

The Southern Indian Ocean Fisheries Agreement (SIOFA) 6th Meeting of the Parties
01-05 July 2019

Pearle Beach Resort & Spa conference centre, Flic en Flac, Mauritius

MoP6-Doc07

Secretariat Report on Financial Resources

Relates to agenda item: 13.1

Proposal ☐ Working Paper ☐ Information Paper ☐ Other Document ☒

SIOFA SECRETARIAT

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 MoP6-Doc06 SIOFA Financial Report and External Auditors Report 2018.

To provide the MoP with more up to date information, this report provides an update on the status of SIOFA financial resources as at 04 June 2019.

SECRETARIAT REPORT ON FINANCIAL RESOURCES

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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. Crowe Horwarth are based in Saint-Denis.

External Auditor

Mr Arnaud FAYOL is the external auditor for SIOFA, his engagement was previously authorised by SIOFA Chairperson following consideration of three quotations submitted. Mr FAYOL is based in Saint-Denis.

Financial Report and External Auditors Report

MoP6-Doc06 provides the external Auditors Report and Financial Report for 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.

FINANCIAL RESOURCES

This report provides an overview of the budget position and contributions received as at 06 June 2019.

In summary the overall financial position of SIOFA is currently good owing to savings made on previous years budgets and receipt of voluntary contributions.

Tables 1, 2 and 3 below provide an update on the status of finance resources as at 06 June 2019.

Annual Contributions

Annual contributions received as at 06 June 2019 are provided in Table 1 below. An outstanding balance of **EURO 69,833** remains to be paid.

Table1: Annual contributions per financial year in EUROS (as at 04.06.2019)

	2015	2016	2017	2018	2019	Balance	Date last payment
Australia	5,250	22,672	46,335	41,887	47,487	0	2018-10-09
Cook Islands	1,250	22,672	46,335	41,887	47,487	0	2018-10-31
EU	5,250	22,672	46,335	41,887	47,487	0	2019-01-22
France	5,250	22,672	46,335	41,887	47,487	0	2018-09-21
Japan	5,250	22,672	46,335	41,887	47,487	0	2018-10-10
Korea	5,250	22,672	46,335	41,887	47,487	0	2019-02-28
Mauritius	1,250	10,580	21,623	19,712	22,347	22,347	2018-08-06
Seychelles	1,250	22,672	46,335	41,887	47,487	47,487	2019-02-21
Thailand			40,543	41,887	47,487	0	2018-10-25
Total Invoiced		169,283	386,512*	354,808	402,241	69,833	

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 $345,968 - 21,623 / 8 = 40,543$

Voluntary Contributions

SIOFA has received the following voluntary contributions as shown in Table 2.

Table 2: Voluntary contributions (as at 04.06.2019)

CCP	Contribution	Date	Project
EU	€ 17,640	Thursday 2018-03-22	SC Orange Roughy Assessment 1st payment
EU	€ 9,632	Wednesday 2018-06-27	SC ERA Deepwater sharks 1st payment
EU	€ 7,560	Friday 2018-09-28	SC Orange Roughy Assessment final payment
EU	€ 7,841	Tuesday 2018-11-13	Alfonsino & P. toothfish Studies 1st payment
EU	€ 3,526	<i>final claim submitted</i>	SC ERA Deepwater sharks final payment
EU	€ 7,841	<i>final claim submitted</i>	Alfonsino & P. toothfish Studies final payment
Received	€ 42,673		
Pending	€ 11,367		

These voluntary contributions are provided by the EU via a grant application process. To date the Secretariat has submitted 3 successful applications, drawing down EURO 42,673 into the SIOFA account with a further payment of EURO 11,367 pending processing of final claims. These voluntary contributions are a reimbursed percentage (>80%) of approved projects and is paid back into the SIOFA SC budget 'Contracts for Specific Services' and, pending MoP approval, could be made available to fund future approved SC activity projects. Details of which are provided in Table 5 below.

Requests for voluntary donations to contribute to the proposed SC Research Activities 2020 budget (MoP6-Doc08) has been sent to all CPs and Observers. To date no offers of contributions have been received.

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 04/06/2019)

Accounts	Date	Balance	Currency
General Account - <i>Compte à Vue</i>	04.06.2019	362,055	Euro
Sub Account: SIOFA Credit Card - <i>Carte Bancaire</i>	04.06.2019	-3,381	Euro
Sub Account: SIOFA Reserve Fund - <i>Compte sur livret</i>	04.06.2019	185,046	Euro
Sub Account: Currently unused - <i>Livret A</i>	04.06.2019	10	Euro
Sub Account: Currently unused - <i>Livret Reunion/Mayotte</i>	04.06.2019	10	Euro
Total available to SIOFA		543,740.44	

SIOFA Reserve Fund

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 75,000 plus 10% of 2019 budget (EURO 40,022) requires a reserve fund of approximately EURO 115,000. A dedicated sub-account called 'SIOFA Reserve Fund' has been created to manage this reserve fund which has been built using the emergency/contingency contributions of the 2017-2019 budgets plus unspent budgets of 2016-17 and currently totals EURO 185,046 as shown above in Table 3. Therefore, the requirement of Finance Regulation 7.6 to build up an emergency fund has been exceeded and achieved without requiring additional contributions from Contracting Parties.

Details of the SIOFA Reserve Fund are provided in Table 4 below.

Table 4: SIOFA Reserve Fund - *Compte sur livret* (as at 04/06/2019)

Movements	Date	Balance	Currency
Opening account	2017-05-16	10	Euro
2016 Emergency/Contingency fund	2017-06-01	4,129	Euro
2017 Emergency/Contingency fund	2017-06-01	8,439	Euro
Interest	2017-12-31	7	Euro
2018 Emergency/Contingency fund - part 1	2018-01-16	4,000	Euro
Payment for SC3 meeting venue*	2018-11-30	-4,238	Euro
Unspent 2016 funds	2018-12-16	34,799	Euro
Unspent 2017 funds	2018-12-15	123,411	Euro
2018 Emergency/Contingency fund - part 2	2018-12-19	4,655	Euro
2018 Emergency/Contingency fund	2018-12-18	9,811	Euro
interest	2018-12-31	23	Euro
Balance		185,046	Euro

*Expenditure associated with unforeseen liquidation and closure of the original SC3 venue 10 days before the meeting start date, necessitating need for emergency funds to fund an alternative venue. Authorised by Chair in emailed dated 09/03/2018

In addition, there are currently unspent 2018 budget funds of **EURO 72,998**. 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 2018 budget will only be paid into the SIOFA Reserve Fund at the end of 2019. 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.

SIOFA Scientific Committee Activity Budget

Each year the MoP contribute funds to the SIOFA Budget item 9 Contract for Specific Budgets. To date contributions to this budget have been made for identified and approved SC activities. Owing to unforeseen circumstances it has not always been possible for activities to start and funds are unspent. Additionally, to date it has been possible to claim through the EU Voluntary funds, reimbursement of up to 80% of some project costs which, pending MoP approval, may then be made available for future SC activities projects. To facilitate the work of the SC, MoP is requested to consider authorising the 'rolling over' of these funds to allow a reserve to be built up. This would make it possible to fund and commence activities immediately following approved by MoP in June/July each year and avoid delaying commencement towards the end of the year or the next year when funds for the budget year associated to the activity have been paid.

MoP Action: MoP to consider authorising the rolling over of unspent SC activities contributions to allow a reserve to be built up which can be used to facilitate the work of the SC

Details of the proposed SIOFA SC Activities Fund are provided in Table 5 below.

Table 5: SIOFA SC Activities Fund – held within the SIOFA GENERAL ACCOUNT (as at 04/06/2019)

Movements	Date	Balance	Currency
2018 Budget: Contracts for Specific Budgets	~	30,000.00	Euro
EU Fund - SC Orange Roughy Assessment 1st payment	2018-03-22	17,640.00	Euro
CSIRO Deep Water Sharks ERA 10k AUD	2018-05-24	-6,575.92	Euro
EU Fund - SC ERA Deepwater sharks 1st payment	2018-06-27	9,632.00	Euro
EU Fund - SC Orange Roughy Assessment final payment	2018-09-28	7,560.00	Euro
James Cook University Deep Water Sharks ERA	2018-12-14	-3,200.00	Euro
Alfonsino & P. toothfish Scoping Studies 1st payment	2018-10-13	7,841.00	Euro
CSIRO Deep Water Sharks ERA 10k AUD	2018-10-29	-6,498.57	Euro
2019 Budget: Contracts for Specific Budgets	2018-10-30	40,935.92	Euro
	Balance	97,334.43	Euro

Details of transfers between budget items

The Meeting of the Parties (MoP4) requested that the Executive Secretary includes in future Financial Reports contributions received, approved transfers between budget items (and sub-items) including confirmation of no transfers.

Transfers in excess of 10% between sub items, or up to 10% between items authorised by MoP Chair in accordance with SIOFA Finance Reg 4.3.

Transfers less than 10% between sub-items of an item authorised by SIOFA Executive Secretary in accordance with SIOFA Finance Reg 4.3

Details of approved transfers between budget items, including confirmation of no transfers, for the budget year of 2018 have been provided below.

Table 6: SIOFA 2018 Budget Transfers Between Appropriation Categories

No	From sub-item	To sub-item	Amount EURO	Authorisation By
1.0 Personnel Costs - no transfers				
2.0 Property, Plant and Equipment				
1	2.5 Depreciation	2.4 Office Equipment	2,000 (>10%)	MoP Chairperson - email 25/07/2018
3.0 Meeting Support SC3, SAWG				
2	3.2 SC3 Catering	3.1 SC3 Hosting venue	4,000 (>10%)	MoP Chairperson - email 29/05/2018
3	3.4 SC3 Support	3.1 SC3 Hosting venue	413 (<10%)	Authorised by Executive Secretary
4.0 Meeting Support MoP4 & CC1 - no transfers				
5.0 Representation Costs - no transfers				
6.0 Administration of Article 13.4 - no transfers				
7.0 Communication and IT - no transfers				
8.0 Financial Services - no transfers				
4	8.2 Audit	8.1 Book Keeping	408 (<10%)	Authorised by Executive Secretary
9.0 Contracts for Specific Services - no transfers				
10.0 Miscellaneous - no transfers				
SIOFA Reserve Fund				
5	Reserve Fund	3.1 SC3 Hosting venue	4,238	MoP Chairperson - email 09/03/2018

Details of approved transfers between budget items, including confirmation of no transfers, for the budget year of 2019 have been provided below in Table 7.

Table 7: SIOFA 2019 Budget Transfers Between Appropriation Categories (as at 04.06.2019)

No	From sub-item	To sub-item	Amount EURO	Authorisation By
1.0 Personnel Costs - no transfers				
2.0 Property, Plant and Equipment - no transfers				
3.0 Meeting Support SC4, PAEWG, SERAWG				
1	3.1 Hosting venue	3.2 SC4 Sec. travel acc.	12407.1 (100%)	MoP Chairperson - email 24/07/2018
2	3.3 Support costs	3.2 SC4 Sec. travel acc.	439.29 (8%)	Authorised by Executive Secretary
4.0 Meeting Support MoP4 & CC1 - no transfers				
5.0 Representation Costs - no transfers				
3	5.1 Representation	3.2 SC4 Sec. travel acc.	693.49 (7%)	MoP Chairperson - email 06/03/2019
6.0 Administration of Article 13.4 - no transfers				
7.0 Communication and IT - no transfers				
8.0 Financial Services - no transfers				
9.0 Contracts for Specific Services - no transfers				
10.0 Miscellaneous - no transfers				
SIOFA Reserve Fund - no transfers				