



Agenda item 3(b) Audit and Risk Committee

Proposed Recommendation

The Audit and Risk Committee is invited to consider recommendations proposed under each of the agenda sub-items discussed below.

Purpose

This session seeks to provide the Audit and Risk Committee an opportunity to review a number of key documents under their responsibility with a view to provide recommendations to the Board on the way forward for each item including:

- (i) Financial Update;
- (ii) Audit Report (External/Internal) Tenders Update;
- (iii) Members Contribution Fund Update;
- (iv) New Membership Subscription Rate Reminder;
- (v) PIDC Stocktake Report Review Implementation Matrix; and
- (vi) Draft PIDC 2025/26 Workplan and Budget.

(i) Financial Update

Purpose

7. The Finance paper is a standard agenda discussed at every Board Meeting. This is to give the Board the financial state of the PIDC Secretariat for quarter 2 for the current financial year 01 November 2024- 28 February 2025. (*Quarter 2 of this financial year*)

Background

8. The financial update is provided at Board Meetings as a standing agenda to inform the Board of the current state of PIDC finances.

9. The financial update is from 01 November 2024 to 28 February 2025. The Secretariat has summarised an overview of the Secretariat finances for the current financial year until 28 February 2025.

Overall Performance

10. For 01 November 2025 to 28 February 2025, the Secretariat received WST\$ 675,012 in revenue for quarter 2. The income was mainly received on the first week of February and we thank the Department of Home Affairs Australia, Papua New Guinea Immigration and Citizen Authority, Members as well as the host country Samoa for the support provided in sending through their contribution on time during quarter 2 and beginning of quarter 3. For the first time since PIDC has been established, PNG Immigration have come forward to sign a four-year funding agreement with PIDC tailored towards capacity building for Members for the next four years. This is excluding their members contribution annually. There was a delay in the funding agreement negotiation with the New Zealand Ministry of Foreign Affairs and Trade. At the time of writing these report PIDC Secretariat had just signed a three-year funding agreement and have send the invoice for payment. The table 1 below summaries the revenue the Secretariat received for the current financial year.

A. REVENUE

TABLE 1 – REVENUE

REPORTING PERIOD: 01 NOVEMBER 2024 –28 FEBRUARY 2025						
REVENUE	Budget	% Of budget	Quarter 1 Actual	Quarter 2 Actual	Total	Variance
AUSTRALIA	950,000	39%	458,745	437,162	895,907	54,093
NZ MFAT	670,000	27%	-	-	-	670,000
NZ MBIE	330,000	13%	333,459	-	333,459	(3,459)
HOST COUNTRY	90,800	4%	24,800	24,000	48,800	42,800
PNG ICA				162,000	162,000	(162,000)
MEMBERS	110,000	5%		56,187	56,187	53,813
DEFERRED INCOME	300,000	12%				
TOTALS	2,450,800	100%	817,003	675,012	1,496,353	659,854

11. The Secretariat have so far received 61% of the overall income that was budgeted for the current financial year. The only income that is yet to be received is from New Zealand Ministry of Foreign Affairs and Trade and also the outstanding contribution from Members.

TABLE 2: EXPENDITURE

2024/2025 EXPENDITURE	% Of budget	BUDGET	ACTUAL Q1	ACTUAL Q2	Total	Variance	% Utilised
Operation costs	8%	200,000	37,075	65,000	102,075	97,925	51%
Programme Activities	52%	1,432,800	298,495	141,800	440,295	992,505	31%
Salaries & Recruitment Costs	40%	980,000	354,716	297,386	652,102	327,898	67%
Subtotals	100%	2,612,800	690,286	504,186	1,194,472	1,418,328	46%
Totals	100%	2,612,800	690,286	504,186	1,194,472	1,194,472	46%

TABLE 3: Strategic Focus Area - EXPENDITURE

2024/2025 EXPENDITURE	% BUDGET	BUDGET	ACTUAL	Variance	% Utilised
SFA1- PIDC Advocacy/Research Activity	1%	30,200	26,000	4,200	82%
SFA2 Legislation, Training curriculum, SOP, Strategic Planning, USP & Capacity Building	19%	617,600	134,550	483,050	29%
SFA 3- BMS, Website Support, PIDC Visibility work, Members Intelligence	9%	214,000	86,400	127,600	40%
SFA 4 Annual Board Meeting, Regular Annual Meeting, Salaries & Operation costs	71%	1,751,000	947,522	803,478	26%
Subtotals	100%	2,612,800	1,194,472	1,418,328	46%
Totals	100%	2,612,800	1,194,472	1,418,328	46%

12. Expenses for the current financial year as of 28 February was \$1,194,472. The expenditure breakdown is shown in Table 2 above. The expenditures shown were mainly for the Programme Activities planned for quarter 2 like the visibility work in terms of upgrading the PIDC website, the social media policy, and the enrolment of the Immigration Officers to another Semester for the USP Postgraduate Diploma Programme. There were a few programmes that was put on hold until quarter four because of the delay in the funding received from New Zealand Ministry of Foreign Affairs.

CASHFLOW FORECAST – NOVEMBER -FEBRUARY (QUARTER 2)

13. Closing cash balance as of 28 February 2025 was WST\$504,638. The Secretariat will be implementing most of the Programme Activities on quarter three and four which includes the completion of the visibility work which includes the roll out of the PIDC Linked and Facebook page, the Regular Annual Meeting preparation in Tonga, Training curriculum for FSM, Policy legislation for Niue, Website support for Solomon Islands, and Business Case Support for Kiribati and the enrolment of the USP Masters Programme this semester with the continuation of the Post Graduate Diploma Programme for the current students until end of this semester. Forecasted expenditure for quarter three and quarter four is listed below with a rollover of few activities in the new financial year like the drafting support for Tonga and Solomon Islands and the Website support for Tonga which Hakili Matagi is co-funding it with the Secretariat support.

Table 4: Forecasted Expenditure for Quarter 2 (November- January 2025)

1. INCOME	\$ 670,000
2. EXPENDITURE	
2a) Operation Costs	\$ 100,000
2 b) Salaries & Remuneration	\$300,000
2c) Programme Activities- Members	\$800,000
Total forecasted Expenditure	\$1,200,000

Proposed Recommendations

The Board is invited to:

- (i) **note** the financial update and performance of the Secretariat for the period for 01 November 2024 – 28 February 2025 for the current financial year.
- (ii) **thank** and **acknowledge** the continued financial support provided by the Principal Donors Australia, New Zealand MBIE and Samoa as Host Country and for their continued financial support to the Secretariat; and
- (iii) **note** the expenditure breakdown provided as at 28 February 2025.

(ii) Audit (Internal/External) Report and Tenders update

Purpose

14. This item seeks to update the Committee regarding the External and Internal Audit tender.

Background

15. The Board will recall in their last Board Meeting in November the Secretariat was tasked to work with the Audit and Risk Committee to finalise the Terms of Reference for the internal audit and to progress the tender for both the internal and external Audit. Currently BDO is the external Auditor for the Secretariat for the last three years but their contract ends on 30th June 2024.

16. PIDC Financial regulation 12.1 clearly outlines that the external audit is an important aspect of PIDCs financial management. *It provides a level of assurance to the Board, Secretariat, Principal Donors and the Stakeholders that PIDCs financial affairs are in order.*

17. The Auditor will conduct the audit in close consultation with the Secretariat's Financial service team. Where required, the auditor will also consult with other function areas of the Secretariat and independently report on request to the Audit Risk Committee.

18. At the time of writing this report the tender for both the internal and external Audit have been advertised widely to the local newspaper in Samoa and also all around the region. Details below the timeframe of the tender process.

Expected Timeframe of Tender Process

Activity	Start Date	Completion Date	Duration
Request for proposal	21 February	21 March 2025	20 working days
Opening of proposal	24 March 2025	26 March 2025	2 working days
Evaluation and approval of winning proposal	27 March 2025	28 March 2025	2 working days
Contract negotiation and signing of contract	01 April 2025	04 April 2025	4 working days
Performance of service	01 July 2025	30 September 2025	2 months

Financial Implications

19. The estimated cost for both the internal and external audit will be around **WST\$90,000** for the new financial year.

Proposed Recommendations

The Board is invited to:

- (i) **note** the update for the internal and external Audit; and
- (ii) **task** the Secretariat to work with the Audit & Risk Committee to evaluate and select a suitable accounting firm to be the PIDC External Auditor for the next three years and an Internal Auditor for a period of one year for this current financial year.

(iii) Members Contribution Fund Update

Purpose

20. This item seeks to update the Board on the Members' contribution fund for the current 2024/2025 Financial Year as required under PIDC Financial Regulation.

Background

21. A standard agenda in every Board Meeting is the update of the Membership Contribution Fund. The following summarizes the contribution fund for the current 2024/2025 Financial Year as required under the PIDC Financial Regulation. The table below shows the outstanding contributions for Member's contribution as at 28 February 2025.

22. The Secretariat continues to reach out to Members following up on their Membership contribution. Consequently, the Secretariat continues to also thank Members for their commitment and support in paying their contribution on time.

Table: Outstanding Member Contributions as at 28 February 2025

Membership Contribution	
Current Year	\$46,904
Prior Year Contributions	\$23,347
Totals	\$70,251
Members Outstanding Membership Fees	
American Samoa	\$6,949
New Caledonia	\$24,322
Kiribati	\$7,711
Niue	\$3,474
French Polynesia	\$17,372
Palau	\$3,474
Solomon Islands	\$6,949
Totals	\$70,251

23. The Total Outstanding for Members' Contributions is 70,251 for the current financial year. The Secretariat will continue to work with Members to follow up on their outstanding contributions and inform Members of the new Membership fees that will take effect in the new financial year 2025/2026.

(iv) New Membership Contribution Fund Subscription Rate Reminder

Purpose

24. This item seeks to update the Board regarding the Members' new contribution fee subscription rate that will take effect in the new financial year 2025/2026 as agreed by Members at the last Regular Annual Meeting in the Solomon Islands.

Update

25. The Board will recall at the last Regular Annual Meeting in Honiara, Members endorsing the new Membership fee subscription of 8% to be paid by Members and to become effective from July this year, which falls under the new financial year 2025/2026. The following table below shows the new Membership fee subscription rate for Members that will roll out in the new financial year. The Secretariat is already in the process of reminding Members of the new changes that will take effect in the new financial year.

**Table 1: New Membership subscription for Members effective 01 July 2025/2026
Financial year**

	TIERS	Existing Contribution		New Contribution	
		NZD	WST	NZD	WST
	8% of budget \$196,070				
	TIER 1	40%			
1	PAPUA NEW GUINEA	5250	8,901	15,418	26,142
2	FRENCH POLYNESIA	5250	8,901	15,418	26,142
3	NEW CALEDONIA	5250	8,901	15,418	26,142
	TOTAL			\$46,254	\$78,426
	TIER 2	30%			
1	FIJI	4,200	7,121	11,564	19,607
2	AMERICAN SAMOA	4,200	7,121	11,564	19,607
3	COOK ISLANDS	4,200	7,121	11,564	19,607
	TOTALS			\$34,692	\$58,821
	TIER 3	20%			
1	SOLOMON ISLANDS	4,200	7,121	4,520	7,843
2	SAMOA	5,250	8,901	4520	7,843
3	VANUATU	4,200	7,121	4,520	7,843
4	PALAU	3,150	5,341	4520	7,843
5	TONGA	3,150	5,341	4520	7,843
	TIER 4	10%		\$22,600	\$39,215
1	FSM	2,100	3,561	1,413	2,451
2	RMI	3,150	5,341	1,413	2,451
3	NAURU	2,100	4,561	1,413	2,451
4	KIRIBATI	3,150	5,341	1,413	2,451
5	TUVALU	2,100	3,561	1,413	2,451
6	NIUE	2,100	3,561	1,413	2,451
7	TOKELAU	2,100	3,561	1,413	2,351
8	WALLIS & FUTUNA	2,100	3,561	1,413	2,451
	Totals			\$11,304	19,608
				\$114,850	196,070

Proposed Recommendations

The Board is invited to:

- (i) **note** Member's contribution fund update;
- (ii) **note** the outstanding contribution for Members as at 28 February 2025;
- (iii) **encourage** members to pay their outstanding contribution prior to the end of this financial period in June 2025;
- (iv) **note** Member's new subscription fee for the new financial year 2025/2026;
- (v) **note** the new tier for each Members in the new membership subscription; and
- (vi) **task** the Secretariat to advise members on the upcoming changes to the new tiering and membership contribution subscription rate.

(v) Australia and NZ Donor Funding Update

Purpose

26. This item seeks to update the Board regarding Members funding support from Australia and New Zealand for the current 2024/2025 Financial Year as required under PIDC's Financial Regulation.

Background

27. PIDC is principally funded by Australia, New Zealand and together with Host Country Samoa. Australia and New Zealand contribute 79% of the overall budget for PIDC.

Update

28. At the time of writing this report PIDC recently signed another three-year funding agreement with New Zealand Ministry of Foreign Affairs & Trade for the same level of funding support until 2027. While PIDC had expressed a request for increased levels of funding, NZMFAT had advised limitations for funding increase and will be working to current funding levels.

29. PIDC is appreciative of NZ MFAT ongoing commitment to support PIDC into the next three years under this new funding agreement. The funding agreement between the Secretariat and Department of Home Affairs Australia will come to end next year. In this regard, the Secretariat will start discussions with Australia on processes to negotiating a new funding agreement to avoid any unforeseen delay as we had experienced with the new NZ MFAT funding agreement.

Funding Agreement details per financial year		
Funding support	Year	Amount
Australia- Department of Home Affairs	2023-2026	AUD \$500,000
New Zealand MFAT	2024-2027	NZD\$400,000
New Zealand MBIE	2024-2027	NZD\$200,000
Samoa	Ongoing	WST 90,800
PNG ICA	2025-2028	NZD\$100,000

(vi) PIDC Stocktake Report Review Implementation Matrix

Paper to be provided separately and available at the meeting

(vii) Draft PIDC Annual Workplan 2025-26

Purpose

30. This paper intends to discuss the draft Annual Workplan and Budget 2025-26 (AWPB) and seek the Boards consideration of the proposed programme of activities and process to finalise the Draft AWPB.

Background

31. PIDC is currently in a stable financial position with continuing support from principal Donors Immigration New Zealand, NZ MFAT, Australia's Department of Home Affairs, host country Samoa and PNG Immigration and Citizenship committing to a historical 4-year voluntary funding support secured. The New Zealand's Ministry of Foreign Affairs and Trade multiyear funding concluded in September 2024, with PIDC successfully securing a new three-year funding with NZMFAT. In addition, a 3-year agreement had been signed with Australia while the host country Samoa also continues its support at existing levels.

Development of 2024-25 Annual Work Plan

32. The draft Annual Work Plan (AWP) attached as table 1 continues on the workplan framework that was adopted from the current financial period. Where activities had been developed based on activities to advance PIDC Outcomes and outputs as agreed to by Members in the Strategic Focus Areas of the Strategic Plan 2022-2025. Consequently, this first draft of the AWP continues on national priorities provided by Members through specific activities prioritised by members through the following forums: (a) Regular Annual Meeting and Board meetings; (b) Country Reports analysis; (c) PIDC Regional workshops; and (d) direct engagements between Members and the Secretariats through meetings at Member requests.

43. The purpose of developing a first draft of the AWP leading up to the June Board meeting and 2025 Regular Annual Meeting, is to provide the Board more time to review the proposed programme of activities that can be adopted into the PIDC Workplan and budget for the 2025-26 financial period. This draft AWP provides a two-pronged approach in the development of the draft AWP detailed in Table 1 below including:

- (i) continuation of current programme of work; and
- (ii) proposal of new programme of activities that have been sourced from recommendations emerging from PIDC hosted regional forums, meetings and consultations as outlined in the aforementioned paragraph.

33. In terms of membership engagements on this respective programme of activities, this will be undertaken in April with recommendations to be incorporated into the final Draft Annual Work Plan 2025/26. The only new additional regional activity is a regional workshop that will be hosted in PNG by PNGICSA and this will be supported through the PNGICSA capacity building funding support. New recommendations that potentially might emerge at the upcoming PIDC Reporting and Information's Sharing Platform and National Contact Points Workshop in April and other upcoming workshops emerging from these upcoming activities are anticipated to feed into the final AWPB 2025/26 to be presented at the final Board meeting in June for final Board consideration and approval.

Way Forward

34. In proposing the activities contained in the Workplan, the Secretariat has been cognisant of the fact that the current Strategic Plan 2022-25 ends in the coming financial period and is of the view that this final workplan provides the opportunity to complete the current work programmes that had been rolled out at the beginning of the Strategic Plans life span in 2022.

35. The Secretariat has discussed its capacity to deliver these activities and is confident that this

work can be undertaken as (a) most of the work is to be delivered by consultant technical experts; and (b) partnership collaboration with members, regional and international partner organisations to jointly deliver a number of the ongoing activities.

36. While the Board is requested to consider approving the proposed activities contained in the Draft Annual Work Plan, the final phase of the AWPB development will involve the following by the end of May 2025 with findings/recommendations to be incorporated into the final draft for Board approval at the June meeting in Nukualofa:

- a. National Contact Point/RSIP regional workshop recommendations;
- b. Strategic Plan Review workshop; and
- c. An individual online members' survey to identify their national priorities followed by bilateral meetings to explore these priorities.

Proposed Recommendations

The Board is invited to:

- (i) **endorse** the proposed approach to drafting and finalising the 2025/26 Annual Workplan and Budget;
- (ii) **approve** in principle the 2025/26 Annual Workplan and Budget framework; and
- (iii) **task** the Secretariat to complete the final phase of Drafting of the 2024/25 Annual Work Plan and Budget to be presented to Board Meeting No. 3 for final approval and RAM 2025 Member endorsement.

Draft Programme Activities for Members 2025/2026

	Ongoing Programme Activities	Cost
1	PIDC Advocacy and Partnership Regional/International Conferences Engagements conference, regional/international forums (PICP, OCO, PILON, PLMAM, PTC, JHPOPS, PIFS, ICAO)	50,000
2	Policy & Legislative Support	60,000
3	Legislation drafting Support	60,000
4	Training Curriculum Nationalisation Programme	40,000
5	Standard Operating Procedures	40,000
6	Strategic Planning/Business Continuity Plan Development Support	40,000
7	Website Development Support Programme	100,000
8	BMS Business Case Development Support	40,000
9	Regional Capacity Building Activities	
	(i) Support Partner Capacity Building programmes: (Aust./NZ/PTCCC/OCO/FFA/UNODC/IOM/UNHCR	24,000
	(ii) ePassport & Biometric Regional Workshop/NCP & ISWG Support	200,000
	(iii) Operational Secondment Programmes	20,000
	(iv) Partnership programme (advanced specialist courses) – Intelligence/ Document Examination and Principal Application Training/Facial Image Comparison/Cyber Investigation/Interviewing skills and Investigation/etc	10,000
10	PIDC Ongoing Partnership Research: PIDC-IOM Regional Research Project	
10	ISWG Meeting	10,000
11	3 Annual Board Meetings	120,000
12	Hosting of Regular Annual Meeting	490,000
16	USP Masters Programme Administration	70,000
17	USP Masters in Border Security Scholarship	50,000
18	PIDC Visibility work	20,000
19	Publications: (i) Newsletters (ii) Training Curriculum Publications (iii) Annual Reports and Research Publications	26,800
20	Secretariat Capacity Building Programme: (i) PIDC Leadership Mentoring Support Programme (ii) PIDC Leadership Training	10,000
	TOTAL FOR PROGRAMME ACTIVITIES	1,480,800
	Operation Costs	350,00
	Salaries	850,000
	Total Estimated Costing	2,680,800