
FINANCIAL STATEMENT: FINANCIAL YEAR 2015

PREPARED BY: IOTC SECRETARIAT, LAST UPDATED: 23 MARCH 2016

PURPOSE

1. To provide the Standing Committee on Administration and Finance (SCAF) with the end of year financial statement for the Commission (financial period: 1 January 2015 to 31 December 2015).

STATUS OF CONTRIBUTIONS TO THE AUTONOMOUS BUDGET IN 2015

2. [Table 1](#) indicates the status of contributions as of 31 December 2015 in United States Dollars (US\$), as reported to the IOTC Secretariat by the FAO Department of Administration and Finance. Note that the budget of IOTC is entirely autonomous, and paid for exclusively by its Contracting Parties (Members), as no financial contributions are made from the FAO Regular Program.
3. The cumulative total of outstanding contribution payments has remained constant between 2014 and 2015 (US\$1,962,795 as of December 31st 2014 and US\$1,963,494 as of December 31st 2015). Twelve (12) Contracting Parties (Members) have significant payments in arrears (see Financial Reg V.3).
4. As of the reporting date, seven Contracting Parties (Members) have contributions that are in arrears by two years or more: Eritrea; Guinea, I.R. Iran; Pakistan; Sierra Leone; Sudan; and Yemen.
5. The IOTC has faced considerable risk of reduced operations due to unpaid contributions in recent years. The IOTC is facing less financial pressure with regard to over-expenditure, against contributions received, due to significant savings in the 2015 financial year. Savings were achieved within lower Administrative and Operating expenditures (approximately US\$462,000). As at 31 December 2015, the IOTC is registering an overall balance of approximately US\$50,000.

EXPENDITURES FOR THE YEAR 2015

6. A comparison between the budgeted and actual expenditures is provided in [Table 2](#) whereas [Table 3](#) provides a summary specifically for salary-related costs. At the level of the overall 2015 budget, there was an under-expenditure of approximately US\$462,000 (14% variance), due to professional vacant positions and the savings under operating expenditures. The savings under ICRU (approximately US\$78,000) were utilised within the Meeting Participation Fund (MPF) as per Circular 2014–85.
7. Expenditures are carefully scrutinised, due to the gap in contributions against approved budget. Therefore, Operating expenditures also experienced a saving of approximately US\$79,000. A contribution-based expenditure approach has brought expenditures in line with annual contributions received.

Table 1. Status of Contracting Party (Member) contributions to the IOTC autonomous budget (in US\$)

Contracting Party (Member)	Outstanding contribution as of 31 December 2015 (all years prior to 2015)	Contribution due for 2015	Received contributions in 2015	Total contributions in arrears as of 31 December 2015
AUSTRALIA	0	157,472	157,472	0
BELIZE	0	40,185	40,185	0
CHINA	0	91,631	91,631	0
COMOROS	24,846	26,781	24,805	26,822
ERITREA	171,545	24,348	0	195,893
EUROPEAN UNION	0	703,112	703,112	0
FRANCE (OT)	0	129,309	129,309	0
GUINEA	132,950	10,358	0	143,308
INDIA	0	142,832	142,832	0
INDONESIA	0	244,451	244,451	0
IRAN	634,317	157,611	0	791,928
JAPAN	0	189,287	189,287	0
KENYA	15,518	24,247	14,748	25,017
KOREA, Rep. of	0	150,752	150,752	0
MADAGASCAR	20,255	28,776	10,542	38,490
MALAYSIA	0	69,497	69,497	0
MALDIVES	0	109,867	109,867	0
MAURITIUS	0	53,976	53,976	0
MOZAMBIQUE	0	25,946	25,946	0
OMAN	0	156,274	156,274	0
PAKISTAN	262,716	84,897	185,023	162,590
PHILIPPINES	0	54,332	53,180	1,152
SEYCHELLES	0	94,369	94,369	0
SIERRA LEONE	28,158	10,233	0	38,391
SOMALIA	0	10,233	0	10,233
SRI LANKA	0	110,296	110,296	0
SUDAN	237,766	40,021	0	277,787
TANZANIA	0	27,495	27,495	0
THAILAND	10,269	62,532	70,304	2,497
UNITED KINGDOM (OT)	0	129,343	129,343	0
VANUATU	61,154	40,109	45,268	55,995
YEMEN	119,383	74,008	0	193,391
Total	1,718,877	3,274,580	3,029,964	1,963,494

Table 2. Comparison between actual and budgeted expenditures in 2015 (in US\$)

	Budget Item Description	Budget	Actual	Variance	Percent Variance
1	Administrative Expenditures				
1.1	Professional Salaries	1,156,661	929,625	227,036	20%
1.2	General Service Salaries	67,128	68,028	-900	-1%
	Sub-total Salaries	1,223,789	997,653	226,136	18%
1.3	Employer contributions to Pension Fund and Health Insurance	321,780	273,358	48,422	15%
1.4	Employer contribution to FAO Entitlement Fund	568,829	544,433	24,396	4%
1.5	ICRU	131,006	53,141	77,865	59%
1.6	Total Administrative Expenditures	2,245,404	1,868,585	376,819	17%
2	Operating Expenditures				
2.1	Support to Capacity Building	115,000	13,614	101,386	88%
2.2	Consultants	145,500	156,945	-11,445	-8%
2.3	Duty travel	191,400	146,414	44,986	24%
2.4	Meetings	55,000	59,141	-4,141	-8%
2.5	Interpretation	120,000	138,265	-18,265	-15%
2.6	Translation	105,000	99,704	5,296	5%
2.7	Equipment	16,500	16,098	402	2%
2.8	Operating Costs	69,300	43,901	25,399	37%
2.9	Printing	23,100	7,830	15,270	66%
2.10	Contingencies/Miscellaneous	6,600	1,663	4,937	75%
2.11	MPF	60,000	144,641	-84,641	-141%
2.12	Total Operating Expenditures	907,400	828,216	79,184	9%
	SUB-TOTAL	3,152,803	2,696,801	456,002	14%
3	Additional Contributions Seychelles	-20,100	-20,848	748	4%
	TOTAL	3,132,704	2,675,953	456,751	15%
4	FAO Servicing Costs	141,876	136,551	5,325	4%
5	GRAND TOTAL	3,274,580	2,812,504	462,076	14%

Explanatory notes on expenditures for 2015**Salaries – Professional grade staff (1.1)**

8. Professional Salaries were below the budgeted figure, with a savings of approximately US\$227,000 (20% variance) due to the following 2015 vacant positions: Data Coordinator (April-December); Stock Assessment (October-December) and; the Executive Secretary (November-December).

General Service staff (1.2)

9. General Service salaries are slightly higher than the budgeted figure (-1% variance) due to currency exchange variances between the Seychelles Rupee and the United States Dollar. Overtime is inclusive of General Service salaries and compensates for the after-hours work during meeting periods and preparation of reports.

Employer contributions (1.3 & 1.4)

10. Employer contributions to the Pension Fund and health insurance costs were below budgeted figures (15% variance), due to the staff vacancies referred to in para. 8 and employer contributions to the FAO entitlement fund were slightly below the budgeted amount (4% variance).

Capacity building (2.1)

11. The budget line on Capacity Building shows expenditures substantially below the budgeted figure (88% variance). This is a consequence of the Executive Secretary seeking savings.

Consultants (2.2)

12. The total expenditure for consultants is made up of a range of expenditures relating to the support provided by external scientific experts, including other planned consultancy fees. The over expenditure under this account line equalled approximately US\$11,000 (-8% variance) due to Commission requests related to the Cost Benefit exercise and the work related to the Performance Review Committee.

Duty travel (2.3)

13. Duty travel includes travel of staff, mostly to participate in meetings of the Commission or its subsidiary bodies. Details of the travel undertaken in 2015 under the support of the Commissions regular budget, is presented in [Appendix I](#). A travel savings of approximately US\$45,000 (24% variance) was largely related to excess budgeting.

Meetings (2.4)

14. The cost for meetings (approximately US\$59,000) were slightly over-expended due to the Performance Review Committee's two meetings in Seychelles in 2015 (-8% variance) not being budgeted. The expenditures under this category include rental of premises, data lines and sound equipment as required, as well as incidentals such as transport and breaks.

Interpretation (2.5)

15. The costs for interpretation included interpreter fees (approximately US\$79,500) and travel (approximately US\$58,500) for teams of six interpreters at the Commission and the Scientific Committee. There was an over expenditure in 2015 of approximately US\$18,000 (-15% variance) due to increased costs for FAO affiliated interpreters.

Translation (2.6)

16. The IOTC Secretariat registered approximately US\$5,000 in savings (5% variance).

Equipment (2.7)

17. The equipment account line registered an under-spend of approximately US\$400 (2% variance).

General operating costs (2.8)

18. General Operating costs include a series of expenditures related to the normal functioning of the IOTC Secretariat office in the Seychelles. [Table 4](#) shows a detail of the costs for 2015. The difference between the budgeted amount (US\$69,300) and actual operating costs (approximately US\$44,000) represented a 37% variance.

Printing (2.9)

19. Funding for Printing was under-spent (approximately US\$15,000 or 66% variance) as the Commission had previously made a decision to move towards a paperless work environment and the fact that there were no recommendations from any of the Committee's to use the fund for alternative printing purposes (e.g. species identification cards).

Contingencies (2.10)

20. As required by provisions in the Financial Regulations, a contingency budget line provides for miscellaneous expenditures that are confronted by the Secretariat and do not fit into the pre-defined account structure of the operating expenditures. There was an under-spend of this line of approximately US\$5,000 or 75% variance.

Meeting Participation Fund (MPF) (2.11)

21. The approved MPF budget for 2015 was US\$60,000. In addition to this amount, Membership agreed to place future reductions of the budget under Improved Cost Recover Uplift (ICRU) within the MPF budget. FAO announced a reduction of the ICRU charges in 2014 and US\$77,865 was added to the 2015 MPF budget (giving a total budget of US\$137,865 against a 2015 expenditure of US\$144,641). Therefore, the expenditure (-141% variance) is only shown against the original approved budget of US\$60,000. The meetings and number of MPF participants are reflected in [Appendix II](#).
22. In total 70 participants from 16 countries were funded in 2015 (i.e. airfare and accommodation) under the MPF for a total of US\$144,641. All trips were organised by the IOTC Secretariat. In addition to the IOTC regular budget, extra-budgetary resources from Australia, ABNJ and COI-SmartFish were instrumental in assisting developing coastal state countries in participating in the various meetings in 2015 (detailed below).

Seychelles additional contributions (3)

23. The additional contribution from the Government of Seychelles is in line with the revised Headquarters Agreement between the Food and Agriculture Organization of the United Nations and the Government of the Republic of Seychelles. The current contributions from the Government of Seychelles are intended to defray some of the costs of operating the Secretariat, including the costs of the Information Technology Consultant in Seychelles. The forecasted contributions were US\$20,100 and actual receipts were US\$20,848.

FAO Project Service Cost (4)

24. The FAO Project Servicing cost in 2015 was US\$136,551 representing a 4% variance.

Table 3. Detail of Staff-related costs during 2015 (in US\$)

	General Staff	Professional Staff
Base Salary at Actual	66,057	633,953
Basic Medical Insurance Plan	35,266	33,103
Contrib. to FAO entitlement fund	32,366	512,068
Pension Plan	12,395	192,594
Post Adjustment	0	295,672
Overtime	1,971	0
Improved Cost Recovery Uplift	4,152	48,988
Total	152,207	1,716,378
		1,868,585

Table 4. Detail of General Operating Costs in 2015 (in US\$)

Expenditure	Actual costs
Telephone	8,077
Internet	13,053
Postage	836
Office Supplies	10,783
Cleaning	3,410
Vehicle	3,279
Website	4,462
TOTAL	43,901

FINANCIAL STATUS

25. The IOTC Secretariat has initiated a process to budget and monitor expenditure, within the FAO mandated project structure, on a yearly basis. An IOTC umbrella has been created for the various projects and activities that fall under the IOTC Secretariat's structure. New agreements, projects and specifically and uniquely funded recommendations now appear as stand-alone projects with allocated budgets. The MPF project has also been created with a zero percent project servicing cost. It is a multi-donor project that any member can join and contribute resources to. The main objective of these actions is to provide a clear picture of individual budgets, expenditure and monitoring of resources under the responsibility of the IOTC Secretariat.

26. As viewed within [Table 2](#), a grand total of US\$2,812,504 has been spent against a budget of US\$3,274,580 in 2015 (14% variance). It is important to note that until all 2015 contributions are received (approximately US\$245,000 outstanding) the savings specified are less than indicated, due to the total arrears in contributions from Contracting Parties. Taking into account the total historical arrears in contributions (which include 2015), approximately US\$2 million is outstanding as of 31 December 2015. The IOTC Secretariat continues to pursue payment of these outstanding arrears and, at the same time, continue its implementation of a contributions-based expenditure.

27. The overall historical balance is approximately US\$50,000 as at 31 December 2015.

EXTRA-BUDGETARY FUNDS

28. The IOTC Secretariat has conducted special activities funded by allocations of extra-budgetary funds. The extra-budgetary contributions utilised in 2015 are summarised in [Table 5](#).

Table 5. Extra-budgetary funding in 2015

Area of Work	Organisation	Description	Amount US\$
Compliance	World Bank	Follow-up CSM/PSM; e-PSM; Legal Assistance	\$300,000
Compliance	COI-SmartFish	Regional Port State Measures training on interagency collaboration and regional cooperation	\$80,000
Capacity Building	European Union	Travel and Consultancies	\$79,000
Compliance	European Union (MARSIC, DRTC)	Port State Measures training (Djibouti/Somalia)	\$70,000
Science & Data	BOBLME	Indonesia statistical systems development and capacity building	\$58,850
Meeting Participation Fund	Australia	Travel – S19 Korea, 3 rd Science and Management Processes, Thailand	\$53,700
Science & Data	OFCF	Project activities	\$45,000
Science	ABNJ	Management Strategy Evaluation: Travel – Rep. of Korea & France	\$36,000
Science & Data	European Union	Regional Observer Scheme: Workshops and technical support	\$29,252
Science & Data	CMS	Regional Observer Scheme: Workshops and technical support	\$22,000
Compliance	ABNJ	CSM/PSM Training (Maldives)	\$11,500
Science & Data	WWF	Regional Observer Scheme: Workshops and technical support	\$8,000
Science & Data	ABNJ	CLAV development (consultant)	\$6,000
Compliance	COI-SmartFish	Follow-up CSM/PSM Training (Kenya, Mauritius, Comoros)	\$5,500
Total			804,802

RECOMMENDATION/S

That the Standing Committee on Administration and Finance **NOTE** paper IOTC–2016–SCAF13–04 which includes the Financial Statement and supporting documentation for the financial period 01 January 2015 to 31 December 2015.

APPENDICES

Appendix I: [Staff travel: 2015](#)

Appendix II: [Meeting Participation Fund usage: 2015](#)

APPENDIX I
STAFF TRAVEL: 2015

Meeting / Event description	Date and Location	Duty Travel (No. of Secretariat Participants)
Capacity building in support of CSM Mombasa	11-15 Jan, Kenya	1
IUU Expert Workshop Rome	2-5 Feb, Italy	1
Capacity Building Sri Lanka	21-25 Feb Colombo	1
3rd Workshop on Connection of IOTC Science and Management Processes	10-12 Feb Bangkok, Thailand	2
Meetings: Minister of Fisheries & Permanent Secretary, Mauritius, EU Ambassador, & Secretary General of Indian Ocean Rim Association	21-28 Feb Port Louis, Mauritius	1
CSM Mauritius	21-28 Feb Port Louis, Mauritius	1
CCBST Tokyo	3-6 Mar, Japan	1
ISSF Stock Assessment Workshop San Francisco	13-19 Mar, USA	1
CoC12, SCAF12 and S19	20 Apr-1 May Busan, Korea	7
PSM Djibouti	12-23 May Djibouti	1
Harvest Strategy Development Workshop	18-23 May Bali	1
Capacity building Regional Observer Scheme	21-25 May Colombo	1
WPNT05	26-29 May Zanzibar	3
Fish-I Africa Task Force Meeting	2-4 June, Nairobi	1
IOTC-OFCF Mission Indonesia	8-20 June Jakarta	1
E-PSM Maputo	23-26 June, Mozambique	3
Bigeye tuna Assessment Review Meeting, Madrid	10-16 July, Spain	1
ACP Meeting Brussels	18-28 July, Brussels, Belgium	1
ABNJ 2nd Steering Committee	28-30 July, Rome, Italy	1
International Conference on Blue Economy	16-18 Aug Goa, India	1
CSM/PSM Maldives	16-21 Aug, Male, Maldives	2
WPB13 & WPEB11	1-11 Olhao, Portugal	3
Meeting, Tehran	19-24 Sept, Iran	1
SmartFish, Rome	21-22 Sept, Italy	1
CSM Tehran	27-30 Sept, Iran	2
CSM Sri Lanka	6-10 Oct, Colombo	1
Regional Observer Scheme, Muscat	16-23 Oct, Oman	2
WPM6, WPDCS11 & WPTT17	19-28 Oct Montpellier, France	3
Port State Measures Training Madagascar	25 Oct-1 Nov Antananarivo	1
SC18	23-27 Nov Bali, Indonesia	3
Fish-I Africa Task Force Meeting	1-3 Dec Zanzibar, Tanzania	1

APPENDIX II
MEETING PARTICIPATION FUND USAGE: 2015

IOTC Meetings	Date and place (2015)	Number of Participants	Meeting Participation fund
3 rd Workshop on Connecting the IOTC Science and Management Process	10-12 Feb (Bangkok, Thailand)	31	8
2 nd Performance Review Meeting (1/2)	6-10 Feb (Seychelles)	11	2
12 th Compliance Committee, 12 th Standing Committee on Administration and Finance, 19 th Commission meeting	20 Apr-1 Mar (Busan, Korea)	186	14
5 th Working Party on Neritic Tunas	26-29 May (Zanzibar, Tanzania)	24	9
13 th Working Party on Billfish	1-5 Sep (Olhao, Portugal)	23	7
11 th Working Party on Ecosystems and Bycatch	7-11 Sep (Olhao, Portugal)	37	6
6 th Working Party on Methods	19-21 Oct (Montpellier, France)	21	5
11 th Working Party on Data Collection and Statistics	22 Oct (Montpellier, France)	20	1
17 th Working Party on Tropical Tunas	23-28 Oct (Montpellier, France)	37	5
18 th Scientific Committee	23-27 Nov (Bali, Indonesia)	74	11
2 nd Performance Review Meeting (2/2)	14-18 Dec (Seychelles)	11	2