

11TH MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

Manta, Ecuador, 25, 26, 27 & 30 January 2024

FAC 11 – Doc 06.1

Statement of transfers of appropriations & write offs

Secretariat

Financial Regulation 3.3 of the Commission provides that *“the Executive Secretary may transfer appropriations between categories in the budget adopted by the Commission provided these categories are not altered by more than 10% of the amounts in the adopted budget and that a statement of all such transfers shall be submitted to the Commission and the auditors with the annual financial statements. The Chairperson of the Commission may however authorise the Executive Secretary to transfer appropriations between categories above this limit.”*

Additionally,

Financial Regulation 6.4 of the Commission provides that *“The Executive Secretary may, after full investigation, authorise the writing off of losses of cash, stores, and other assets, provided that a statement of all such amounts written off shall be submitted to the Commission and the auditors with the annual financial statements.”*

The FAC is invited to:

- **Note** that the SPRFMO Chairperson authorised the Executive Secretary to make 2 transfers as follows:
 - NZ\$ 60,000 from the appropriations for Non-routine Expenses to Personnel Costs; and,
 - NZ\$ 17,500 from the appropriations for Information & Communication to Operational Expenses.
- **Note** that, under his own authority, the Executive Secretary made a further transfer of NZ\$ 6,000 from the appropriations for Information & Communication to Personnel Costs.
- **Note** that no losses, stores, or other assets were written off for the financial year ended 30 June 2023.



Budget category	Initial appropriation	Actual expenditure	Revised appropriation	Comments
1. Personnel Cost	933,608	999,300	999,608	Category 1 (Personnel costs) were 7% higher than budgeted. This overspend was primarily caused by professional staff costs increasing due to UN changes to the post adjustment rate throughout 2022 and the weakness of the New Zealand dollar vs the USD. The Executive Secretary informed the FAC of this situation last year (refer FAC10-Doc06).
4. Information and Communications	93,529	55,897	70,029	Category 4 (Information and Communications) expenses were 36% under budget. This underspend was associated with savings from changing to voice over internet and a different internet arrangement, plus reduced costs associated with outsourcing IT services. Some planned computer related expenses (identifying licensing, software and other inefficiencies within the Secretariat's IT environment) were delayed to offset overspends in other categories.
5. Operational Expenses	31,000	48,466	48,500	Category 5 (Operational Expenses) were 56% higher than budgeted. This overspend was caused by legal fees relating to a court case involving a SPRFMO Member that resulted in the Secretariat being subject to a court-imposed injunction order (refer to letters R03-2023, R05-2023, R06-2023, R21-2023 and R25-2023). Total legal fees for 2022-23 were NZ\$29,000 and this covered advice on the injunction order affecting the Secretariat, observing the London proceedings, and reviewing the filed documents to ascertain any potential risks to SPRFMO.
7. Non-Routine Expenses	130,000	67,231	70,000	The underspend in Category 7 (Non-routine Expenses) was primarily caused by fewer than expected Members entering the Observer programme and savings associated with the 10yr anniversary campaign.