



Pacific Immigration Development Community

2024/25 Board Meeting No.3

16 June, 2025: Nukualofa, Tonga

Agenda Item 3(b): Audit and Risk Committee

(i) Financial Update

Purpose

The purpose of this paper is to update the Board on the current Finances for the PIDC Secretariat for the current financial year. The current report summarises the finances for the Secretariat from quarter one to quarter four, which is till 30th May. It provides an overview of the Secretariat's finances for the current financial year.

Background

2. The financial update is provided at Board Meetings as a standing agenda item to inform the Board of the current state of PIDC finances. The current finance report provides an update covering the period from July 1, 2024, to May 30, 2025. At the last Board Meeting, the Secretariat tabled the report for quarter three, which primarily covers the period from January to February 2025.

Overall Performance

3. From the 1st of July 2024 to the 30th of May 2025, the Secretariat received a total revenue of WST\$2,537,985 for the current financial year. The income was mainly from our two major donors, the Australian Department of Home Affairs and Trade, the New Zealand Ministry of Foreign Affairs and Trade, the New Zealand Ministry of Business, Innovation, and Employment, the Host Country of Samoa, the Papua New Guinea Immigration and Citizenship Authority (PNGICA) and from Member Countries. For the first time, PNGICA has stepped in and assisted the Secretariat in signing a four-year agreement to support the capacity-building programme for Members, providing NZD 100,000 per year for the next four years.

A. REVENUE

TABLE 1 – REVENUE

REVENUE	Budget	Actual	% of budget	Q1 -Q3 July-March	Q4 April-June	Total	Variance
AUSTRALIA	950,000	895,907	36%	895,907		895,907	\$54,093
NZ MFAT	670,000	622,760	26%	622,760		-	\$47,240
NZ MBIE	330,000	333,459	13%	333,459		333,459	(-3,459)
HOST COUNTRY	90,800	90,800	3%	68,100	22,700	90,800	---
PNG ICA	160,000	163,220	6%	163,220		163,220	(\$3220)-
MEMBERS	110,000	131,839	4%	78,353	53,486	131,839	(\$21,839)
DEFERRED INCOME	300,000	\$300,000	12%		-	300,000	--
TOTALS	2,610,800	2,537,985	100%	2,461,709	76,186	2,537,895	72,815

4. The Secretariat has received 97% of the overall income budgeted for the current financial year, with the Members' contribution received being \$21,839 more than the budgeted amount. This is due to Members' continuous support in ensuring that they pay their contributions on time.

TABLE 2: EXPENDITURE

2025/2024 EXPENDITURE	% of budget	BUDGET	Q1- Q3	Q4	Total	Variance	% Utilised
Operation costs	8%	200,000	155,822	37,974	193,796	6,204	97%
Programme Activities	52%	1,357,985	831,381	217,228	1,048,609	309,376	77%
Salaries & Recruitment Costs	40%	980,000	658,542	247,668	906,210	73,790	92%
Subtotals	100%	2,537,985	1,645,745	502,870	2,148,615	389,370	84%
Totals	100%	2,537,985	1,645,745	502,870	2,148,615	389,370	84%

TABLE 3: Strategic Focus Area

2025/2024 EXPENDITURE	% BUDGET	BUDGET	ACTUAL	Variance	% Utilised
SFA1- PIDC Advocacy/Research Activity	1%	30,200	38,500	(8,300)	126%
SFA2 Legislation, Training curriculum, SOP, Strategic Planning, USP & Capacity Building	19%	615,600	601,096	14,504	97%
SFA 3- BMS, Website Support, PIDC Visibility work, Members Intelligence	9%	214,000	184,000	30,000	86%
SFA 4 Annual Board Meeting, Regular Annual Meeting, Salaries & Operation costs	71%	1,678,185	1,333,319	343,866	79%
Subtotals	100%	2,537,985	2,148,615	389,370	85%
Totals	100%	2,537,985	2,148,615	389,370	85%

5. As of May 30th, expenses for the current fiscal year came to a total of \$2,148,328, excluding June's costs, which will be compiled once the financial year ends on the 30th of June. The expenditure breakdown is in Table 2, which is shown above. The expenditures shown were mainly for the programme activities planned in the budget, including visibility work for the Secretariat, the social media page, the USP Master's Programme, the USP Postgraduate Diploma Programme, website support, and strategic Planning support to the Solomon Islands.

CASHFLOW FORECAST

6. The Closing cash balance as of the 30th of May 2025 is WST\$ 300,000, with only one month left for the end of the financial year. The Secretariat has implemented 85% of the planned Programme activities for the current financial year.

Proposed Recommendations

The Board is invited to:

- (i) **note** the financial update and performance of the Secretariat for the current financial year 01 July 2024 – 30 May 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 the Host Country, PNGICA, Members for their continued financial support to the Secretariat; and
- (iii) **note** the expenditure breakdown provided as of 30th May 2025

(ii) Internal and External Audit Report update

Purpose

7. This paper seeks to update the Board on the outcomes of the external and internal audits.

Background

8. At the last Board Meeting, the Secretariat informed the Board that both external and internal audits had been tendered out widely, both locally and throughout the region. At the time of tender closure for both internal and external audits, only three Audit firms submitted their applications for the internal Audit, and two submitted their proposal for the external Audit.

Internal Audit	External Audit
KPMG	KPMG
BDO	BDO
Apia Chartered Accountants	

9. The Evaluation Committee, which consists of the Deputy Head of Secretariat, who also serves as the Chair of the Evaluation Committee, the Audit and Risk Committee Representative from Australia, the Host Country Representative for Samoa, and the Finance Manager, met to evaluate the Audit tender. The committee reviewed the proposal by the weighting in the Terms of Reference (TOR), which is 80% for the technical evaluation and 20% for the financial review.

10. The committee in its subsequent assessment determined that KPMG, if agreeing to lower their financial proposal, would be the external auditor for the next three years, given that BDO has been the external Auditor for PIDC for the past 8 years. This is intended to provide a fresh perspective on the financial audit of the Secretariat. The outcome of the negotiation with KPMG revealed that PIDC will incur approximately \$50,000 costs per year for the next three years for external audit services. Additionally, the internal audit will cost around \$30,000 for the next financial year, totaling \$80,000 for both Audits. At the time of writing this report, the Committee is still in the process of finalising the outcome for both the internal and external Audit for the final recommendation to be submitted to the Head of Secretariat for approval

Financial Implications

11. The estimated cost for both internal and external audits will be approximately WST 80,000 for the new financial year. It should be noted that the new costs of WST\$50,000 charges for external auditing from KPMG in their proposal would be an increase of WST\$28,000 costs in comparison to BDOs cost of their auditing services for the last 8 years where they have been charging PIDC WST\$22,000 per year. PIDC is a small organisation and the organisation is to determine the viability of picking these additional costs should a contract be offered to KPMG in light of the current limitations to the organizations funding sources.

Proposed Recommendations

The Board is invited to:

- (i) **note** the tender update for the internal and external Audit.
- (i) **task** the Secretariat to work with the Evaluation Committee to finalise the Internal and External Audit to ensure a smooth transition for the Audit.

Members' Contribution Fund Update

Purpose

12. This paper seeks to update the Board regarding the Members' contribution fund for the current 2024/2025 Financial Year as required under Financial Regulation.

Background

13. A standard agenda item in every Board Meeting is the update on the Membership Contribution Fund. The following summarises 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 Members' contributions as of 28 February 2025.

14. Members continue to contact the Secretariat to follow up on their Membership contribution. The Secretariat continues to thank Members for their timely payment of contributions.

Table 5: Outstanding Member Contributions as of 30th May 2025

Membership Contribution	
Current Year	\$13,982
Prior Year Contributions	-
Totals	\$13,982
Members' Outstanding Membership Fees	
French Polynesia	\$8,752
Palau	\$5,230
Totals	\$13,982

15. The Total Outstanding for Members' Contributions is WST13,982 for the current financial year.

Proposed Recommendations

The Board is invited to:

- a) **note** Member's contribution fund update
- b) **note** the outstanding contribution for Members as of 30th May 2025