



EIGHTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
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PROPOSED REVISIONS TO REGULATIONS

WCPFC8-2011 –FAC5/15 (Rev 2)
29 March 2012

Introduction

With the arrival a new Executive Director and Finance and Administration Officer, the Commission's Financial and Staff Regulations and processes were reviewed for consistency with good administrative process and some improved financial controls and suggested policy changes are proposed for the consideration by the Committee.

Specific Matters

The following changes are proposed to strengthen the Financial Regulations:

1. Alter Staff Regulation 1 (c) - Delegation of Authority
 - a. Under Staff Regulations 1 (c) "*When the Executive Director is absent from the Secretariat, he or she may delegate his or her authority under these Regulations.*"
 - b. In reviewing the processing of past financial processes there appears to be a need when Regulation 1(c) is used for these delegations to be made in writing, as it is difficult to determine what staff members have been appointed as Officer in Charge when the Executive Director is away from the Commission and therefore authorized to make approvals. Similarly, it is difficult or impossible to verify officers who may receive funds, incur obligations and make payments on behalf of the Commission.
 - c. With the appointment of the new Executive Director last year, there was ambiguity as to who held delegations, for what purpose and for what amount. In order to strengthen accountability, it is recommended that Staff Regulation 1 (c) be changed to: "*When the Executive Director is absent from the Secretariat, he or she may delegate his or her authority in writing under these Regulations.*"
 - d. Financial impact of Policy Change: USD0

2. Alter Financial Regulation 10.1 (c) - Delegation of Authority
 - a. Under Financial Regulations 10.1 (c), the Executive Director shall "*designate the officers who may receive moneys, incur obligations and make payments on behalf of the Commission.*"
 - b. For the same reasons stated in 1 b, it is recommended that Financial Regulation 10.1 (c) be changed to: "*designate in writing the officers who may receive moneys, incur obligations and make payments on behalf of the Commission*"
 - c. Financial impact of Policy Change: USD0

3. Add new sub-regulation to strengthen the controls over payment approvals.
 - a. As a standard internal control, a staff member should not be able to authorize payments to oneself. While the financial rules recommend that the receiving officer and ordering officer responsibilities be separated, there is no regulation forbidding one to make a payment to himself or herself.
 - b. It is recommended that the following regulation be added: *“No payments shall be made to an employee unless the payments have been approved by an alternative staff member with the appropriate delegation(s) of authority.”*
 - c. Regulation to be inserted as Financial Regulation 10.3 and subsequent regulations renumbered
 - d. Financial impact of Policy Change: USD0

4. Alter Financial Regulation 3.6 - Number of Days the Annual Budget is Due to the Commission
 - a. Under Financial Regulation 3.6, the first sentence states that *“The Executive Director shall submit the draft budget for the following year to all members of the Commission at least 60 days prior to the annual meeting of the Commission.”*
 - b. Due to the short time duration between TCC and the Annual meeting, it is not feasible to submit the budget 60 days prior to the meeting. For the last few years, the budget has been submitted after the required deadline. It is recommended that the first sentence of Financial Regulation 3.6 be changed to: *“The Executive Director shall submit the draft budget for the following year to all members of the Commission at least 45 days prior to the annual meeting of the Commission.”*
 - c. Financial impact of Policy Change: USD0

The following changes to the Staff Regulations are proposed to provide for improved clarity on the use of sick leave entitlements and to provide for greater alignment with CROP agencies on the age of dependent children.

5. Alter Staff Regulation 2 - Definition of Dependent Child
 - a. Regulation 2 of the Staff Regulations defines dependent child (iii) as *“under the age of 22 years if enrolled and undertaking full-time study at a university or other tertiary institution”*
 - b. In order to bring the Secretariat into greater alignment with CROP agencies such as SPC and SPREP, it is recommended that the criteria (iii) for a dependent child be changed to: *“under the age of 23 years if enrolled and undertaking full-time study at a university or other tertiary institution”*. In proposing a change to 23 years it should be noted that SPC and SPREP age limit for dependent children is 25 years of age.
 - c. Financial impact of Policy Change: USD16,800

6. Alter Staff Regulation 26 (f) - Use of Sick Leave
 - a. Regulation 26 (f) states that *“Sick leave may not be used by a staff member to meet his or her extended family responsibilities, or for any reason other than personal sickness of the employee.”*
 - b. Over the past several years, the Secretariat has for practical and cultural purposes deviated from the policy set forth by the Commission. The Secretariat’s staff have been allowed to use sick leave to take care of sick dependents. In addition, there is a culture acceptance of allowing staff to use some sick leave to attend funerals.
 - c. While the Secretariat does not believe an additional category of leave should be established, some form of allowance should be made within the regulation to allow staff to attend funerals and care for sick children without taking annual

leave. The standard has been to allow staff to use sick leave for this purpose. In order to formalize the practice into policy, it is recommended that Regulation 26 (f) be amended to *“Up to 15 days of sick leave each year may be utilized as appropriate as personal leave, other than those addressed in Staff regulation 27, for funerals and to care for sick children and immediate dependents including but not limited to the attendance at medical appointments.”*

- d. Financial impact of Policy change: USD0
7. Alter Staff Regulation 26 (a) – As we now have long term staff in the Commission, it is proposed to amend the provisions for the accumulation of sick leave to encourage staff to preserve their sick leave for genuine emergencies.
 - a. Under Staff Regulation 26 (a) *“Sick leave not taken accumulates up to a maximum of ninety (90) days.”*
 - b. In order to not disadvantage those who do not regularly use sick leave, it is recommended that sick Regulation 26 (a) be change to *“Sick leave that is not taken will accumulate.”*
 - c. Financial impact of Policy Change: USD0
8. Typographical error - Numbering of Staff Regulations
 - a. The section immediately following Part VI *“Regulation 17: Normal Hours”* is unnumbered. It appears that the 18 was omitted when the document was created as there is no Regulation 18 but there is a Regulation 19
 - b. This omission does not affect the implementation of the regulations, but the Committee may wish to recommend to the Commission to re-number the Regulations. It is recommended that the section be numbered *“Regulation 18: Overtime.”*
 - c. Financial impact of Policy Change: USD0

The following changes to the Staff Regulations are proposed to update the relevant regulations as per the recommendation from FAC to WCPFC8 to accept WCPFC8-2011-FAC5-14b Housing (Rev 1) and WCPFC8-2011-FAC5-13 (Rev 1) Education Allowance.

9. Alter Staff Regulation 28 (b), 28 (c) and 28 (d) as per the FAC5 recommendation to WCPFC8 to accept WCPFC8-2011-FAC5-14b Housing (Rev 1).
 - a. Regulation 28 states that: (a) Commission houses are allocated by the Executive Director. (b) The rental contribution by professional staff members occupying Commission houses is 25% of the assessed market value and is deducted from monthly salary payments. (c) Staff members occupying Commission houses are responsible for ensuring that the Commission’s furniture, fittings and fixtures are kept in good condition and that defects and damage are reported immediately. (d) Professional staff occupying houses not owned by the Commission shall receive housing assistance of 75% of the typical rent payable in Federated States of Micronesia for expatriate executive furnished housing. The current rate is set out in Schedule1 to these Regulations. This assistance shall be reviewed annually and adjusted on relative movement in the local rental market.
 - b. Regulation 28 would be changed to: (a) Commission houses are allocated by the Executive Director. (b) Staff members occupying Commission houses are responsible for ensuring that the Commission’s furniture, fittings and fixtures are kept in good condition and that defects and damage are reported immediately. (c) Professional staff occupying houses not rented by the Commission shall receive housing assistance of 75% of the typical rent payable in Federated States of Micronesia for expatriate executive furnished housing. Professional staff members who choose to live in housing not rented by the commission will be responsible for their own furniture, maintenance and security costs. The current

rate is set out in Schedule 1 to these Regulations. This assistance shall be reviewed annually and adjusted on relative movement in the local rental market.

- c. Financial impact of Policy Change:
 - 2012 – 0
 - 2013– 1,800
 - 2014– 1,800

10. Alter Staff Regulation 23 (i) as per the FAC5 recommendation to WCPFC8 to accept WCPFC8-2011-FAC5-13 (Rev 1) Education Allowance.

- a. Regulation 23 states that: The education allowance entitlement for professional staff is a total of USD14,800 per annum per dependent child comprising, separately, total tuition fees of USD7,500 and total boarding fees USD7,300.
- b. Regulation 283 (i) would be changed to: The education allowance entitlement for professional staff is a total of USD20,500 per annum per dependent child comprising, separately, total tuition fees of USD9,400 and total boarding fees USD11,100.
- c. Financial impact of Policy Change:
 - 2012- USD\$51,300
 - 2013- USD\$51,300
 - 2014- USD\$51,300

Recommendation

11. The Committee is invited to consider and discuss the suggested changes outlined above and if considered appropriate to recommend them to the WCPFC8 for adoption