

8<sup>th</sup> Meeting of the Parties of the Southern Indian Ocean Fisheries Agreement  
(MoP8)  
5-9 July 2021 (online)

## SIOFA FINANCIAL REPORT, 2020

*Relates to agenda item: 10.1*

Working paper  Info paper

---

### Abstract

---

In accordance with RoP Rule 8 f), this paper provides an annual report from the Secretariat on finance resources for the ordinary Meeting of the Parties. This report should be read in conjunction with MoP8-INFO 05 SIOFA Financial Statement and External Auditor Report 2020.

To provide the MoP with more up to date information, this report provides an update on the status of SIOFA financial resources as of 21 May 2021

---

## SECRETARIAT REPORT ON FINANCIAL RESOURCES

In accordance with RoP Rule 8 f), this paper provides the annual report from the Secretariat on finance resources for the ordinary Meeting of the Parties. The annual Financial Report was prepared in accordance with rule 9.1 of the Financial Regulation of the Meeting of the Parties, providing an overview of the budget status, annual financial statements for the financial year to which they relate for all accounts and for any funds held in reserve in accordance with the requirements of Regulation 8.

This report should be read in conjunction with the Financial Statement and the External Auditor Report for 2020 covering dates from 1 January 2020 to 31 December 2020. (MoP08-INFO-04)

To provide the MoP with more up to date information, this report contains updates on the status of SIOFA financial resources as of 21 May 2021.

### **Accounting and bookkeeping**

MoP4 agreed that Crowe Horwath should be employed to help with accounting and bookkeeping throughout the year, including the preparation of financial statements. Crowe Horwath have accordingly been engaged to assist with SIOFA bookkeeping and preparation of the Financial Report.

### **External Auditor**

MoP 7 agreed to renew the current SIOFA auditor for an additional three years term. According to this decision, the contract of Mr. Arnaud FAYOL engaged as external auditor for SIOFA has been renewed for three years, until the 31 December 2023. Taking in account the comment from a CCP during the MoP7, a comparative cost study has been carried out with two other auditors. These quotes show that their costs are 28 % higher than the cost required by Mr. Fayol.

### **Financial Report and External Auditors Report**

MoP-08-INFO-04 provides the external Auditor's Report and Financial Report for 2020.

The external Auditor's Report was compiled in accordance with Regulation 11 of the Financial Regulations of the Meeting of the Parties. It was circulated to all Official Contacts by 1<sup>st</sup> June 2021 as prescribed by Regulation 9.3 of the Financial Regulations.

## **FINANCIAL RESSOURCES**

This report provides the Meeting of the Parties with an overview of the budget status and contributions as of 21 May 2021.

In summary the overall financial status of SIOFA is currently good owing to savings made on previous years budgets.

Section 1 below provides with an overview of the budget position of different SIOFA accounts. Each account and sub account situations are detailed in the ensuing sections.

### **I - SIOFA General Account and Sub Accounts**

Table 1 provides with the status of SIOFA General Account, SIOFA Reserve Fund, and Scientific Research Account.

As requested by the MoP6 report (para 148), the Secretariat established a Scientific Research Activities account. For technical reasons linked to a secure bank process, this account requested to be open in December 2020 has been opened only in January 2021.

**Table 1:** Status of SIOFA GENERAL ACCOUNT - ACCORD RELATIF AUX PECHE DANS LE SUD DE L'OCEAN INDIEN - N° 127 03 1028 (as at 01.06.2021)

Accounts	Date	Balance	Currency
General Account – <i>Compte à Vue</i>	21 <sup>st</sup> May 2021	565 218	Euro
Sub Account: SIOFA Reserve Fund – <i>Compte sur livret</i>	21 <sup>st</sup> May 2021	291 773	Euro
Scientific Research Account: Siofa Bis	21 <sup>st</sup> May 2021	270 568 (included 54965 AUD)	Euro
<b>Total available to SIOFA</b>		1 127 559	Euro

Please see Annex 1 for further details on the SIOFA general account, Item by Item.

## **II- General Account**

### **Annual Contributions of the Contracting Parties and Participating Fishing Entities**

Annual contributions paid under Regulation 5.2 as of 31 May 2021 are detailed in table 2.

**Table 2:** Annual contributions per financial year in EUROS (as at 31-05-2021)

	2015	2016	2017	2018	2019	2020	2021	Balance	Date last payment
Australia	5 250	22 672	46 335	41 887	47 487	23 486	21 266	0	4 <sup>th</sup> March 2021
China					18 995	38 217	26 162		
Cook Islands	1 250	22 672	46 335	41 887	47 487	97 044	101 707	0	1 <sup>st</sup> April 2021
EU	5250	22 672	46 335	41 887	47 487	92 893	80 224	0	11 <sup>th</sup> February 2021
France OT	5250	22 672	46 335	41 887	47 487	22 252	21 527	0	20 <sup>th</sup> January 2021
Japan	5250	22 672	46 335	41 887	47 487	71 419	74 412	0	10 <sup>th</sup> February
Korea	5250	22 672	46 335	41 887	47 487	16 298	14 521		
Mauritius	1 250	10 580	21 623	19 712	22 347	7 612	7 431		
Seychelles	1 250	22 672	46 335	41 887	47 487	8 754	7 101		26 <sup>th</sup> April 2021
Chinese Taipei					21 229	98 399	118 338	0	29 <sup>th</sup> December 2020
Thailand			40 543	41 887	47 487	54 113	24 087	0	10 <sup>th</sup> February 2021
<b>invoiced</b>	30000	169 284	386 511	354 808	442467	530 487	496 776		
<b>received</b>	30000	169 284	386 511	354 808	423 472	492270	448 662		

In 2020, a financial fraud has occurred with China's contribution for 2019 and 2020.

As requested by the MoP7, the Secretariat provided regular updates on this situation with the Chinese Authorities. A full report is available (MoP8-INFO-05), concerning this issue.

## Voluntary Contributions of the CCPs

Details of voluntary contributions and grants received by SIOFA are shown in table 3.

**Table 3:** Voluntary contributions and grants (as at 01.06.2021)

CCP	Contribution	Date	Project	Position
EU	3526 €	11.06.2019	Grant Agreement SI2.781368: "SC ERA Deepwater sharks final payment"	Achieved
EU	54866 €	16.12.2019	First part of Grant Agreement SI2.815850: "SIOFA-Vulnerable Marine Ecosystem Mapping"	Current, planned to be achieved in 2022
EU	3360 €	20.05.2020	Grant Agreement SI2.789114: "Scoping Studies for Alfonsino and Patagonian Toothfish" final payment"	Achieved
AUS	55000 AUD	16.07.2020	Contribution directed towards the cumulative Bottom Fishing Impact Assessment	Will be achieved by MoP8
EU	140000 €	18.11.2020	First part of Grant Agreement n° SI2.83768- "SIOFA-2020-2022 Support to SIOFA Scientific Work on key stocks, ecosystems, and data (total 200 000€).	Will be achieved by MoP10.

## Details of transfers between budget items

According to Financial Regulation 4.3, the Executive Secretary may authorize the transfer of up to 10 per cent of appropriations between sub-items of an item. The Chairperson may authorize the Executive Secretary to make transfers between sub-items of an item above this limit. The Chairperson may authorize the Executive Secretary to make transfers of up to 10 percent of appropriations between items.

Details of approved transfers between budget items for the budget year of 2020 are provided in table 4 below.

**Table 4:** SIOFA 2020 Budget Transfers Between Appropriation Categories

No	From sub-item	To sub-item	Amount EURO	Authorized by	Comments
1. Personnel. Personnel Cost	1.1 Executive Secretary	1.2 Data Manager	738.82	Executive Secretary	Budget line insufficient
2. Property, Plant and Equipment	2.4 Office equipment and Furniture	2.5 Consumable	73.47	Executive Secretary	Budget line insufficient
3. Financial Service	8.2 Audit	8.3 Bank Charge	250.00	Executive Secretary	Budget line insufficient

## SIOFA Scientific Committee Activity Budget

On 15 January 2021, a specific SIOFA Research Account has been created. The bankbook was filled up with different transfers assigned to research activities.

All the remained funds validated and destined to the Scientific research, have been transferred on the Scientific Account.

**Table 5a:** Opening of the Scientific Research Fund in EUROS- (on 15 January 2021):

Movements	Budgeted	Expensed	Sold	Comment
2019 Scientific Budget Carry over	41000	None	41000	Remain funds
2020 Scientific Budget validated	52900	14468	38432	1 <sup>st</sup> part payment BFIA done
EU Grant on VME Mapping (1 <sup>st</sup> phase payment)	54866	28800	26066	1 <sup>st</sup> part payment VME done
EU Grant Agreement Support to SIOFA Scientific Workplan (1 <sup>st</sup> phase payment)	140000	0	140000	No payment done on 15 <sup>th</sup> Jan.
Balance	288807	43268	<b>245498</b>	Amount transferred on new Scientific Research Account.

**Table 5b:** SIOFA Scientific Research Fund – Account in Foreign currency:

Movements	Budgeted	Received	Expensed	Comment
Voluntary Contribution from AUSTRALIA	55000 AUD	54965 AUD	0	Plan to cover the Trawl BFIA research (3/5 of 58970€) Payment will be done after MOP8

These accounts will be specifically dedicated to the Item 9 (Contract for specific service)

The financial situation on 21st May of the SIOFA Scientific Research Account is presented in table 5c.

**Table 5c:** SIOFA Scientific Research Fund – Current situation

Movements	Budgeted	Expensed	Sold	Comment
Opening of Scientific Research Account	245 498 €			
VME mapping phase 2		24000 €		
Coordinator Project Presentation Garry Morgan to SC6		5000 €		
Harvest strategy development		15000 €		
2 <sup>nd</sup> part of payment BFIA Trawler gear		20254 €		
Budget line for Scientific researches validated by MoP7	55 620 €			
Bank charges		102 €		will be take in charge by general account at the end of 2021
Australian Voluntary contribution	33 806 €			54965 AUD
Balance	334 924 €	64356 €	270 568 €	

### **III - SIOFA Reserve Fund**

The requirement of Finance Regulation 7.6 to build up an emergency fund has been exceeded and achieved during the previous financial year.

A part of the emergency/contingency contributions of the 2017-2019 budgets plus unspent budgets of 2016-2018 were used to build up a reserve fund in order to maintain a financial level sufficient to finance operations during the first 3 months of the financial year plus 10% of the annual budget for the current year financial year for use in an emergency. The activities on this account are detailed in Table 6 below.

**Table 6:** SIOFA Reserve Fund - *Compte sur livret* (as at 15/07/2020)

Movements	Date	Balance	Currency
Opening account	2017-05-16	10	Euros
2016 Emergency/ Contingency fund	2017-06-01	4 129	Euros
2017 Emergency/ Contingency fund	2017-06-01	8 439	Euros
Interest	2017-12-31	7	Euros

2018 Emergency/ Contingency fund – part 1	2018-01-16	4 000	Euros
Payment for SC3 meeting venue	2018-11-30	-4 238	Euros
Unspent 2016 funds	2018-12-16	34 799	Euros
Unspent 2017 funds	2018-12-14	123 411	Euros
2018 Emergency/Contingency fund – part 2	2018-12-19	4 655	Euros
2019 Emergency/ Contingency fund	2018-12-18	9 811	Euros
Interest	2018-12-31	23	Euros
Executive Secretary separation from service expenses (Ref: Reserve fund 1.1 es flight, separate)	2019-07-22	-1 860	Euros
Recruitment expenditures (Ref: Reserve 1.2 ES recruitment)	2019-07-22	-7 146	Euros
Secretariat installation expenses (Ref: reserve 1.3 Accommodations charges 2017-19)	2019-07-22	-5 370	Euros
Interest	2019-12-31	178	Euros
Unspent 2018 funds	2020-03-31	72998	Euros
2020 Emergency/ Contingency fund – Part 1	2020-03-31	9363	Euros
2020 Emergency/Contingency fund – Part 2	2020-07-15	2644	Euros
Interest	2020-12-31	223	Euros
Scientific Committee Chairperson expenses planned	2020-12-31	-50 000	Euros
Unspent 2019 funds	2020-12-31	73580	Euros
<b>Balance</b>		279656	Euros

According to intersessional decision n° 19/2020 and para 27 of the 7<sup>th</sup> Meeting of the Parties, the MoP agreed to allocate EUR 50000 from the SIOFA reserve funds to cover the cost of the consultancy and travel for the SC Chairperson.

On 31<sup>st</sup> December 2019, the SIOFA reserve fund had a balance of 170670.48 €.

The Interest for 2019 has been of 178 € and for 2020 of 223 € (Total: 401 €).

The unspent 2018 budget funds of 72 998€ were transferred in the reserve fund on the 31 March 2020 after an examination of the account status by the new executive secretary.

The Emergency fund adopted for 2020 (12007€) has been transferred in the reserve funds in two parts: the first amounting to 9 363 € in March and the second to 2 644€ in July

The unspent 2019 budget funds of 73580€ were transferred in the reserve fund on the 31 December 2020.

The expenses covered directly by the SIOFA reserve fund in 2020 for an amount to 50 000 € to cover the Scientific Committee Chairperson expenses.

Thus, on 31 December 2020 the SIOFA reserve fund had a balance of 279 656 €.

$$[(170670 + 401 + 72998 + 9363 + 2644 + 73580) - 50000]$$

There are currently unspent 2020 budget funds of 144 472 €. In accordance with SIOFA Finance Reg 4.2 appropriations can remain available for up to 12 months following the end of the financial year to which they relate. For this reason, unspent 2020 budget will only be paid into the SIOFA Reserve fund at the end of 2021. This practice also ensures sufficient funds remain available within the general account, ensuring continuity of daily SIOFA business by providing a buffer against late payments of annual contributions and avoiding the potential need to access the SIOFA Reserve fund which is intended for emergencies.

## Annex 1

to the SECRETARIAT REPORT ON FINANCIAL RESOURCES

**SIOFA 2020 ACCOUNT (1<sup>st</sup> January – 31<sup>st</sup> December)**

		Budget 2020 Validated	Transfer budget	budget validated adjust	committed budget	Expenditures	Balance	Comments
<b>Item 1. Personnel Costs</b>		<b>285 575.53 €</b>	<b>- €</b>	<b>285 575.53 €</b>	<b>226 891.83 €</b>	<b>226 400.30 €</b>	<b>58 683.70 €</b>	<b>(1)</b>
1.1	Executive Secretary P5	125 852.03	-738.82	125 113.21	112 728.91	112 627.88	12 384.30	
1.2	Data Manager P3	60 562.86	738.82	61 301.68	61 301.70	61 301.70	-0.02	
1.3	Temporary staff recruitment	42 816.38	0.00	42 816.38	13 844.38	13 453.88	28 972.00	
1.4	Installation allowance	0.00	0.00	0.00	0.00	0.00	0.00	
1.5	Rent subsidy	18 000.00	0.00	18 000.00	9 000.00	9 000.00	9 000.00	
1.6	Home leave	0.00	0.00	0.00	0.00	0.00	0.00	
1.7	Child studying abroad leave	0.00	0.00	0.00	0.00	0.00	0.00	
1.8	Single Parent/Child allowance	0.00	0.00	0.00	0.00	0.00	0.00	
1.9	Spouse allowance	0.00	0.00	0.00	0.00	0.00	0.00	
1.10	Education grant	0.00	0.00	0.00	0.00	0.00	0.00	
1.11	Pension & health schemes	35 344.26	0.00	35 344.26	27 496.84	27 496.84	7 847.42	
1.12	Staff development and training	3 000.00	0.00	3 000.00	2 520.00	2 520.00	480.00	
1.13	Recruitment	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Item 2. Property, Plant and Equipment</b>		<b>6 553.94 €</b>	<b>- €</b>	<b>6 553.94 €</b>	<b>5 780.63 €</b>	<b>2 458.12 €</b>	<b>773.31 €</b>	<b>(2)</b>
2.1	Accommodation agreement and charges	2 803.94	0.00	2 803.94	2 803.94	0.00	0.00	
2.2	Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	
2.3	Utilities - Includes electricity, water, gas	0.00	0.00	0.00	0.00	0.00	0.00	
2.4	Office Equipment and furniture	2 000.00	-73.47	1 926.53	1 345.82	1 304.52	580.71	
2.5	Consumables - Stationary, printer ink, paper	1 000.00	73.47	1 073.47	1 073.47	596.20	0.00	
2.6	Insurance	750.00	0.00	750.00	557.40	557.40	192.60	
<b>Item 3. Meeting Support - SC4 and SAWG2 (1)</b>		<b>34 702.35 €</b>	<b>- €</b>	<b>34 702.35 €</b>	<b>21 782.12 €</b>	<b>14 732.12 €</b>	<b>12 920.23 €</b>	<b>(3)</b>
3.1	Venue, catering	16 225.00	0.00	16 225.00	14 961.48	7 911.48	1 263.52	
3.2	Secretariat travel and accommodation to meetings	0.00	0.00	0.00	0.00	0.00	0.00	
3.3	Support costs (including professional	13 448.35	0	13 448.35	6 820.64	6 820.64	6 627.71	

	rapporteur for all meetings)							
3.4	SC Chairperson Travel and Accommodation	5 029.00		5 029.00	0.00	0.00	5 029.00	
<b>Item 4 Meeting Support - MoP6 &amp; CC3</b>		<b>56 850.07 €</b>	<b>- €</b>	<b>56 850.07 €</b>	<b>7 223.00 €</b>	<b>7 223.00 €</b>	<b>49 627.07 €</b>	<b>(3)</b>
4.1	Venue, catering	30 865.00	0.00	30 865.00	0.00	0.00	30 865.00	
4.2	Secretariat flights, accommodation, allowances	0.00	0.00	0.00	0.00	0.00	0.00	
4.3	Support costs (including professional rapporteur for both meetings)	12 616.07	0.00	12 616.07	7 223.00	7 223.00	5 393.07	
4.4	MoP and CC Chairperson Travel and Accommodation	13 369.00	0.00	13 369.00	0.00	0.00	13 369.00	
<b>Item 5 Representation</b>		<b>10 000.00 €</b>	<b>- €</b>	<b>10 000.00 €</b>	<b>2 508.76 €</b>	<b>2 508.76 €</b>	<b>7 491.24 €</b>	<b>(4)</b>
5.1	Secretariat travel, notably for representation purposes	10 000.00	0.00	10 000.00	2 508.76	2 508.76	7 491.24	
<b>Item 6 Administration of Article 13.4</b>		<b>9 482.00 €</b>	<b>- €</b>	<b>9 482.00 €</b>	<b>- €</b>	<b>- €</b>	<b>9 482.00 €</b>	
6.1	Financial assistance to travel to meetings	9 482.00	0.00	9 482.00	0.00	0.00	9 482.00	
6.2	Other activities	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Item 7 Communications and IT</b>		<b>7 000.00 €</b>	<b>- €</b>	<b>7 000.00 €</b>	<b>3 101.39 €</b>	<b>3 020.39 €</b>	<b>3 898.61 €</b>	<b>(5)</b>
7.1	Website design and maintenance, printing, telephone and internet services	5 500.00	0.00	5 500.00	3 101.39	3 020.39	2 398.61	
7.2	Database management and IT support	1 500.00	0.00	1 500.00	0.00	0.00	1 500.00	
<b>Item 8 Financial Services</b>		<b>12 200.00 €</b>	<b>- €</b>	<b>12 200.00 €</b>	<b>11 897.74 €</b>	<b>9 337.73 €</b>	<b>302.26 €</b>	<b>(6)</b>
8.1	Accounts and record keeping	8 000.00		8 000.00	7 920.50	7 860.49	79.50	
8.2	Audit	3 000.00	-250.00	2 750.00	2 500.00	0.00	250.00	
8.3	Bank Charges	1 200.00	250.00	1 450.00	1 449.70	1 449.70	-0.30	Difference of +29,24€ with accountant.
<b>Item 9 Contracts for Specific Services</b>		<b>52 900.00 €</b>	<b>- €</b>	<b>52 900.00 €</b>	<b>52 900.00 €</b>	<b>52 900.00 €</b>	<b>- €</b>	<b>(7)</b>
9.1	Research Activities	52 900.00		52 900.00	52 900.00	52 900.00	0.00	All transferred on research account.
<b>Item 10 Miscellaneous</b>		<b>5 000.00 €</b>	<b>- €</b>	<b>5 000.00 €</b>	<b>3 706.29 €</b>	<b>- €</b>	<b>1 293.71 €</b>	
10.1	Miscellaneous	5 000.00		5 000.00	3 706.29	0.00	1 293.71	



<b>sub-total</b>	<b>480 263.89</b> €	<b>0.00 €</b>	<b>480 263.89</b> €	<b>335 791.76 €</b>	<b>318 580.42 €</b>	<b>144 472.13 €</b>	
<b>Emergency/contingency funds</b>	12 007.35 €		12 007.35			12 007.35	
<b>TOTAL CHARGES</b>	<b>492 271.24</b> €	<b>0.00 €</b>	<b>492 271.24</b> €	<b>335 791.76 €</b>	<b>318 580.42 €</b>	<b>156 479.48 €</b>	
<b>CPs contribution</b>	492 271.24 €		492 271.24 €	533 848.11 €	486 877.11 €	-41 576.87 €	(8)
<b>Voluntary contribution and grant 2020</b>			0.00 €	173 805.89 €	173 805.89 €	-173 805.89 €	EU (140000€) and Australia (33 805,89€)
<b>TOTAL PRODUIT</b>	<b>492 271.24 €</b>	<b>0.00 €</b>	<b>492 271.24 €</b>	<b>707 654.00 €</b>	<b>660 683.00 €</b>	<b>-215 382.76 €</b>	

(1): The balance is positive due to the step 1 (initially planned on step 2) of the Executive Secretary.

(2): The balance is positive essentially due to the context of working at home. The expense in the Office have been limited.

(3): The Expenses are lower by organising virtual meeting, than physical meeting. Negotiations are still live with the Hotel, not to lose the advance rent paid in 2019 before the global COVID-19 crisis.

(4): Due to the COVID 19, only two missions have been done in January 2020, one in Australia for the Data Manager to CCAMLR, one in Rome, for the Executive Secretary for ABNJ Deep Sea Project.

Most of the cost of these missions have been paid on 2019 Budget line.

Due to Covid 19, no more travel, or mission has been done from February to December 2020

(5): Expenditure on maintenance, communication, upkeep, and security of databases is expected to increase due to the increase planned in human resources in the Secretariat.

(6): An adjustment between sub items must be done due to an underestimation of bank charges.

(7): This Budget line has been transferred to the new Scientific research Account (See figure 6a).

(8): The amount of 41576.87 € correspond to the 2020 China Contribution (38217€) and to a sold of an EU voluntary contribution (3359.87 €).

## Annex 2

to the SECRETARIAT REPORT ON FINANCIAL RESOURCES

CONTRIBUTIONS 2021			
Validated at MoP7 (22 November 2020)			
CCPs	Amount	Date of payment	
AUSTRALIA	21 266	4 <sup>th</sup> March 2021	
CHINA	<b>26 162</b>		<b>+ Arrear contributions 57212€</b>
COOK ISLANDS	101707	1 <sup>st</sup> April 2021	
EUROPEAN UNION	80 224	11 <sup>th</sup> February 2021	
France (OT)	21 527	20 <sup>th</sup> January 2021	
JAPAN	74 412	10 <sup>th</sup> February 2021	
SOUTH KOREA	<b>14 521</b>		
MAURITIUS	<b>7 431</b>		
SEYCHELLES	7 101	26 <sup>th</sup> April 2021	
CHINESE TAIPEI	118 338	29 <sup>th</sup> December 2020	
THAILAND	24 087	10 <sup>th</sup> February 2021	
<b>Total contributions 2021</b>	<b>496775</b>		