

The Southern Indian Ocean Fisheries Agreement (SIOFA) 5<sup>th</sup> Meeting of the Parties  
25-29 June 2018

Cape Panwa Hotel, Phuket, Thailand

MoP5-Doc15

## SECRETARIAT REPORT ON FINANCIAL RESOURCES

*Relates to agenda item: 10.2*

Proposal ☐ Other Document ☒ Info Paper ☐

### SIOFA SECRETARIAT

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#### 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 MoP5-Doc11 External Auditors Report and Financial Report for 2017 which covers period 17 October 2016 -31 Dec 2017.

To provide the MoP with more up to date information, this report provides an update on the status of SIOFA financial resources as at 07 June 2018.

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## **SECRETARIAT REPORT ON FINANCIAL RESOURCES**

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 MoP5-Doc11 External Auditors Report and Financial Report for 2017 which covers period 17 October 2016 -31 Dec 2017.

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### **Accounting and book keeping**

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

### **Selection of an External Auditor**

MoP4 agreed that the Executive Secretary should explore options for an auditor to find the most competitive price and authorized the Chairperson to approve an auditor on its behalf.

The Executive Secretary provided quotations from two suitably qualified external Auditors based in Saint-Denis for the Chairperson consideration. The Chairperson authorised the engagement of Mr Arnaud FAYOL who provided the most competitive quote.

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

MoP5-Doc11 provides the external Auditors Report and Financial Report for 2017. This report also includes the period from 15th October to 31 December 2016 when the Executive Secretary took up post.

The Financial Report is annexed to the external Auditors Report and was produced in accordance with Regulation 9.1 of the Financial Regulations. This report provides an overview of the budget position, details of approved transfers between budget items including confirmation of no transfers, and contributions received as at 1 April 2018. Tables 1, 2 and 3 below provide an update on the status of finance resources as at 01 June 2018.

The external Auditors Report was compiled in accordance with Regulation 11 of the Financial Regulations of the Meeting of the Parties and was circulated to all Official Contacts on 1st June 2018 in accordance with Regulation 9.2.

A summary of the main findings of the External Auditors report has been extracted and is provided in the box below.

**Summary of main findings provided in the External Auditors Report (Source: MoP5-Doc11)**

We have conducted an examination of the financial statement in conformity with generally accepted auditing standards and we can report on the following relevant matters

- a) the financial statements in the Financial Report are based on proper accounts and records;
- b) the financial statements in the Financial Report accord with the accounts and records;
- c) the income, expenditure and investment of moneys, the acquisition and disposal of assets and the management of liabilities by the Meeting of the Parties during the year has been in accordance with these Regulations

We have regarded the budgetary provisions for the audit and certified

- that the financial statements accord with the books and records of the Meeting of the Parties;
- that the financial transactions reflected in the statements have taken place in accordance with the relevant SIOFA rules and regulations, the budgetary provisions, and other applicable directives;
- that the monies on deposit and on hand have been verified by a statement from relevant financial institutions.

## Financial Resources

Annual contributions received as at 07 June 2018 are provided in Table 1 below. An outstanding balance of EURO 153,479 remains to be paid.

**Table 1:** Annual contributions per financial year (as at 07 June 2018)

	2015	2016	2017	2018	Balance
Australia	5,250	22,672	46,335	41,887	
Cook Islands	1,250	22,672	46,335	41,887	
EU	5,250	22,672	46,335	41,887	
France	5,250	22,672	46,335	41,887	
Japan	5,250	22,672	46,335	41,887	
Korea	5,250	22,672	46,335	41,887	
Mauritius	1,250	10,580	21,623	19,712	41,335
Seychelles	1,250	22,672	46,335	41,887	112,144
Thailand			40,543	41,887	
<b>Total Invoiced</b>	<b>30,000</b>	<b>169,283</b>	<b>386,512*</b>	<b>354,808</b>	<b>153,479</b>

NOTE \* Adopted budget 345,968 + Thailand contribution Thailand after becoming a Party 21 May 2017. In accordance with Financial Reg 5.5 Thailand 2017 contribution calculated as follows  $345,968 - 21,623 / 8 = 40,543$

SIOFA has received the following voluntary contribution shown in Table 2.

**Table 2:** Voluntary contributions

Party	Contribution	Date
EU	€ 17,640	22 March 2018

This voluntary contribution provided by the EU via grant application, comprises the first payment for a consultancy cost associated to a project entitled 'SIOFA Orange Roughy Stock Assessment and Harvest Control Rule'. A second reimbursement payment of 7,560 EURO is pending. The total paid to this project from the SIOFA 2017 budget 'Contracts for Specific Services' was 30,000 EURO. This voluntary contribution is a reimbursed percentage of this cost and is paid back into the SIOFA 2018 budget 'Contracts for Specific Services' and made available to fund additional approved research projects.

### SIOFA General Account and Sub Accounts

The status of the SIOFA General Account and sub accounts are provided in Table 3 below.

**Table 3:** Status of SIOFA GENERAL ACCOUNT - ACCORD POUR LA PECHE DANS LE S - N° 127 03 1028 (as at 07/06/2018)

Accounts	Date	Balance	Currency
General Account - <i>Compte à Vue</i>	07/06/2018	317,574	Euro
SIOFA Credit Card - <i>Carte Bancaire</i>	07/06/2018	-7,780	Euro
Reserve Fund - <i>Compte sur livret</i>	07/06/2018	16,585	Euro
Pension Executive Secretary - <i>Livret A</i>	07/06/2018	136	Euro
Pension Data Manager - <i>Livret Reunion/Mayotte</i>	07/06/2018	3,639	Euro

In accordance with Finance Regulation 7.6 the Meeting of the Parties shall attempt to maintain a 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 cost of operating for the first 3 months, including the costs of financing the SC meeting normally held in March, has been estimated at Euro 64,400 plus 10% of 2018 annual contribution (EURO 34,000) requires a reserve fund of approximately EURO 99,000. A dedicated sub-account has been created to manage and build this reserve fund. To date this reserve has been built using the emergency/contingency contribution of the 2017 and 2018 budgets and totals EURO 16,585 as shown above in Table 3.

**The Secretaries seeks MoP approval** for the creation of the sub account 'Reserve Fund' and ongoing transfer of unused 'emergency/contingency funds' (currently set at 2.5% of approved budget) to the Reserve Fund.

Subtracting the SIOFA Credit Card expenditure to be debited, the amount available for expenditure in the General Account is EURO 309,793 (317,574 – 7,780) and this includes the unspent balance of closed 2016 budgets totalling EURO 33,611.

**The Secretariat seeks MoP approval** to move the unspent 2016 budget of EURO 33,611 to the Reserve Fund.

Should this be approved this will increase the reserve fund to EURO 50,196.00 and provide a total amount of EURO 276,182 to meet the remaining budget allocations for 2018 which has been estimated at EURO 250,491.