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Arms Trade Treaty  
**Third Conference of States Parties**  
Geneva, 11 – 15 September 2017

## **REPORT ON THE ATT MANAGEMENT COMMITTEE'S ACTIVITIES FOR THE PERIOD 2016/2017**

### **INTRODUCTION**

1. This report is submitted by the ATT Management Committee in compliance with its reporting obligations to the Conference of States Parties as contemplated in Rule 42(3) of the Rules of Procedure of the Arms Trade Treaty and Section 12 of its own Terms of Reference.
2. The Management Committee is established as a subsidiary body under Article 17(4) of the Arms Trade Treaty as well as Rule 42 of the Rules of Procedure, to provide oversight on financial matters as well as other matters related to the Secretariat with the aim of ensuring maximum accountability, efficiency and transparency.
3. The Management Committee operates under an adopted set of Terms of Reference, referenced ATT/CSP1/CONF/4.

### **COMPOSITION OF THE MANAGEMENT COMMITTEE**

4. The Management Committee is chaired by the current President of Conference of States Parties, Ambassador Klaus Korhonen from Finland, and is composed of five State Party representatives designated by the United Nations regional groups and appointed by the First Conference of States Parties. As appointed in August 2015, the Committee members are: Côte d'Ivoire, Czech Republic, France, Jamaica and Japan.
5. Section 3 of the Management Committee's Terms of Reference provides that, with the exception of the President of the Conference of States Parties and a Secretariat representative, members of the Committee shall serve for a period of two years and are eligible to serve a further term.
6. The term of the current Management Committee finishes at the end of the Third Conference of States Parties and a new Management Committee should be appointed for a term of two years, starting immediately after the Third Conference of States Parties and ending at the Fifth Conference of States Parties.

### **MANDATE**

7. The mandate of the Management Committee is to provide oversight on financial matters as well as other matters related to the Secretariat with the aim of ensuring maximum accountability,

efficiency and transparency. The Management Committee's mandate is elaborated in its Terms of Reference, referenced ATT/CSP1/CONF/4.

#### **METHOD OF WORK**

8. In performing its work, the Management Committee relies on the provisions of the Treaty, its Terms of Reference, the Directive of States Parties to the Secretariat and any other decision taken by the Conference of States Parties for execution.

9. The Management Committee conducts its work, its meetings and takes decisions in accordance with the provisions of the ATT Rules of Procedures with particular reference to Rules 42 and 43.

10. The Management Committee conducts its work through formal meetings as well as exchange of documents through emails, with the Management Committee's summaries posted on the restricted part of the ATT website used as a mechanism of communicating the progress of work to States Parties throughout the year.

#### **MANAGEMENT COMMITTEE DELIVERABLES AND ACTIVITIES**

11. In the reporting period, the Management Committee held a total of 4 formal meetings in Geneva, Switzerland.

12. In execution of its mandate, the Management Committee undertook the following activities:

- a. Facilitated the contractual arrangements for the ATT Head of Secretariat as appointed by the Second Conference of States Parties.
- b. Provided oversight over the recruitment of the other two staff members of the Secretariat as conducted by the Head of Secretariat.
- c. Oversaw the process for the issuance of notices in October 2016 to States for financial contributions towards the ATT 2017 budget as adopted by the Second Conference of States Parties.
- d. Conducted regular oversight of the ATT finances in terms of income and expenditure.
- e. Provided guidance on the process for the notification of States of their outstanding assessed financial contributions in March 2017.
- f. In an effort to further improve the states' financial contributions, deliberated and directed the issuance of a communication to States advising of the impending publication of information on States' contributions.
- g. Provided guidance in the development of the Secretariat's Procurement Policy that was adopted by States Parties on 28 June 2017 by silence procedure.
- h. Pursuant to Rule 4 (1) of the ATT Financial Rules and Section 10 of its own Terms of Reference, the Management Committee reviewed the 2018 budget estimates for the Secretariat and the Fourth Conference of States Parties(CSP4) and provided oversight over the general financial management in the Secretariat.

- i. As requested by States, collaborated with Secretariat in the development of a recommendation of a financial option to be presented to CSP3 to deal with the accumulated uncommitted funds.

#### **RECOMMENDATION ON AUDITING**

13. Rule 10 of the ATT Financial Rules provides that the Conference of States Parties shall appoint, for a period of four years, an internationally recognised independent auditor with experience in the audit of international organisations to audit the Secretariat, the activities of CSP and subsidiary bodies. With the ATT infrastructure now fully established, the Management Committee recommends the appointment of an international audit firm, Price Waterhouse Coopers, as an auditor for the ATT for a period of four years starting after CSP3.

14. The recommendation of Price Waterhouse Coopers is based on the following considerations:
- a. Cost comparison with other international audit firms.
  - b. Efficiency of retaining the same audit firm as that used by DCAF, which provides financial services support to the Secretariat.

15. The costs of servicing the Price Waterhouse Coopers' contract is already included in the 2018 Secretariat budget estimates and will be accommodated in all future Secretariat budgets.

#### **BUDGETARY IMPLICATIONS**

16. In execution of its mandated functions in the period under review, the Management Committee did not incur any financial expenditure to be carried by the ATT budget.

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