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**Basel Convention on the Control of
Transboundary Movements of
Hazardous Wastes and their Disposal**

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**Rotterdam Convention on the Prior
Informed Consent Procedure for
Certain Hazardous Chemicals and
Pesticides in International Trade**



**Stockholm Convention on
Persistent Organic Pollutants**

**Ad hoc joint working group on enhancing cooperation and
coordination among the Basel, Rotterdam and Stockholm conventions**

Second meeting

Vienna, 10–13 December 2007

Item 3 of the provisional agenda*

**Consideration of the intersessional work undertaken by the
members of the ad hoc joint working group and by the
Secretariats of the Basel, Rotterdam and Stockholm Convention**

Financial management and audit functions

Note by the secretariats

I. Introduction

1. The present information note is being submitted to the second meeting of the *ad hoc* joint working group on enhancing cooperation and coordination among the Basel, Rotterdam and Stockholm conventions further to the intersessional work identified as necessary by the first meeting of the working group (Annex III of the Report). It is intended to support document UNEP/FAO/CHW/RC/POPS/JWG.2/12, by providing additional information on the main activities of the Secretariats concerning financial management and existing oversight mechanisms which have been established and operate under the rules and regulations of the United Nations.

2. Under the current institutional arrangements the reporting lines for each Secretariat vis a vis the Parties to the conventions and, within the Secretariats, between the Executive Secretary and the administrative staff are clearly defined. The administrative staff reports to the Executive Secretary of each convention and is responsible for the provision of administrative/financial services with the support of UNON and UNOG. The Rotterdam and Stockholm Secretariats also use the services of the UNEP Administrative Services Centre in Geneva.

* UNEP/FAO/CHW/RC/POPS/JWG.2/1.

3. In the case of the Basel Secretariat the administrative staff comprises the following: a P-4 Administrative Officer, a G-6 Finance Assistant, a G-6 Administrative Assistant, a G-6 Documents Assistant and a G-5 Human Resource Assistant. The posts of Administrative Officer, Finance Assistant and Administrative Assistant are provided by UNEP and are financed from the 13% Programme Support Costs levied on expenditures from both Convention's Trust Funds whereas the latter two posts are funded from the core budget of the Secretariat. In the case of the Rotterdam and Stockholm conventions, administrative arrangements are shared between the two secretariats and consist of an administrative officer (P-3) and two general staff posts. All three administrative posts are funded from the 13% Programme Support costs.

II. Financial management

4. The operation of the Secretariats and their programme of work are financed from contributions to the convention Trust Funds. All three conventions established two Trust Funds: a General Trust Fund which covers the operational costs of the Secretariat and which is financed from the assessed contributions of the Parties, and a Voluntary Trust Fund which covers technical cooperation as well as various activities such as travel of participants from developing countries and countries with economies in transition.

5. In the area of financial management the following tasks are being discharged by the administrative staff in each Secretariat, many of which are common to all three conventions:

- (a) Preparation of budget proposals based on priorities established by the Parties to the different conventions;
- (b) Preparation of financial documents for submission to the Conference of the Parties and their subsidiary bodies;
- (c) Facilitation of the implementation of the programme of work approved by the Conference of Parties by supporting the development of projects and costed work plans;
- (d) Management of the Secretariat's budget and the convention Trust Funds resources;
- (e) Assistance in the organization and servicing of meetings of the Conference of the Parties and their subsidiary bodies;
- (f) Assistance in the management and administration of the Secretariat.

A. Preparation of budget proposals

6. The administrative staff contributes to the formulation, planning and budgeting of the conventions programmes. Each Secretariat prepares the budget in a format approved by the Conference of the Parties to the respective conventions. These are therefore difficult to compare and transparency would benefit from a harmonization of the preparation and format of budget proposals by the three conventions. A common approach of results-based budgeting would also increase transparency and provide more clarity on the activities being budgeted, the required resources and their outputs. It would also assist the Secretariats to avoid overlaps and duplication in planning their activities and programming resources.

B. Preparation of financial documents

7. The administrative staff of each Secretariat is responsible for the preparation of all reports on budgetary, financial and administrative matters in accordance with reporting requirements determined by the Parties. Therefore, variations exist with regard to reporting on budgetary aspects and programme performance/implementation among the conventions. With a view of streamlining the financial reporting in the future the same reporting requirements could be applied to the Secretariats.

C. Facilitation of the implementation of the programme of work

8. With regard to the facilitation of the implementation of the programme of work of the conventions, the administrative staff supports the development of projects and costed work plans, finalises project documents and revisions and prepares them for approval by UNEP, prepares funding documents and sub-allotments, assists in the preparation of donor agreements and memoranda of understanding, monitors project implementation; follows up on substantive and financial reporting and initiates the closure of completed projects.

D. Management of the Secretariat's budget and the Trust Funds resources

9. The administrative staff supports the Executive Secretary in the management of financial resources by forecasting financial requirements of the Secretariat, monitoring the budget implementation and ensuring full liquidity at all times. This involves a wide range of activities such as monitoring of income, the issuance of invoices; sending reminders to Parties that fall into arrears with their contributions, preparation of financial statements to donors; initiating payments to service providers, vendors and consultants, arranging for travel and following-up on travel claim settlements.

E. Assistance in the organization and servicing the meetings of the Conference of the Parties and their subsidiary bodies

10. This area of work involves negotiating administrative aspects and finalizing host country agreements, coordination of the logistical arrangements for meetings (the provision of short-term conference staff and necessary equipment), preparation and processing of meeting documents; providing financial assistance to delegates from developing countries and from countries with economies in transitions to support their participation at various meetings of the Parties, Committees and Working Groups.

F. Assistance in the management and administration of the Secretariat

11. This includes the human resources management and the general administration. In the field of human resources management, the administrative personnel assists in the preparation of job descriptions for the Secretariat's posts and their classification; initiates and coordinates actions for the recruitment of staff and consultants and administration of their contracts and entitlements, addresses their grievances, maintains the staffing table and provides advice with respect to conditions of service, duties and responsibilities, privileges and entitlements under the UN Staff Rules and Regulations.

12. Concerning the general administration of the Secretariats, the administrative staff implements and monitors support services including procurement of goods and services, travel arrangements for staff, consultants and participants in meetings, reviews and maintains the adequacy of the Secretariat's office space and information technology requirements.

III. Audit functions

13. The existing oversight mechanisms are the following:

- (a) Governance monitoring and reporting;
- (b) External oversight mechanisms;
- (c) Internal oversight mechanisms being those established to operate internally for the UN system;
- (d) In-house monitoring and reporting, being those mechanisms operating within the secretariats of multilateral environmental agreements, or within UNEP.

A. Governance monitoring and reporting

14. The primary oversight mechanism is that provided by the Conference of the Parties of each convention. The mechanisms and instruments for accountability include regular and/or ad hoc reports prepared by secretariats of multilateral environmental agreements and UNEP, financial and budget reports, programme performance reports, and reports of the Office of Internal Oversight Service and the Board of Auditors, all of which are submitted to the Conference of the Parties of the respective multilateral environmental agreements and their subsidiary bodies.

B. External audit

15. External audit mainly addresses the financial accounts and the provision of statements for their true and fair presentation. The financial statements of multilateral environmental agreements are prepared in accordance with the accounting policies and financial rules and regulations of the United Nations. These statements are included as an integral part of the certified accounts of UNEP and are subject to audit, as part of the overall UNEP audit, by the United Nations Board of Auditors.

C. Internal oversight mechanisms

16. The primary internal oversight mechanisms, which mainly review the efficiency, effectiveness and economy of internal control and systems, operate through the Office of Internal Oversight Services (OIOS). For the secretariats of multilateral environmental agreements, the functions of OIOS have only been applied through UNEP (for example, the conduct of internal audits of multilateral environmental agreements financial statements where these are included in UNEP accounts that are subject to audit and in the oversight of the secretariat staff of multilateral environmental agreements insofar as these are UNEP staff). To date, the internal controls have not been extended to the programmes of the multilateral environmental agreements with the purpose of evaluating the efficiency and effectiveness of the implementation of those programmes.

D. “In-house” monitoring and reporting

17. Such mechanisms are mainly addressed through the provision of management information to senior management which includes internal reports within respective secretariats.

18. Additional relevant documents: Financial rules for the Conference of the Parties, its subsidiary bodies and the convention secretariat (for the Stockholm Convention see document UNEP/POPS/COP.1/30, decision SC-1/3, for the Rotterdam Convention see document UNEP/FAO/RC/COP.1/33, annex I, decision RC-1/4 and for the Basel Convention see decision VI/41 contained in document UNEP/CHW.6/40).
