



Pacific Immigration Development Community

2019 Regular Annual Meeting

4 – 6 June, Rarotonga, Cook Islands

PIDC(19)RAM.8(b)

Agenda item 8 (b): Financial Update

Proposed Recommendations

The PIDC Regular Annual Meeting is invited to:

- a) **note** the financial performance of the Secretariat;
 - b) **welcome** the continued financial support provided by Principal Donors, Host Country and Members;
 - c) **thank** and **acknowledge** New Zealand's Ministry of Foreign Affairs and Trade for its continued support and commitment towards PIDC and the signing of a new 3 year funding agreement concluding in 2021;
 - d) **thank** and **acknowledge** Australia's continued support and commitment towards PIDC;
 - e) **note** the conclusion of Australia's 3-year funding agreement signed in 2016 and the current progress made in negotiating a second multi-year funding agreement;
 - f) **thank** and **acknowledge** Samoa's commitment under the Headquarters agreement to fund PIDC Secretariat's monthly utilities and rental obligations which concludes in June 2019;
 - g) **thank** Samoa for their expressed commitment to continue with the support of the Secretariat under its Headquarters Agreement indefinitely;
 - h) **note** the aged debtors;
 - i) **note** the underspent by Secretariat as at 30 April 2019; and
 - j) **note** the expenditure breakdown provided.
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Purpose

The purpose of this paper is to brief Members on the financial state of the Secretariat for the period 1 July 2018 to 30 April 2019.

Background

2. The financial update is a standard item on Board and Regular Annual Meeting agenda to inform Members of the current state of PIDC financials. All figures are represented in Samoan tala (WST) unless specified.

Overall Performance

3. For the period 1 July 2018 – 30 April 2019, the Secretariat received approximately 9.5% less revenue than budgeted while expenditure remains 18% below budgeted. The Secretariat maintains a healthy balance of 715,371.23 as at 30 April 2019.

REPORTING PERIOD: 1 JULY 2018 – 30 APRIL 2019				
	Notes	Budgeted	Actual	Variance
REVENUE	A	2,163,153.00	1,957,074.45	206,078.55 (9.5%)
EXPENDITURE	B	1,693,402.00	1,396,488.87	296,913.13 (18%)

A. Revenue

4. Total actual revenue receipted for the period 1 July 2018 to 30 April 2019 was 1,957,074.45, which is 9.5% less than budgeted. Total outstanding (variance) of 206,078.55 is made of exchange difference from Donor contributions (14% - 29,043.19), Member contributions (13% - 27,035.36) and a budgeted deferred income which will not be realised (73% - 150,000).

5. The organisation achieved a milestone with New Zealand's Ministry of Foreign Affairs and Trade (NZ MFAT) signing a three-year funding agreement concluding 30 June 2021. Members will recall that this is the first time a multi – year funding has been signed with NZ MFAT. The Secretariat thanks the continued support provided by NZ MFAT. NZ MFAT has paid its first-year contribution under this new agreement.

6. The annual funding received from New Zealand's Ministry of Business Innovation and Employment (NZ MBIE) will conclude on 30 June 2019. The Secretariat will work together with NZ MBIE to explore possible multiyear funding support to the organisation as NZ MBIE funding agreement with PIDC is the only funding agreement which is renewed yearly.

7. Australia's 3-year funding agreement will conclude at the end of the current financial year. Final payment under the current funding agreement has been received. A new funding agreement is currently being negotiated which is expected to be completed by August 2019.

8. The Secretariat acknowledges the continued 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.

9. This 3-year assistance will conclude in June 2019. Host Country, Samoa has advised Board of its intention to support the Secretariat in its current obligation indefinitely upon the expiry of the 3-year period. Support assistance received for the financial year 2016/17 and 2017/18 were 80,777 and 87,399 respectively. These are funding support provided in addition to the annual Members contribution paid by Samoa.

10. Additionally, the Secretariat received reimbursement of expenditure for various capacity development exercises completed in collaboration with partner organisations such as Australia's Department of Home Affairs and the Bali Process Regional Support Office.

11. Aged debtors as at 30 April 2019 are as follows:

	Total	Current 1 - 30 Days	31 - 180 Days	Over 180 Days
Membership Contribution	WST	WST	WST	WST
Vanuatu Immigration	20,599.00			20,599.00
Fiji Immigration Department	6,682.00			6,682.00
Immigration Division, Tuvalu	3,561.08			3,561.08
Ministry of Justice, Division of Immigration, Marshall Islands	5,390.95			5,390.95
Niue Immigration	3,341.00			3,341.00
Exchange difference	1,378.33			1,378.33
Total (WST)	40,952.36			40,952.36

12. Total outstanding for Members contribution stands at 40,952.36. Exchange rate difference make 3% while the outstanding amount for Vanuatu represents about 50% of the total debt. Members have committed to paying their outstanding before the end of financial year.

B. Expenditure

13. Total actual expenditure incurred for the period 1 July 2018 to 30 April 2019 was 1,396,488.87 being 18% underspent. Expenditure breakdown by projects are *attached* as Attachment One.

14. Significant underspent were recorded for Information Sharing Working Group (ISWG) meeting (44%) while a temporary variance was recorded in development of Postgraduate Course – Border Security and Development (99%) with USP as initial work has commenced and will conclude in January 2020.

15. Underspent recorded in ISWG was redirected to additional support requested by Members including:

- a) Border Management System study tour to Republic of Marshall Islands to observe introduction of IOM Migration Information and Data Analysis System (MIDAS);
- b) further support for Solomon Islands for strengthening data collection and in country mission data strengthening mission to Federated States of Micronesia; and
- c) development of strategic plans for Members.

Cash flow and Forecast

16. Closing bank balance as at 30 April 2019 was 715,371.23. Expenditure for the next two months is forecasted to be approximately 469,751. The Secretariat will have sufficient cash flow to meet its obligations for the current financial year.

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Attachment One – Expenditure Breakdown by Project

Projects		BUDGETED	ACTUALS	VARIANCE LEVEL	
		Jul 18 - Apr 19		\$	%
1	Secretariat and Operations Cost	612,916	603,112.60	9,803.40	2%
2	Board Meeting	175,000	181,392.86	-6,392.86	-4%
3	Engagement with Regional and International Fora	58,000	50,220.44	7,779.56	13%
4	BMS Study Tour - RMI	15,000	16,139.01	-1,139.01	-8%
5	National Legislative Review Programme	90,000	88,126.97	1,873.03	2%
6	Secondment and Regional Engagement	15,000	13,575.72	1,424.28	9%
7	Data Collection – PEDCT rollout	29,182	26,536.98	2,645.02	9%
8	IBCP Support – Vessel Search	35,000	29,111.27	5,888.73	17%
9	Advanced Leadership and Management Programme	141,304	145,026.64	-3,722.64	-3%
10	Information Sharing Working Group	129,000	71,919.30	57,080.70	44%
11	Executive Seminar - People Smuggling Human Trafficking	148,000	115,421.68	32,578.32	22%
12	Bali Process TOT Training	65,000	53,604.20	11,395.80	18%
13	USP Postgraduate Programme – Border Security and Development	180,000	2,301.20	177,698.80	99%
	Total WST	1,693,402	1,396,488.87	296,913.13	18%