the Council proposes to General Assembly to consider a change in the composition of the Finance and Audit Committee to include the Chairperson and two Deputy Chairpersons and representatives of a maximum of six Member States. Efforts should be made to ensure a regional balance of representation on the committee.

Member State members of the Committee should appoint as their representatives, individuals who have special competence and experience in administrative and financial matters in international organizations. Member State representatives of the Committee would be elected by the General Assembly for a period of two years. Their term of office would expire upon election by the General Assembly of new Members, but they would be eligible for reappointment once.

At its 92<sup>nd</sup> session on 28 – 29 October 2019, the Council may request Member States to nominate members of the Finance and Audit Committee at the Start of the 31<sup>st</sup> session of the General Assembly. Member States should provide written notification to the Director-General of the name of the representative and the details of his/her qualifications and experience as soon as possible after the start of the 31<sup>st</sup> session. An election would occur during the 31<sup>st</sup> session of the General Assembly.

Member States would be encouraged to nominate representatives already serving in Rome, although this would not be considered mandatory. Any travel expenses or other costs of the Member State representatives of the Committee would be borne by the respective Member State. The costs of the Committee should be cost neutral to ICCROM.

At the 93<sup>rd</sup> session of the Council immediately following the General Assembly (1 November 2019), the Council may then formally establish the revised committee with its changed composition.

The Deputy Chairperson for Administration and Finance of the Council would serve as the Chairperson of the Committee. The Chair would preside at meetings of the Committee and exercise such other functions as may be required to facilitate its work.

The Finance and Audit Committee would hold two regular sessions annually, before regular sessions of the Bureau and Council. Its functioning should be cost neutral for the Organization. It could, at the call of the Chair, Director-General, or Council hold additional sessions as necessary. The new Finance and Audit Committee's tasks are to advise the Council on questions relating to the financial administration of the Organization. At its first session, the existing Terms of Reference could be reviewed by the committee and any recommendations for amendments could be made to the Council at its 94<sup>rd</sup> session in 2021.

A progress report would be prepared by the Council for 32<sup>nd</sup> session of the General Assembly in 2022 so that Member States can be updated in a transparent manner how the Committee has been established and the progress through its first meetings. It would also be an opportunity to fine tune the ToRs and modalities of operation based on the first two years of implementation.

In subsequent years, Member States would be asked to submit candidatures to the Director-General at a time to be established before the start of the General Assembly.