The PTS ensures effective and efficient management of its activities, including support of the Commission and its subsidiary bodies, mainly through the provision of administrative, financial and legal services.

The PTS also provides a wide variety of general services, from arrangements concerning shipments, customs formalities, visas, identity cards, laissez-passer and low value purchases to insurance, tax, travel and telecommunication services, as well as standard office and information technology support and asset management. Services provided by external entities are continuously monitored to ensure that they are being provided in the most efficient, effective and economical way.

Management also involves coordinating with the other international organizations located in the VIC over planning of office and storage space, maintenance of the premises, common services and security.

Throughout 2017, the Commission continued to focus on smart planning to streamline its activities and to increase synergy and efficiency. It also prioritized results based management.
OVERSIGHT

Internal Audit is an independent and objective internal oversight mechanism. Through the provision of audit, investigation and advisory services, it contributes to the improvement of the risk management, control and governance processes of the PTS.

To maintain its organizational independence, Internal Audit, through its Chief, reports directly to the Executive Secretary and has direct access to the Chairperson of the Commission. The Chief of Internal Audit also independently prepares and submits to the Commission and its subsidiary bodies an annual report on Internal Audit activities.

In 2017, Internal Audit fully accomplished its approved work plan by performing seven audits, which resulted in the identification of opportunities to mitigate risks and strengthen the control environment. In addition, Internal Audit performed follow-up exercises on the status of implementation of its recommendations and submitted relevant progress reports to the Executive Secretary.

Internal Audit continued to perform management support activities, such as providing advice on policy documents and procedures and participating as an observer at various meetings. Furthermore, Internal Audit acted as the PTS focal point for the external auditor.

Internal Audit revised its manual in line with the new International Standards for the Professional Practice of Internal Auditing. The manual is primarily designed to establish uniformity and consistency. It also aims to foster high standards and assure quality in the conduct of internal audit work.

Internal Audit continued to be actively engaged in forums, such as the Representatives of Internal Audit Services of the United Nations Organizations, whose goal is to share expertise amongst organizations dealing with similar issues.

FINANCE

2016–2017 PROGRAMME AND BUDGET

The Budget for 2016 amounted to US$37 248 800 and €72 317 100, corresponding to slightly less than zero real growth. The Commission uses a split currency system to lessen its exposure to fluctuations in the value of the US dollar against the euro. At the budget exchange rate of €0.796 to $1, the total US dollar equivalent of the 2016 Budget was $128 115 600. This represented a nominal growth of 1.5% but was almost constant in real terms (a decrease of $43 800).

On the basis of the actual average exchange rate in 2016 of €0.9023 to $1, the final total US dollar equivalent of the 2016 Budget was $117 396 312. Of the total Budget, 80% was originally allocated to verification related activities, including €13 958 434 for the Capital Investment Fund, which is dedicated to the build-up of the IMS, and €8 340 601 for the multiyear funds that are dedicated to other long term verification related projects.

The Budget for 2017 totalled €37 741 400 and €73 509 000, corresponding to slightly less than zero real growth. The Commission uses a split currency system to lessen its exposure to fluctuations in the value of the US dollar against the euro. At the budget exchange rate of €0.796 to $1, the total US dollar equivalent of the 2017 Budget was $130 088 300. This represented a nominal growth of 1.6% but was almost constant in real terms (a decrease of $26 200).

On the basis of the actual average exchange rate in 2017 of €0.8947 to $1, the final total US dollar equivalent
of the 2017 Budget was $128,623,705. Eighty per cent of the total Budget was originally allocated to verification related activities, including $13,563,439 for the Capital Investment Fund, which is dedicated to the build-up of the IMS, and $17,331,032 for the multiyear funds that are dedicated to other long term verification related projects.

ASSESSSED CONTRIBUTIONS

As of 31 December 2017, the collection rates of the assessed contributions from States Signatories for 2017 were 86.3% of the US dollar portion and 91.0% of the euro portion. The number of States that had paid their 2017 assessed contributions in full as of 31 December 2017 was 88.

EXPENDITURE

The expenditure for the Programme and Budget in 2017 amounted to $129,467,521, of which $16,318,744 was from the Capital Investment Fund, $14,112,390 was from the multiyear funds, and the remainder from the General Fund. For the General Fund, the unused budget was $6,042,858.

GENERAL SERVICES

The PTS implemented a major office space utilization optimization plan across the organization between March and November 2017. The plan focused on improving the efficiency of the use of office space allocated to the organization at the VIC. Its successful implementation is the result of excellent planning and coordination amongst internal and external stakeholders, especially with the VIC Buildings Management Service.

The PTS provided administrative support for SnT2017, including the travel and hotel bookings for approximately 250 conference participants, as well as for other events of the Commission.

The PTS interacted with a wide array of stakeholders, including external vendors and other VIC based international organizations that provide common services at the VIC, during the implementation of Internal Audit recommendations on work processes and procedures.

Cross-Divisional administrative and logistical support was provided as part of efforts to streamline PTS equipment shipments as well as services and amenities at the temporary storage area.

PROCUREMENT

The Financial Regulations and Rules and the Administrative Directive related to procurement were updated in 2017 to include the best practices of the Procurement Section as well as those of other international organizations. Efforts focused on streamlining the procurement process (including technological system enhancements) for efficiency and effectiveness while ensuring transparency and accountability.

The Commission obligated $78,941,281 through 957 procurements for high value purchases and $842,320 through 586 contractual instruments for low value purchases.

As of 31 December 2017, 141 IMS stations, 28 noble gas systems, 12 radionuclide laboratories and 2 radionuclide laboratories with noble gas capability were under contract for testing and evaluation or for PCAs.

Annual management retreat.
The Voluntary Support Forum was initiated in 2014 as a forum for interaction with the donor community and to ensure that voluntary contributions serve the strategic goals of the Commission. The forum attempts to consolidate efforts to mobilize extra-budgetary funding, to strengthen interaction with donors and to increase transparency and accountability regarding the use of voluntary contributions. Since 1999, the Commission has received approximately $77 million in cash contributions and $55 million in contributions in kind.

The Voluntary Support Forum held one meeting in November 2017. All States Signatories and observers were invited. During the meeting the PTS presented several projects for which it sought voluntary contributions in 2018-2019 as outlined in Appendix II of the 2018-2019 Programme and Budget. The projects covered capacity building, advocacy and other outreach activities aimed at scientists and policy makers including parliamentarians, primarily in Annex 2 States, as well as support to the CTBTO Youth Group, the Group of Eminent Persons and the third OSI training cycle for surrogate inspectors. The total amount sought for all projects was approximately $1.1 million.

The organization secured the human resources for its operations by recruiting and retaining highly competent and diligent staff. Recruitment was based on obtaining the highest standards of professional expertise, experience, efficiency, competence and integrity. Full attention was paid to the principle of equal employment opportunities, to the importance of recruiting staff on as wide a geographical basis as possible and to other relevant criteria in the Treaty and the Staff Regulations.

Throughout the year, the PTS continued its efforts to improve human resources policies, procedures and processes.

As of 31 December 2017, there were 277 regular fixed term staff members of the PTS from 86 countries, compared with 274 staff members from 82 countries on 31 December 2016. In 2017, there were 189 staff members in the Professional and higher categories, while in 2016 there were 184.
USE OF THE 2014 CASH SURPLUS FOR THE ACTIVITIES OF THE COMMISSION

During its Forty-Seventh Session, the Commission decided to authorize the PTS to use the 2014 cash surplus in the total amount of approximately $9.8 million for the establishment of a permanent ESMF, for capacity building activities and for the financing of an Article XIV conference in 2017.