
FINANCIAL STATEMENT AND VARIATIONS: FINANCIAL YEAR 2016

PREPARED BY: IOTC SECRETARIAT: 23 MARCH 2016

PURPOSE

1. To request that the Standing Committee on Administration and Finance (SCAF) approve proposed amendments (reallocation of funds) to the 2016 Regular Budget of the IOTC, to account for changes in work plan requirements.

BACKGROUND

2. Vacant staff posts, in the first half of 2016, has resulted in a forecasted under-expenditure of approximately US\$480,056 within the Administrative Expenditures (staff costs) of the Commissions regular budget. However, the Programme of Work for the Commission still needs to be met and will therefore require a reallocation of some of these funds to other budget lines, including consultants and capacity building activities.
3. In addition, in reviewing the 2016 budget approved by the Commission in 2015, there are a number of areas which require further budgetary revision (e.g. staff travel and printing). These budget lines have been reduced and reallocated as necessary ([Appendix I](#)).

DISCUSSION

Salaries – Professional grade staff (1.1) and Employer contributions (1.3, 1.4, 1.5)

4. Professional Salaries and contributions will be below the budgeted figure, with a savings of approximately **US\$480,056** due to the following 2016 vacant positions: the Executive Secretary (January-June); Fisheries Officer (Data Coordinator: January-February); Fisheries Officer (Stock Assessment: January-June); Administration Officer (April-June).
5. The IOTC Secretariat requests a re-allocation of the forecasted professional staff savings within the indicated account lines below. Also note, that by re-allocating the staff costs, the ICRU paid to FAO will also be reduced by **US\$14,118**.

Capacity Building (2.1)

6. A re-allocation of **US\$45,000** is proposed for the Capacity Building budget line. This will largely be used to enhance the understanding of CPCs of their data collection, data reporting and monitoring requirements as stipulated in the IOTC's Conservation and Management Measures.

Co-Funding Science and Data grants (2.2)

7. As noted for the 2017 budget (IOTC–2016–SCAF13–09), the IOTC Secretariat has secured a large multi-year Extra-budgetary grant totalling €1,300,000 which will require co-funding of 20% from the IOTC over the grant period. A nominal amount has been incorporated into the IOTC Regular Budget under this line item for 2017, however, there was no allocation from the start of the project in 2016. Thus, a nominal amount of **US\$130,033** has been proposed to the revised 2016 budget for this, and any other grants requiring co-contribution in 2016.

Co-Funding Compliance grants (2.3)

8. The IOTC Secretariat has secured a compliance grant for 2016 totalling €150,000 (approximately US\$169,868) which requires co-funding of 20% from the IOTC. However, there was no allocation from the IOTC Regular Budget for this purpose. Thus, a nominal amount of **US\$63,974** has been proposed to the revised 2016 budget for this, and any other grants requiring co-contribution in 2016.

Consultants (2.4)

9. The Programme of Work of the Commission will need to be met through the hiring of several additional consultants in 2016, to undertake work on capacity building, science, data and compliance. These will need to be decided upon on an ad-hoc basis. Re-allocation of **US\$180,099** is proposed.

Duty travel (2.5)

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10. The budgeted amount of US\$190,000 is not required by the IOTC Secretariat in 2016, due to reduced staffing levels and proposed meetings in Seychelles that do not require staff travel. Thus, it is proposed to reduce this line item by **US\$26,050**.

Meetings (2.6)

11. Three (3) additional Working Parties are proposed to be held in Seychelles in 2016 (Working Party on Neritic Tunas, Working Party on Tropical Tunas, Working Party on Methods). These were not budgeted in the 2016 budget approved by the Commission in 2016 as it was expected that these meetings would be held outside of the Seychelles and paid for by the host CPC. Thus, **US\$35,000** has been proposed for re-allocation in 2016.

Equipment (2.9)

12. A total of **US\$11,000** is proposed for reallocation in 2016, due to the requirement to purchase a new server for the CLAV, which was not accounted for in the original proposal considered by the SCAF in 2015.

Contingencies (2.10)

13. This line item has been increased to account for any unforeseen expenditures, however it will be ‘saved’ if possible.

Meeting Participation Fund (MPF) (6)

14. The MPF budget line, which was originally proposed as US\$200,000 for 2016, but reduced during the SCAF12 to US\$150,000, has been increased back to the original budget estimate of **US\$200,000**.

SUMMARY

15. Expenditures will continue to be carefully scrutinised, due to the lag in contributions against the approved budget and a contribution-based expenditure approach will be pursued.

RECOMMENDATION/S

16. That the SCAF **RECOMMEND** that the 2016 IOTC Regular budget be amended to that provided in [Appendix I](#), noting that no change in the overall budget is made.

APPENDIX I

BUDGETED EXPENDITURES FOR 2016 AND FORECAST DUE TO OPERATIONAL CHANGES (IN US\$)

Budget item description	2016 Approved	2016 Forecast	Variance	% Variance	
1 <u>Administrative Expenditures</u>					
Gross salary costs (before deductions)					
1.1 Professional					
Executive Secretary (D1)	173,907	72,461	-101,446	-58%	
Deputy Executive Secretary (P5)	148,947	148,947	0	0%	
Fishery Officer (Data Coordinator) (P4)	138,308	92,205	-46,103	-33%	
Fishery Officer (Compliance Coordinator) (P4)	118,114	118,114	0	0%	
Fishery Officer (Stock Assessment) (P4)	131,308	65,654	-65,654	-50%	
Fishery Officer (Compliance) (P3)	130,685	130,685	0	0%	
Fishery Officer (Statistics) (P3)	103,717	103,717	0	0%	
Fishery Officer (Science) (P3)	101,258	84,382	-16,876	-17%	
Administrative Officer (P3)	105,970	70,647	-35,323	-33%	
1.2 General					
Administrative Assistant (G6)	14,445	14,445	0	0%	
Compliance Assistant (G6)	10,950	10,950	0	0%	
Office Assistant (G5)	11,747	11,747	0	0%	
Database Assistant (G6)	14,869	14,869	0	0%	
Office Assistant (G4)	7,459	7,459	0	0%	
Driver (G2)	8,165	8,165	0	0%	
Overtime	6,000	6,000	0	0%	
	Total Salary costs	1,225,849	960,447	-265,402	-22%
1.3	Employer Pension & Health	364,650	283,578	-81,072	-22%
1.4	Employer FAO entitlement fund	531,582	412,118	-119,464	-22%
1.5	Improved Cost Recovery Uplift	63,790	49,672	-14,118	-22%
	Total staff costs	2,185,871	1,705,815	-480,056	-22%
	Expenditure for Activities				
2 <u>Operating Expenditures</u>					
2.1	Capacity Building	115,000	160,000	45,000	39%
2.2	Co-Funding Science and Data grants	0	130,033	130,033	100%
2.3	Co-Funding Compliance grants	0	63,974	63,974	100%
2.4	Consultants	110,000	290,099	180,099	164%
2.5	Duty travel (Staff and Non-Staff)	190,000	163,950	-26,050	-14%
2.6	Meetings	45,000	80,000	35,000	78%
2.7	Interpretation	145,000	145,000	0	0%
2.8	Translation	135,000	135,000	0	0%
2.9	Equipment	29,000	40,000	11,000	38%
2.10	General Operating Expenses	49,000	49,000	0	0%
2.11	Printing	30,000	15,000	-15,000	-50%
2.12	Contingencies	2,000	8,000	6,000	300%
	Total Operating Expenditure	850,000	1,280,056	430,056	51%
	SUB-TOTAL	3,035,871	2,985,871	-50,000	-2%
3	<u>Additional Contrib. Seychelles</u>	-20,100	-20,100	0	0%
4	<u>FAO Project Servicing Costs</u>	136,614	136,614	0	0%
5	<u>Deficit Contingency</u>	375,051	375,051	0	0%
6	<u>MPF</u>	150,000	200,000	50,000	33%
	TOTAL	3,677,436	3,677,436	0	0%