



CORAL TRIANGLE INITIATIVE

ON CORAL REEFS, FISHERIES
AND FOOD SECURITY

Annex 4

Decision Document on

Session 4

CTI-CFF Regional Secretariat Budget

The 13th CTI-CFF SENIOR OFFICIALS' MEETING (SOM-13)

**29 – 30 November 2017
Dusit Thani Manila Hotel
Makati City, Philippines**

Adopted on 29 November 2017

by

**the Governments of Indonesia, Malaysia, Papua New Guinea,
the Philippines, Solomon Islands, and Timor-Leste**

I. Background

The Meeting on Regional Secretariat Proposed Budget for 2017 and other Financial Matters held on 30-31 March 2017. Among others the discussions were Regional Secretariat's Financial Rules and Procedure, the 2017 Budget of Regional Secretariat, and the 2016 Audit process.

The CTI-CFF Regional Secretariat has received full country contribution of 2017 from Indonesia, Malaysia, and Philippines as well as partial country contribution from Timor-Leste and Solomon Islands. In this regard, the CTI-CFF Regional Secretariat would like to express its high gratitude to the governments of Indonesia, Malaysia, and the Philippines for their commitments to remit respective schedule of full country contribution for the year of 2017 and to the governments of Timor-Leste and Solomon Islands for partial contributions in 2017.

In term of proposed budgeted 2018, the Regional Secretariat has prepared and circulated the proposed budget on 19 September 2017 to CTI-CO for their review and consideration. It shall be mentioned that the total value of proposed budget 2018 is exactly the same with 2017. The Regional Secretariat has made adjustments for several budget lines in accordance with the needs in 2018.

In regard to the 2016 Audit, Syarief Basir \$ Rekan was elected as an independent Auditor. This selection has gone through procedures involving the NCCs for their consideration and approval. In its 2016 Audit Report, the office of Auditor issued the report and their opinion. the Auditor's opinion stated audited financial statements of CTI-CFF Regional Secretariat has been presented fairly, meaning that this is the best outcome for the audited financial statement. Subsequently, this report was circulated to the Chairs of CTI-COM and CTI-CSO for reporting and ready reference.

Additionally, the draft final of Regional Secretariat's Financial Rules and Procedures has already prepared. This document has been incorporated with NCCs' recommendations taken from Budget Meeting in March 2017. After that, the document sent to the Auditor for consultation and review. Later, the Auditor provided their recommendations and the document has also been incorporated with the Auditor's recommendations accordingly.

The annual contribution to the CTI-CFF Budget is imperative for the Regional Secretariat to administer its full operational function in coordinating and monitoring program and activities in the region. The CTI-CFF Regional Secretariat appreciates the remittance of the country contribution without much delay. Strong and solid commitment to the full payment of the country's contribution is imperative toward the successfulness of CTI-CFF and Regional Secretariat. The Regional Secretariat continues to remind other CTI-CFF Member Parties to pay their annual country contribution in order to establish a well-managed and effective the Regional Secretariat that performing its function to coordinate, monitor and support various activities in the CTI-CFF region.

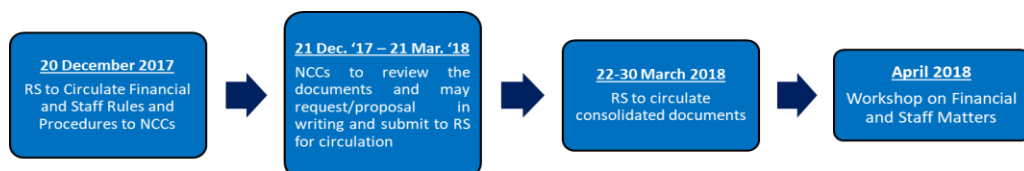
II. Decision

Referring to the discussion and consideration among the SOM-13 on session of CTI-CFF Regional Secretariat Budget, the Senior Officials hereby:

1. Reviewed and agreed on Regional Secretariat's Standard Operating Procedures for all financial-related matters

- 1.1. Agreed to circulate the Revised Draft of Regional Secretariat's Financial Rules and Procedures as well as the Staff Rules and Procedures to National Coordinating Committees (NCCs) for further review;
- 1.2. Agreed to organize a workshop to discuss the amendment on the following, namely: 1) Financial Regulations; and 2) Staff Regulations and to finalize the draft 1) Financial Rules and Procedures and 2) Staff Rules and Procedures, which would be held back-to-back with meetings of Coordination Mechanism Working Group (CMWG) and Financial Resources Working Group (FRWG) possibly in March/April 2018 in Indonesia;

1.3. The timeline prior to the Workshop would be as follows:



- 1.4. Urged the Regional Secretariat to utilize the existing 1) Financial Regulations; and 2) Staff Regulation for daily operational matters.; and
- 1.5. Agreed that any CTI-CFF Member State may request in writing a revision, modification or amendment of CTI-CFF Financial Regulations in accordance with CTI-CFF Rules of Procedure, Rule 24 on Amendment and Rule 25 on Additional Provisions and Amendments, by August 2018.

2. Reviewed on the 2016 Audited Report

- 2.1. Appointed PricewaterhouseCoopers (PwC) to conduct a special audit for all accounts relating to Regional Secretariat for years 2015 – 2016 and regular audit for 2017 referring to the due diligence process by Regional Secretariat in 2016;
- 2.2. The special audit report shall be submitted before March 2018 and the 2017 audit report shall be submitted not later than July 2018; and
- 2.3. Costing to be incurred in the performance of special audit and regular audit shall be incorporated in the 2018 budget.

3. Reviewed the criteria on quantum of country contributions

Agreed to continue with current schedule of country contribution.

4. Proposed Budget 2018

Agreed to give blanket approval on the proposed budget 2018 until March 2018 in accordance with the article 10 (2) of the Agreement on the Establishment of CTI-CFF Regional Secretariat based on actual spending of 2016.