

SECRETARIAT'S RESPONSE TO THE AUDITORS' REVIEW

Following the completion of the Year 2000 Audit, the Auditors submitted a report on their findings of identified weaknesses in relation to the Secretariat's administrative and accounting internal control systems of operations (Refer Part I).

The Secretariat has considered the findings and recommendations of the Auditors and submits the following comments:

POINTS CONCERNING NOUMEA HEADQUARTERS AND SUVA OPERATIONS

1 Fixed Assets Depreciation Calendar

The Secretariat has commenced the necessary adjustments for applying the same period for the purpose of calculating depreciation on fixed assets consistently both in Noumea headquarters and in Suva.

2 Use of Credit Cards

The Secretariat notes the concern raised by the Auditors and will endeavour to continue monitoring the proper use of this facility.

Procedures of internal controls in relation to the proper use of credit cards have been put into effect. The use of credit cards will be monitored regularly by the executive at its monthly meetings.

3 Presentation of the Overall Trial Balance and Separation between Financial Years

The Secretariat has successfully implemented the year-end separations or the cut-off for the financial years 1998 and 1999. It has embarked on the close down for financial year 2000 following the completion of the 2000 financial year Audit.
