



## Pacific Immigration Directors Conference

2018 Regular Annual Meeting,

26 – 28 June 2018, Nadi, Fiji

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### Agenda item 7 (a) (i): Financial Update

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#### Recommendation

The Regular Annual Meeting is invited to:

- a) **note** the financial update provided by the Secretariat.
  - b) **acknowledge** the continued support provided by Principal Donors, Host Country support and Members for timely payments to the Secretariat
  - c) **acknowledge** the efforts made by Members in clearing prior years Membership contributions
  - d) **note** the aged debtors;
  - e) **note** the underspent by Secretariat as at 31 May 2018;
  - f) **note** the travel expenditure breakdown provided; and
  - g) **note** the projects that have exceeded the 25% variance level.
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#### Purpose

This agenda item seeks to provide a financial update to the Regular Annual Meeting for the period of 1 July 2017 to 31 May 2018.

#### Background

2. The financial update is provided at Board Meetings and Regular Annual Meetings as a standard item to inform members of the current state of PIDC finances. All figures are represented in Samoan tala (WST) unless specified.

#### Financial Activity

##### Overall

3. For the period 1 July 2017 – 31 May 2018, the Secretariat received 14% less revenue than budgeted while expenditure remains 23% below budgeted. The Secretariat maintains a balance of WST 296,167.88 as at 31 May 2018.

REPORTING PERIOD: 1 JULY 2017 – 31 MAY 2018				
	Notes	Budgeted	Actual	Variance
REVENUE	A	2,531,860	2,184,592	347,268 (14%)
EXPENDITURE	B	2,477,045	1,905,757	571,287 (23%)

##### A. Revenue

4. Total actual revenue receipted for the period 1 July 2017 to 31 May 2018 was WST 2,184,592, which is 14% less than budgeted. This variance is made of Donor and Member contributions of WST 336,400.74 (99.7%) and exchange difference of WST 1,014.07 (0.30%). Of the outstanding Donor and Member contributions, WST 6,957 (2.06%) relates to prior years outstanding which WST 329,443.74 relates to current financial year.

5. Outstanding contribution aged debtors as at 31 May 2018 are as follows:

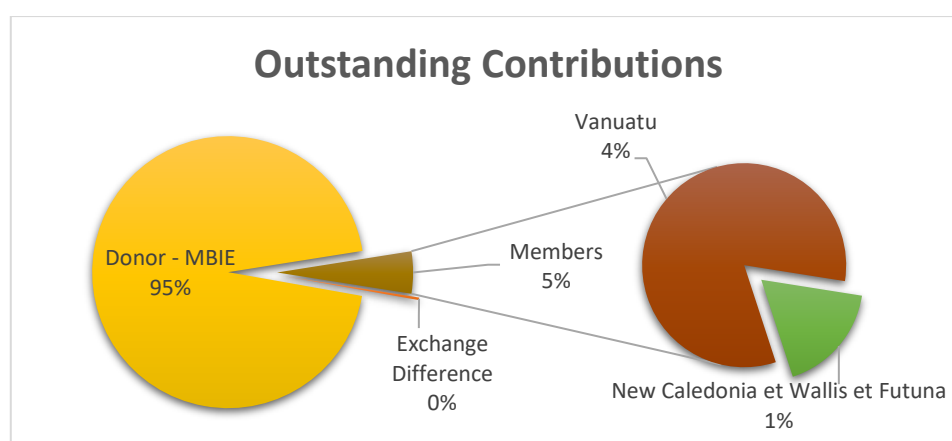
	121 - 150 Days	Over 183 Days
<b>Donors</b>		
Ministry of Business, Innovation and Employment - Immigration New Zealand	319,534.76	
<b>Membership Contribution</b>		
Vanuatu Immigration		13,917.00
Border Control & Immigration, New Caledonia et Wallis et Futuna		2,948.98
Exchange differences		1,014.07
<b>Total</b>	<b>319,534.76</b>	<b>17,880.05</b>

6. Total outstanding for Donors contribution stands at 319,534.76 (NZD 180,000) - outstanding contribution as per funding agreement signed with New Zealand's Ministry of Business Innovation and Employment.

7. Total outstanding for Members contribution stands at 17,880.05 for outstanding contribution for Vanuatu (2016/17 financial year and 2017/18), New Caledonia and Wallis et Futuna (2017/18 financial year) and exchange differences.

8. The Board pending the Secretariats consultation with the auditor, agreed at the Cook Islands Board Meeting to write off these exchange differences.

9. The Secretariat continues to receive support from Host Country as part of the Host Country's obligations under the Headquarters agreement. Support under this agreement includes rental of Secretariat's office space and utilities. This 3 years assistance will conclude in June 2019. For the Financial year 2016 – 17 total assistance provided by Samoa as Host country Support was WST 80,777.



## B. Expenditure

10. Total actual expenditure incurred for the period 1 July 2017 to 31 May 2018 was WST 1,905,757, which is 23% less than budgeted. Major variance has been attributed towards:

- i. deferred activities to 2018/19 financial year as discussed in the Secretariat Report;
- ii. significant underspend subsequent to negotiating accommodation rates and Members support in providing early nominations for workshop held since April. Operational expenses, challenges in producing publications and reduced engagement with regional and international fora contributed positively towards the increased levels; and
- iii. phased budgeting variances for 2018 Regular Annual Meeting, travel associated with Oceania Customs Organisation conference in Melbourne, Secondment, costs associated with legislation review undertaken in Samoa and Tuvalu; and Support for Australia's Document Examination training in Port Vila scheduled for June.

11. Deferred activity as discussed in the Secretariat Report are mainly due to:

- a. cancellation of the planned Executive Leadership training in Tonga due to adverse weather conditions;
- b. Secondments being rescheduled for in July 2018 after requests for Members to adopt and implement the PIDC Immigration Database. This is follow on work after the workshop in Suva on data collection; and
- c. deferment of research consultancy as term of reference is being finalised.

12. Significant underspent were achieved in:

- a. Data Collection workshop, Training Curriculum meeting and Profiling training as a result of the Secretariat's ability to negotiate better room deals with accommodation providers and early response by members in submitting nomination forms;
- b. publications were not carried out due to challenges in the local environment while operational expenditure was lower than expected; and

13. As this report details expenditure incurred as at 31 May 2018 (being second month of a 3 month – quarter), temporary variances are reflected. These temporary variances are:

- a. travel and other costs related to 2018 Regular Annual Meeting (RAM) and associated Secondment, Board Meeting, PIDC's representation at the Oceanic Customs Organisation, and Support for Australia's Document Examination training in Port Vila scheduled for June; and
- b. consultants and other related costs for Tuvalu and Samoa legislation review will be processed and paid in June.

### **Cash flow and Forecast**

14. Closing bank balance as at 31 May 2018 was WST 296,167.88. Expenditure for the next months is forecasted to be WST 342,251 for activities as mentioned in paragraph 13. All invoices as required under respective funding arrangements have been raise and no further revenue is forecasted for June. The expected payment of outstanding debt in June, the Secretariat will have sufficient cash flow to meet its obligations.

## Travel Breakdown Costs

15. At the 2018 March Board Meeting in Cook Islands, Board requested that a breakdown of expense details is to be also included in the financial update report. Subsequently, the table below summaries the travel expenditure undertaken from 1 July 2017 to 31 May 2018. These figures form part of the figures provided as attachment one to this report.

Travel Related Costs – 2016/17 and 2017/18	2017/18	2016/17
Airfares	585,763.90	554,850.86
Accommodation	346,312.09	284,373.75
Per Diems	236,066.74	111,039.48
Other Related Travel Costs	612.62	45,497.48
<b>Total</b>	<b>1,168,755.35</b>	<b>995,761.72</b>

## Reporting on Variance – 25% (+/-)

16. Further to the Board's decision in paragraph 15, the Board requested that the Secretariat report on any activity which may exceeding 25% of variance should be reported. For the period 1 July 2017 – 31 May 2018, 4 activities have exceeded the 25% threshold set by the Board. Of these four activities:

a. 2 relate to Boards expenditure undertaken in September 2017 and March 2018;

b. Review of Standard Operating Procedure (SOP) workshop held in November 2017 in Port Vila, Vanuatu; and

c. 1 relates to support for Australia's Investigation Course held in Suva in April 2018;

17. Variance of costs for the Board meeting held for the 2017/18 financial year were significantly higher as a result of high logistical cost being influenced by the late confirmation of meeting venue and Members attending due to conflicting priorities.

18. The variance for the SOP workshop were subsequent results of high logistical costs as a result delays in booking travel arrangements in particular accommodation. Factors influencing these delays were attributed as late recipient of nominations from Member Countries. This delay factor has now significantly improved which has contributed to the underspent in the Data Collection workshop and Profiling training.

19. Variances in Australia's Investigation Course was a result of the duration being extended from the budgeted 1 week to actual 2 weeks of training.

20. Possible future projects that will go above the 25% threshold are the Tuvalu legislation review as a result of rescheduling of initial event from February to May and 2018 RAM subsequent to the delay in decision in regards to addition of a half day event on Friday 29 June.

21. Attachment One contains details of the above summaries.