



Pacific Immigration Development Community

2023/24 Board Meeting 2

14 – 15 March 2024: Apia, Samoa

Agenda Item 3(b): Audit and Risk Committee

Purpose

To update the Board on the (i) financial performance of the Secretariat; (ii) progress of the procurement and travel policy; (iii) membership review subscription update and (iv) draft vehicle policy for approval.

(i) Financial Update

Purpose

2. The purpose of this paper is to brief the Board on the financial state of the PIDC Secretariat for the current financial year period 1 July – 29 February 2024 (*Quarter 1-3 of this financial year*)

Background

3. The financial update is provided at Board Meetings as a standing agenda item to inform the Board and Members of the current state of PIDC finances. All figures are represented in Samoan tala (WST) unless specified otherwise.

4. The financial update is for the period 01 July 2023 to 29 February 2024. The Secretariat have summarised an overview of the Secretariat finances for the current financial year until 29 February 2024

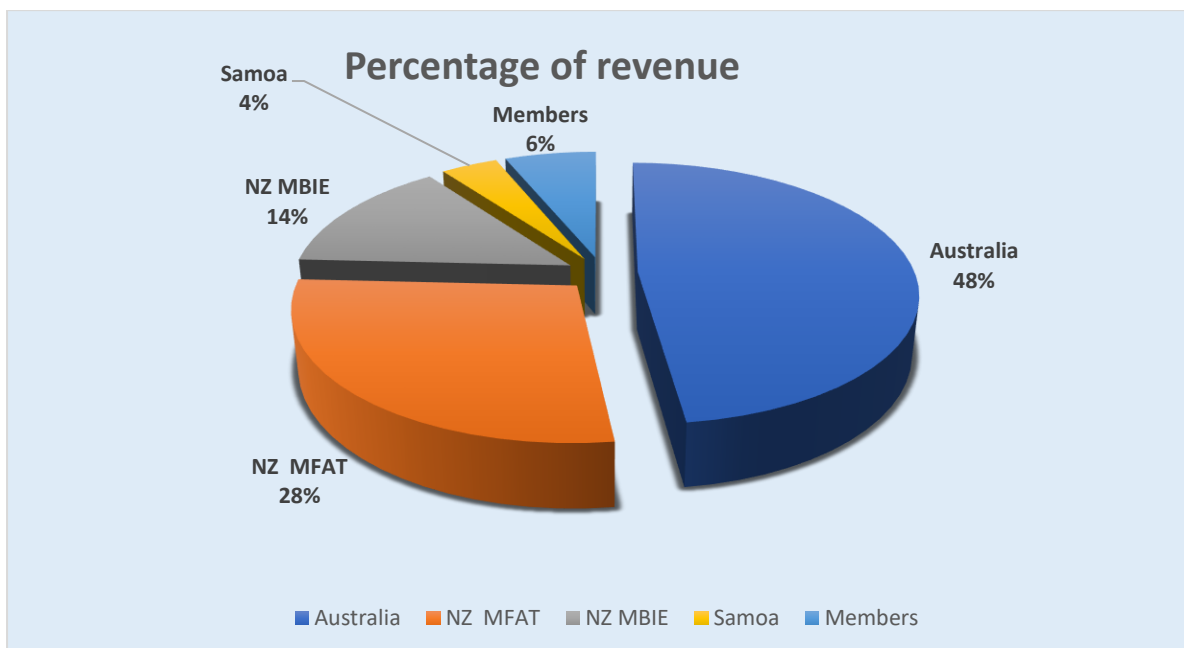
Overall Performance

5. For the period 01 July 2023 – 29 February 2024, the Secretariat received WST\$1,175,516 in revenue for quarter 1-3 in addition to the Deferred Income rollover from the last financial year of \$1,250,000. The income was mainly from Host Country support, Australia, both NZ MBIE and NZ department of Home Affairs and the Members contribution. The Secretariat is in a stable financial position with 84% of income already received as of last month. The only income that the Secretariat is yet to receive is from Australia, which the Secretariat will invoice in Quarter 4. It is encouraging to note that Members have been forthcoming in paying their annual contributions including outstanding contributions from prior years. Where Members contributions have been fully paid for the first time ever since the Secretariat was established in Samoa.

1. A. REVENUE

TABLE 1 – REVENUE

No	REVENUE	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Totals
		July-Sept	Oct-Dec	Jan-Feb	March-June	
		ACTUALS	ACTUALS	ACTUALS	Forecast	
	Deferred Income	1,250,000				1250,000
1	AUSTRALIA	-	634,475	-	485,525	1,120,000
2	New Zealand MFAT	-	648,716	-	-	648,716
3	New Zealand MBIE	329,077	-	-	-	329,077
4	Host Country- Samoa	24,800	24,800	16,534	24,666	90,800
5	Member Contributions	-	59,822	17,292	68,858	145,972
	Totals	1,603,877	1,367,813	33,826	579,049	3,584,565



6. The only income yet to be received is from Australia which the Secretariat is expected to receive in Quarter 4. The Secretariat is currently in discussion with New Zealand Ministry of Foreign Affairs and Trade in terms of the new funding agreement for the next three years as the funding agreement with NZ MFAT will conclude at the end for this current financial year on the 30th June 2024.

7. The Secretariat signed another three-year funding agreement with the Department of Home Affairs Australia with an extra \$100,000 AUD one off payment for PIDC visibility work. The Secretariat continues to thank Australia, New Zealand and Host Country Samoa for their support provided during the year.

TABLE 2: EXPENDITURE

2023/2024 EXPENDITURE	%	BUGET	ACTUAL	Variance	% Percentage
Operations	10%	350,000	245,000	105,000	70%
Capital Expenditure& Staff Capacity	3%	100,000	79,200	20,800	79%
Programme Activities	45%	1,608,290	800,419	807,871	50%
Salaries & Recruitment Costs	31%	1,108,510	674,409	434,101	61%
Subtotals	89%	3,166,800	1,799,028	1,367,772	57%
Carry over (2 months)	11%	380,000	380,000	380,000	
Totals	100%	3,546,800	2,179,028	1,757,620	61%

Percentage of Expenditure as per Budget

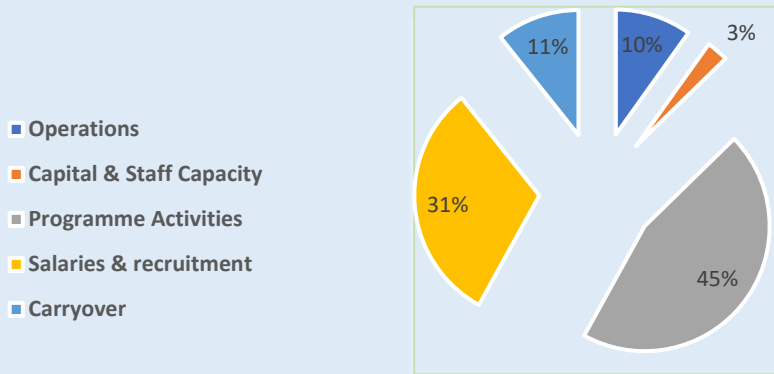
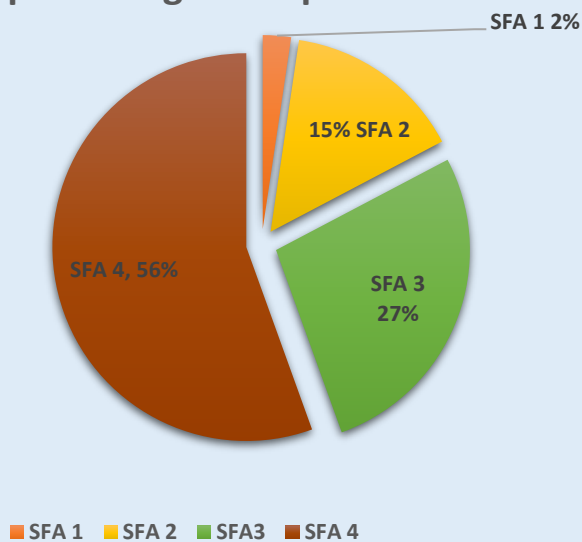


TABLE 3: SFA EXPENDITURE

2023/2024 EXPENDITURE	% of budget	BUGET	ACTUAL	Variance	% Percentage utilised
SFA1- PIDC Advocacy/Research Activity	1%	45,000	38,000	7,000	84%
SFA2 Legislation, Training curriculum, SOP, Strategic Planning, USP & Capacity Building	10%	360,000	255,000	105,000	72%
SFA 3- BMS, Website Support, ISWG, PIDC Visibility work, Members Intelligence	17%	600,000	305,000	295,000	51%
SFA 4 Annual Board Meeting, NCP, Regular Annual Meeting, Salaries & Operation cost	61%	2,161,800	1,201,028	960,772	56%
Subtotals	89%	3,166,800	1,799,028	1,367,772	57%
Carry over (2 months)	11%	380,000	380,000	380,000	
Totals	100%	3,546,800	2,179,028	1,757,620	61%

Actual percentage of Expenditure



8. Expenses for the current financial year as of 29 February 2024 was \$1,799 028. Expenditure breakdown is shown on table 2 above. The expenditure shown was mainly for the Programme. Activities that were planned for in quarter 1-3 like the PIDC membership Fee review, Secretariat stocktake review, Strategic Planning review, Procurement and Travel Policy review, the training curriculum and Members Website upgrade.

CASHFLOW FORECAST – APRIL -JUNE (QUARTER 4)

9. Closing cash balance as at 29th February 2024 was WST\$1,185,250. The Secretariat is on track to complete all the Programme Activities that is planned, for this current financial year. These includes the hiring of the consultancy for the Stocktake review for the Secretariat, the Membership Fee review, Strategic Planning Review, the Procurement Policy Review, The Travel Policy Review and the Secretariat visibility work as most of the work is currently in progress with the work estimated to be completed and payment to progress in quarter 4.

Table 3: Forecasted Expenditure for Quarter 4(March- June)

1. INCOME	\$ 579,049
2. EXPENDITURE	
2a) Operation Costs	\$ 105,000
2 b) Salaries & remuneration	\$277,128
2c) Travel & Regular Annual Meeting	439,029
2d) NCP & profiling Workshop	250,000
2e) Stocktake review	65,000
2f) Standard Operating Procedure	30,000
2g) Membership Fee review	57,500
2h) PIDC Visibility work	80,000
Total forecasted Expenditure	\$1,303,657

Proposed Recommendations

The Board is invited to:

- (i) note** the financial update and performance of the Secretariat for the period for 01 July 2023-29 February for the current financial year.
- (ii) thank and acknowledge** the continued financial support provided by the Principal Donors Australia, New Zealand, Samoa as Host Country and for their continued financial support to the Secretariat; and
- (iii) note** the expenditure breakdown provided as at 29 February 2024.

Membership Contribution Fund

10. As a standard agenda the Secretariat is required to update the Board on the timely payment of the Members contribution fund to the Secretariat income to assist the Secretariat with organising Programme Activities that have been approved by the Board. Consequently, the following is a summary of the contribution fund for the current 2023/2024 Financial Year as required under the PIDC Financial Regulation. The following table shows the outstanding contributions for Member's contribution as at 29 February 2024.

Table 4: Outstanding Member contributions as at 29 February 2024

Membership Contribution		Comments
Current Year	\$37,398	
Prior Year Contributions	-	For the first time on record to have no outstanding prior year contributions. All members have cleared all outstanding prior year contributions
Totals	37,398	
Members Outstanding Membership Fees		Comments
American Samoa	7,327	Paid by Cheque but working with American Samoa to pay online as ANZ no longer accepts cheque payments
New Caledonia	12,104	Currently in discussion regarding payment as they confirmed payment & waiting for PIDC account to record receipt of payment
Kiribati	5863	Currently liaising with the new Director in regards to payment
Niue	3458	Working with the new Acting Director to organise payment
French Polynesia	8646	Currently trying to reconcile detail payment with French Polynesia Finance department.
Totals	\$37,398	

11. Total Outstanding for Members Contribution stands at \$37,398 which is the outstanding for the current financial year. The Secretariat is grateful to all Members for their continued support and in paying for their Membership contribution on time as fir the first time that Members have been supportive in paying their prior years contribution fully. The Secretariat is currently working with the Consultant in terms of the Membership fee review with the report to be tabled to Members during the Regular Annual Meeting in June.

Proposed Recommendations

The Board is invited to:

- a) **note** Member’s contribution fund update as of 29 February 2024
- b) **acknowledge** Members continuous support in paying their prior years outstanding contribution for the first time in many years.

(a) Australia/NZ Funding Agreement Update

Background

20. The one-year funding agreement with the Department of Home Affairs Australia came to an end on 30 June 2023 where the Secretariat in consultation with Australia and in particular the Australian Home Affairs Board Member representative applied for a new three-year funding agreement at the conclusion of Australia’s one-year funding agreement on 30th June 2023.

21. The Secretariat has signed a three years funding agreement with an extra \$100, 000 AUD to support the Secretariats visibility work including the Secretariat website upgrade to support Members as well as the utilisation of social media platforms like Facebook and Instagram and also the recruitment of a communication specialist to support the Secretariat in its visibility programme showcasing and advocating PIDCs member activities and impact around the region.

22. In addition, the Secretariat had signed another three-year funding agreement with NZ MBIE in September 2023 with a funding of NZD\$200,000 per annum plus a \$20,000 in kind support. These is an increase of NZD\$20,000 per annum initially from their normal support during the previous year to support the stocktake consultancy which is currently underway. The Secretariat is also in discussion with the New Zealand Ministry of Foreign Affairs and Trade in terms of the new funding agreement for the next three years as the funding agreement with NZ MFAT will come to end in September 2024. The current stocktake report is expected to support PIDC's new business case proposal for a new funding agreement to reflect the emerging changes across the membership and operational landscape.

(ii) Procurement Policy and Travel Policy Briefing

Background

12. The Board would recall the Secretariat submitted a first draft of the Procurement Manual developed by the Procurement Specialist; and the first draft of the Travel Policy developed in house in the October Board meeting. The Board endorsed in principle the PIDC Travel Policy, and tasked the Secretariat to work intermittently with the Audit and Risk Committee to finalise the Draft Travel Policy and the Draft Procurement Manual to support the enforcement of the Financial Regulation 14 and 18, respectively.

Progress

13. Since the last Board meeting the Secretariat was unable to schedule intermittent sessions with the Audit and Risk Committee to review and finalise these documents due to conflicting schedules of the members, also some key staff took their pre-approved annual leaves in addition to Emily the former Audit and Risk Committee Chair completing her posting in the Pacific and returning to Canberra. However, this did not deter the Secretariat consequently continuing in house revisions to ensure the comprehensiveness and effectiveness of both documents, while pending suitable time for intermittent sessions with the Audit and Risk Committee.

Procurement Manual

14. Consequently, the Secretariat together with the Procurement Specialist carried out a thorough revision of the first draft following Board feedback. Significant changes to the Manual were made to incorporate Board initial feedback and to tailor content to suit the Secretariat's current structure and related processes.

15. Despite the Manual being in draft form, the Procurement Specialist completed intermittent online training sessions on the Manual with relevant Secretariat staff. Discussions from these sessions also assisted in refining the Manual. Only the tender document templates which are Annexes to the Manual are still being refined and trialled as it is important that these templates are not too cumbersome for interested bidders. This shall be completed by end of March 2024 with the full Manual scheduled to be workshopped with the Audit and Risk Committee for finalisation.

Travel Policy

16. Despite not being able to hold intermittent sessions with the Audit and Risk Committee on the first draft of the Policy. The Secretariat continued its revision of the Policy to incorporate initial Board feedback, specifically the need to reflect in the Policy employees in contract to PIDC and those not in contract like Members. The Secretariat will work continue to work intermittently with the Audit and Risk Committee to finalise the Travel Policy in the coming months.

Proposed Recommendations

The Board is invited to:

- (i) **note** progress on developing the PIDC Procurement Manual and Travel Policy;
- (ii) **note** additional time required by the Secretariat to work intermittently with Audit and Risk Committee to finalise the Procurement Manual to support the enforcement of Financial Regulation 18; and
- (iii) **note** additional time required by the Secretariat to work intermittently with Audit and Risk Committee to finalise the Travel Policy to support the enforcement of Financial Regulation 14.

(iii) Membership Subscription Review Update

Background

17. At the 2023 Regular Annual Meeting in Vanuatu the Members endorsed the review of the Membership fee and tasked the Secretariat to work on recruiting an expert consultant to review the Membership fee to provide recommendations that would subsequently be tabled at the PIDC's next Regular Annual Meeting in June this year.

18. Since then, the Board approved the Terms of Reference (TOR) for the review of Membership fee at its meeting in October 2023. Following this approval, the Secretariat issued a Request for Proposals (RFP) on the 21 November 2023 and closed submissions on the 8 January 2024. At closing date, the Secretariat received four (4) proposals.

Progress

19. The Board will recall an out of session Board paper circulated on 31 January 2024 seeking the Board's endorsement of awarding the contract to Mr. Savenaca Narube following the recommendation of the Tenders Evaluation Committee.

20. Mr. Narube was the most technically experienced consultant out of the four proposals received. A former Reserve Bank of Fiji Governor and the only expert with extensive experience in the review of membership fees across a number of regional organisations in the Pacific, namely the Pacific Island Forum Secretariat (PIFS), South Pacific Commission (SPC) and the Pacific Financial Technical Assistance Centre (PFTCA). In addition, his proposed methodology of engaging members and Board members directly in his review process to develop a sense of ownership to the review process was noted for its engaging approach.

21. Following the Board's, no objection response to awarding the contract to Mr. Narube, the Secretariat entered into a contract with Mr. Narube on 8 February 2024 for a total contract price of WST\$65,000.

22. The consultant immediately commenced work straight after signing the contract and was in Apia for five days from 12-16 February to commence the Inception phase of the assignment. The in-country visit was to meet with the Secretariat Management Team and the Finance Division. The same visit included Member engagement, where he and the Secretariat's Finance and Corporate Manager met with Samoa Immigration, including the Chief Executive Officer (CEO) of the Ministry of Prime Minister and Cabinet (MPMC) and the Assistant Chief Executive Officer (ACEO) for Samoa Immigration.

23. The five days visit was mainly to clearly identify the scope of work and agreeing on the best approach in terms of a clear inception plan, gathering background data analysis, information gathering in terms of Financial analysis and Comparative study of the Financial report for the past six years to analyse programme activities and to assess the impact of the current Membership contribution on the organisation's financial sustainability and the expectations on the view of Members contribution and the views on future support.

24. At the time of writing this report the consultant is currently engaging with Board Directors, Members and also the two Donors to gather their perspective on Membership Contributions effectiveness and understand their strategic priorities and expectations regarding the Membership Contributions. The consultant is expected to complete the task in the next thirty days whereby he will submit a final Inception report to the Head of Secretariat for the report to be tabled to the Regular Annual Meeting in June.

Proposed Recommendations

The Board is invited to:

- (i) **note** the recruitment of the Consultant to review the Membership Fees Subscription; and
- (ii) **note** the update on the Membership Fees Subscription Review carried out by the contracted Consultant.

(iv) Draft Vehicle Policy

Background

25. The PIDC Board at its meeting in Palau in November 2023 endorsed the purchasing of a PIDC Vehicle.

Progress

26. The Secretariat was tasked in November, 2023 to identify a suitable vehicle and process purchasing from savings from its FY2023/2024 Budget. With confirmation on the availability of funding, the Secretariat in December 2023 started negotiation for the purchase of a 2024 Tucson midsize SUV from Hyundai Samoa. The Tucson was identified as the most appropriate and fit for purpose vehicle for PIDC not only for its design but also the related benefits that were available for this purchase. The vehicle for instance is on a three - year warranty and eligible for three years of regular services in addition to the vehicle insured with Samoa Surety Insurance.

27. Due to the Samoa Host Country agreement, PIDC was able to purchase the vehicle without duty cost and GST. The CEO and Ministry of Foreign Affairs and Trade (MFAT) are highly commended for enabling PIDC to access these support and assistance from the Government of Samoa, our host country.

28. To provide guidance on the use of the vehicle, a draft Vehicle Policy has been developed (attached as an Annex) outlines the PIDC vehicle terms and conditions for its use, maintenance and monitoring. The policy provides clear direction for Secretariat use of the vehicle. The attached draft policy is a living document and is expected to be reviewed regularly to reflect the relevant domestic laws and operational environment on an ongoing basis.

Proposed Recommendations

The Board is invited to:

- (i) note and welcome** the draft Vehicle Policy; and
- (ii) endorse the** PIDC Vehicle Policy.

Annex One: Draft PIDC Vehicle Policy