**TERMS OF REFERENCE OF THE INTERNAL RESOURCE COMMITTEE OF THE CTI-CFF REGIONAL SECRETARIAT**

**Introduction**

The CTI-CFF Regional Secretariat was formally established in April 2015 following a set of proposed Operational Plan and Budget approved by the Committee of Senior Officers in Special SOM 2014. The proposed Operational Plan and Budget for 2015 through to 2017 was prepared and deliberated in the Coordination Mechanism Working Group (CMWG) responsible for the planning of the establishment of a permanent Regional Secretariat. The role of internal financial management are then taken over by the Regional Secretariat in 2015 and was the responsibility of the Executive Director who reports to the Chair of Council of Senior Officers (CTI CSO). However, it was found that there is a need for an oversight committee to review the internal financial management process and mechanism and therefore this Internal Resource Committee (IRC) is established independent of the Financial Resources Working Group (FRWG) which focuses on sourcing external funding for CTI programs.

1. **Role and Functions**

The primary role of the Internal Resource Committee (IRC) is to provide an independent review of the internal resources of the Regional Secretariat and to recommend to the CTI Council of Senior Officers (CTI CSO) the following:

* 1. Annual Budget;
  2. Internal Audit & Acceptance of Annual Audit Report; and
  3. Policy Directions pertaining to financial and asset management.

**GUIDANCE ON STRATEGIC DIRECTIONS**

* 1. Provide inputs especially from the resource management perspective to the Regional Secretariat in accordance to program priorities and decisions by COM and CSO that affect the operational activities of Regional Secretariat;
  2. Consider financial resources available to the CTI-CFF, and assist the Regional Secretariat in reviewing resource allocation procedures as well as cost drivers established to support the strategic directions with requisite annual budgets, and make recommendations to the COM and CSO as appropriate (e.g. opening a fixed deposit account or any other financial instruments to generate passive income);
  3. Review programs plans, budgets and results of each CTI-CFF Working Groups in relation to the agreed strategic priorities and efficient and effective use of Regional Secretariat’s own resources as well as external funds entrusted to or administered by the Regional Secretariat. In this regard, the Committee shall be informed of and review any major new programs, initiatives, and organizational changes having budget implications, and monitor any change in priority, strategy or organization that has a significant budgetary impact;
  4. Play an active role in the CTI Council of Ministers (CTI-COM) and the Council of Senior Officers (CSO) engagement with the Regional Secretariat in reviewing corporate performance indicators, instruments and incentives to ensure their alignment with CTI-CFF’s goals and objectives.
     + 1. **OPERATION PLAN AND BUDGET**
  5. Evaluate and make recommendations on the Regional Secretariat’s proposed Operation Plan and Budget, including the budget implications of the staffing structure and staff remuneration including the contribution from Member Parties and grants / donation from partners and other sources;
  6. Monitor execution of the approved budget in comparison with the work program to evaluate Regional Secretariat’s performance;
  7. Reviews the Operation Plan, budgets and results of each working group [on the basis of quarterly reports] in relation to agreed strategic priorities and efficient and effective use of resources as well as external funds entrusted to or administered by the Regional Secretariat; and
  8. Assess the need for budget adjustments as reported in the quarterly reports and / or as per highlighted by the Regional Secretariat.

1. **INTERNAL AUDIT & ANNUAL AUDIT REPORTS**
   1. Appraises the annual audit report for acceptance by the CSO or take some other actions as it may consider appropriate; and
   2. Conducts internal audit to any accounts, as may be requested by any CT6 country or CTI partner, based on audit design to provide objective assurance in order to add value for the improvement of the Regional Secretariat operations.
2. **Policy Directions pertaining to financial and asset management**
   1. Assess effectiveness, efficiency and economy of internal control pertaining to financial and asset administration and recommends for approval of, the COM/CSO the appropriate policies, standards for due diligence and accountability mechanism;
   2. Examines the organizational structure, staffing, profile, remuneration / benefits of the staff are in accordance to the CTI-CFF Staff and Financial Regulations and host country law as the CSO may direct, to determine the needs and corresponding budgetary allocations;
   3. Periodically review the policies and management processes governing the Regional Secretariat budgetary systems and procedures to ensure value for money through the pursuit of operational efficiency, accountability and cost-effectiveness in the delivery of services with maximum development impact; and
   4. Perform other duties as may be assigned by COM / CSO.
3. **CHAIRMANSHIP AND MEMBERSHIP:**
4. The Internal Resource Committee (IRC) shall be chaired by the Chair of the CSO or an individual nominated and authorized by the current Chair of CSO; and co-chaired by the Co-Chair of the CSO (or an individual nominated and authorized by the Co-Chair of CSO); and
5. Two (2) nominated and authorized representatives from each CT6 Member Parties with experience in financial management, budget and internal control.
6. **REPORTING**

The Chair of the Internal Resource Committee (IRC) shall report to the Council of Senior Officers (CTI CSO) during Senior Officials’ Meetings (SOM)s.

1. **MEETING ARRANGEMENTS**

The Internal Resource Committee (IRC) shall conduct at least one meeting in a year to discuss and deliberate on the following:

1. Proposed Annual Budget;
2. Annual Audit Report; and
3. Other reports as may be prescribed.

The schedule of the meeting(s) will take into consideration planned CTI regional events and SOM / MM meetings or at least 60 days prior to SOM; whichever is earlier. Report of meetings shall follow a pre-determined template (Annex 1).

1. **DELIVERABLES**

The Internal Resource Committee (IRC) shall report to the CTI CSO the result of the meetings in order to:

1. Recommend the approval of the annual budget of the Regional Secretariat;
2. Recommend the acceptance of the audit annual financial statements;
3. Report on the result of internal audit; and
4. Revise Financial Regulations and Rules and Procedures / Manual as necessary.
5. **REGIONAL SECRETARIAT ROLES AND RESPONSIBILITIES**

The Regional Secretariat shall have the following roles and responsibilities:

1. Circulate to the CT6 Member Parties the following documents prior to the Internal Resource Committee (IRC) meeting:
   1. Annual Audit Report (not later than March 31 of the succeeding year);
   2. Proposed annual budget (not later than June 30 of the current year); and
   3. Other reports as may be prescribed.
2. Submit a report to the Internal Resource Committee (IRC) regarding any new programs, initiatives, and organizational changes that have budget implications.
3. Allocate financial allocation and logistical support to the Internal Resource Committee (IRC) for one (1) meeting. Logistical support such as conference calls shall be provided by the Regional Secretariat.
4. **REPORTING**

The Internal Resource Committee (IRC) shall report to the Council of Senior Officials (CTI-CSO) during Senior Officials Meetings (SOMs).

1. **AMENDMENTS**

The members of Internal Resource Committee (IRC) shall evaluate this Terms of Reference every two (2) years or as and when required and submit the recommended amendments to the following SOM for approval.

1. **Focal points**

**Indonesia**

NCC Indonesia

**Malaysia**

NCC Malaysia

**Papua New Guinea**

NCC Papua New Guinea

**Philippines**

NCC Philippines

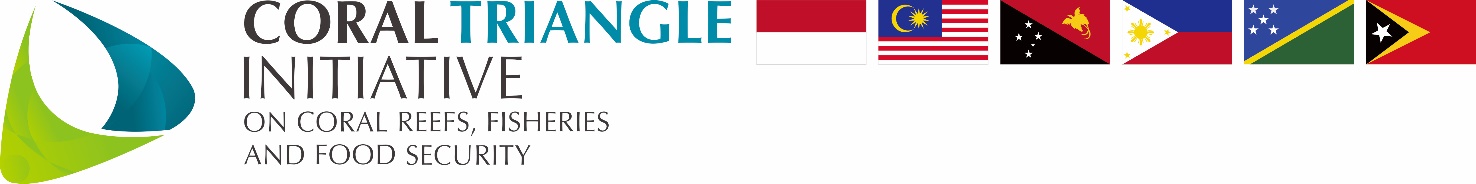
**Solomon Islands**

NCC Solomon Islands

**Timor-Leste**

NCC Timor-Leste

**ANNEXE 1: MINUTES OF MEETING TEMPLATE**

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**Internal Resource Committee (IRC)** **Meeting Report**

**[date]**

**[location]**

1. **Background**

*(to be inserted by Regional Secretariat)*

1. **Opening Session**

*(to be inserted by Regional Secretariat)*

1. **Proceeding of the Meeting**

*(to be inserted by Regional Secretariat)*

1. **Meeting Outcomes and Recommendations**

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  2. ---

Attachments