



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



# **Financial Regulations**

Coral Triangle Initiative on  
Coral Reefs, Fisheries and  
Food Security (CTI-CFF)

Revised version

CTI-CFF Regional Secretariat



# **Financial Regulations**

## **Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF)**

Revised version

**Financial Regulations: Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF)  
Revised version**

Established during the 3<sup>rd</sup> CTI-CFF Ministerial Meeting, 28 October 2011  
Amended during the 14<sup>th</sup> CTI-CFF Ministerial Meeting, 14 December 2018

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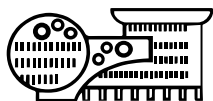


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ISBN: 978-602-73937-4-5

CTI-CFF Regional Secretariat. 2018. *Financial Regulations: Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF)*. Revised version. Manado: CTI-CFF RS.

Cover photo by M Abbott/CTI-CFF. Timor Leste.



**CTI-CFF Regional Secretariat**  
Jl. A.A. Maramis Kayuwatu, Kairagi II  
Manado, North Sulawesi 95254  
Indonesia

T: +62-431-7241927/ 7242026  
E: [regional.secretariat@cticff.org](mailto:regional.secretariat@cticff.org)

**[coraltriangleinitiative.org](http://coraltriangleinitiative.org)**

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# Foreword



As an international organization, the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) has several rules and procedures on strengthening its multilateral partnership on marine, coastal and small island ecosystems of the six Coral Triangle countries (CT6) – Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands and Timor-Leste. I am pleased to share that the Agreement on the Regional Secretariat of the CTI-CFF with all annexes was registered and recorded with the United Nations Secretary General on 1<sup>st</sup> November 2017 and was published at the Statement of Treaties and International Agreements Registered or Filed and Recorded with the Secretariat on November 2017 Number 54907. With this registration, the CTI CFF Regional Secretariat has a formal status as an international organization.

The CTI-CFF through the Regional Secretariat initiates, coordinates, and facilitates communication and activities across the CTI-CFF Member Parties towards the attainment of the goals set in the Regional Plan of Action. More so, the CTI-CFF Regional Secretariat recognizes and values the support and contribution of each CT6 member countries and its development partners in order to implement plans and activities of the CTI-CFF.

Following the Joint Ministerial Statement of the 7<sup>th</sup> CTI-CFF Ministerial Meeting (MM-7) in 2018, the CTI-CFF Regional Secretariat was mandated to finalize the revised CTI-CFF Financial Regulations. This regulation is intended to enhance the CTI-CFF Regional Secretariat's operations and compliance as an international organization.

The revised Financial Regulations is produced to maintain the confidence of the CTI-CFF to realize the conditions that have been set to ensure the effective applications of the rights and principles set out in its day to-day financial operation as assurance that contributions from CTI-CFF Member Parties and its development partners are well-managed and accounted for. It hopes to contribute to the protection and enhancement of the stability and integrity of the financial system of the CTI-CFF Regional Secretariat.

The revised Financial Regulations provides clear guidelines on the process of the financial management system of an international organization. The revision includes restructuring the flow of regulations as well as additional regulations. It went through consultative and participatory processes to ensure that expectations of the governing body and staff of the Regional Secretariat are clearly met.

The revised Financial Regulations is an important communication tool between the governing body of the CTI-CFF and the staff of the Regional Secretariat. The Regional Secretariat is hoped to be able to carry out its day-to-day function guided by principles and ideals which the CTI CFF upholds.

It is my privilege to present the revised Financial Regulations with hope it can provide better guidance to all staffs, the CTI-CFF Member Parties, Development Partners and respected stakeholders on financial system management of the CTI-CFF Regional Secretariat.

**Hendra Yusran Siry, PhD**  
Interim Executive Director  
CTI-CFF Regional Secretariat







## Regulation 1 Applicability

These Regulations shall govern the financial administration of the CTI-CFF Secretariat.

## Regulation 2 Financial Year

The financial year shall be for twelve (12) months, commencing 1 January and ending 31 December, both dates inclusive.

## Regulation 3<sup>1</sup> Definitions

For the purpose of this Regulation:

**Appropriation** – An authorization of CTI COM or CTI CSO directing the payment of goods and services out of funds under specified conditions or for specified purposes.

**Budget** – Is a schedule of expenditures, based on their obligations or cash concepts and the corresponding sources of financing, either from contributions and/or revenues.

**Commitment** – An obligation incurred for which items have not been delivered and services not yet rendered.

**Disbursement** – Payment of cash or cash-equivalent for goods or services, or a charge against available funds in settlement of an obligation as evidenced by an invoice, receipt, voucher, or other such documents.

**Expenditure** – The total amount of money that Regional Secretariat spends during a particular period of time.

**External Audit** – An audit conducted by an individual or firm that is independent of the Regional Secretariat being audited.

**Extraordinary** – An item in the Regional Secretariat accounts not arising from its normal activities.

**Extravagant** – Exceeding what is reasonable or appropriate.

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<sup>1</sup> This is an addition to the regulation which provides definitions related to financial aspects.

**Financial** – Pertaining to or related to money matters.

**Internal Audit** – An independent, objective assurance and consulting activity designed to add value and improve Secretariat’s operations.

**Internal Control** – Methods put in place by the Secretariat to ensure the integrity of financial and accounting information, meet operational and profitability targets, and transmit management policies throughout the Secretariat.

**Irregular** – Contrary to the rules or to that which is normal or established.

**Malversation** – The misconduct in public office, corruption, misuse of public or other funds.

**Manual** - A book, especially one giving information or instructions.

**Misappropriation** – The intentional, illegal use of property or funds of the office for one’s own use or other unauthorized purpose by any person with a responsibility to care for and protect office assets.

**Obligation** – Commitment arising from an act of a duly authorized official which binds the entity to the immediate or eventual payment of a sum of money.

**Other Income** – Earnings from activities other than normal business operations, such as investment interest, foreign exchange gains, rent income, and profit from the sale of non- inventory assets.

**Parties** – Those States who have deposited instruments of acceptance or approval or ratification with the Depository.

**Partners** – Any state, inter-governmental organization or non-governmental organization, including a private sector entity, who had been invited to be a CTI Partner at the initiation of the CTI-CFF or meets the criteria and goes through the established process to become a CTI partner in the Rules of Procedure.

**Policy** – A course or principle of action adopted or performed by CTI-CFF for expending.

**Public Bidding** – An offer (often competitive) to set a price by an individual or business for a product or service or a demand that something be done.

**Regulation** – A rule or directive made and prescribed by an authority.

**Rules** – One of a set of explicit or understood regulations or principles governing conduct within a particular activity.

**Staff** – The staff of the Secretariat shall comprise of the Executive Director, Deputy Executive Director, Professional Staff and Support Staff.

**Temporary Restricted Fund** – Items that were received with a donor-imposed restriction that will be satisfied in the future. The donor's restriction may be for a particular purpose or program or for use in a specified time period.

**Tenders** – To invite bids for a project, or to accept a formal offer such as a takeover bid.

**Unconscionable** – Unreasonably excessive that is normally contrary to moral and other acceptable good practices.

**Unnecessary** – Things that are not essential to the operation of Regional Secretariat.

## Regulation 4<sup>2</sup> Contributions and Other Income

The funds of the Secretariat shall include:

- a. **Assessed Contributions** made by Parties in accordance with Schedule 1 of these Regulations;
- b. **Voluntary Contributions** made by Parties, CTI Partners or other entities; and
- c. Such **Other Funds** to which the Secretariat may become entitled or may receive, including income from investments.

All income other than contributions to the budget shall be classified as Miscellaneous Income and credited to the General Fund. The use of Miscellaneous Income shall be subject to the same financial controls as activities financed from regular budget appropriations.

## Regulation 5<sup>3</sup> Provision of Funds

1. Each Party shall contribute to the budget in accordance with the formula prescribed in Schedule 1 of these Regulations.
2. On approval of the budget for a financial year, the Executive Director shall send a copy thereof to all Parties informing them of their contributions and requesting them to remit their contributions due.

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2 This is an addition to the regulation to briefly introduce type of funds of the Secretariat.

3 This regulation is previously part of Regulation 8 on Provision of Funds of the Financial Regulation and has been integrated and edited for structural purpose.

3. Annual contributions shall be considered as due and payable in full within sixty (60) days of the receipt of the communication of the Executive Director referred to in paragraph 3 of this Regulation, or as of the first day of the calendar year to which they relate, whichever is the later. As of 1 January, of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears, and may be subject to consequences to be determined by the CTI COM.
4. Annual contributions shall be assessed in terms of a value calculated based on the Special Drawing Rate (SDR) of the International Monetary Fund and paid in United States dollars.
5. The Executive Director shall submit to each CTI COM Meeting a report on the collection of annual assessed contributions from Parties, any voluntary contributions received including contributions from CTI Partners, any investment income and other income received.
6. Annual contribution of a new party of the CTI-CFF shall be on prorated basis effective from the joining date as agreed by the parties concerned.
7. The CTI COM may develop a policy to assist in the calculation of the value of in-kind contributions.
8. Voluntary contributions above and beyond Parties' budget contributions may be accepted by the Executive Director provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Secretariat which shall be credited to the *General Fund*.
9. Voluntary contributions offered by CTI Partners and other non-Parties and entities may be accepted, subject to agreement by the Secretariat with prior authorization from CTI COM/CTI CSO in accordance with Article 3 of The Agreement on the Establishment of the Regional Secretariat of the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF), that the purposes of the contribution are consistent with the policies, aims and activities of the Secretariat which shall be treated as Temporary Restricted Funds under Regulations 6 (b).

## Regulation 6<sup>4</sup> Establishment of Funds

1. The Regional Secretariat shall establish fund as follows:

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4 This regulation is a part of Regulation 7 on Funds of the original Financial Regulation with simplified explanation.

- a. **General Fund** - for the purpose of accounting for the income and expenditure of the Secretariat;
    - i. Contributions paid by Parties and miscellaneous income under Regulation 4 to finance general expenditure;
    - ii. Advances made by Parties shall be carried to the credit of the Parties which have made such advances.
  - b. **Temporary Restricted Fund**
    - i. The **CTI-CFF Funds** – Grants/Donations from CTI Development Partners.
    - ii. The **Special Funds** – Grants/Donations from donors other than CTI Development Partners.
    - iii. The **Surplus Funds** – Any cash surplus at the close of a financial year that is not required to meet undischarged commitments in terms of Regulation 9 (3).
2. Funds provided by CTI Partners or other donors, unless provided for allocation to the General Fund, shall be designated as Temporary Restricted Funds. The CTI COM may establish such procedures as it thinks fit to provide for the receipt, reporting and appropriation of Temporary Restricted Funds. The Executive Director shall comply with any such procedures established by the CTI COM and ensure that all on-going monitoring and reporting obligations sought by the donors of the Funds are met/complied in accordance with MOA/MOU.

## Regulation 7<sup>5</sup> Custody of Funds

1. The Executive Director shall designate a Government bank or banks in Indonesia near the headquarters in Manado in which the funds of the Secretariat shall be kept and shall report the identity of the Government bank or banks so designated to the CTI COM/CTI CSO. The Regional Secretariat shall maintain bank account as follows:
  - a. US Dollar Account
    - i. *General Fund*
    - ii. *Temporary Restricted Fund*
  - b. Indonesia Rupiah
    - i. *General Fund*
    - ii. *Temporary Restricted Fund*
2. Investment of funds is regulated as follows:
  - a. The CTI COM or CTI CSO may give approval to the Executive Director to make short-term investments of moneys not needed for the immediate requirements of the Secretariat. Such investments shall be restricted to securities and other

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<sup>5</sup> This regulation is part of Regulation 10 on Custody of Funds of the original Financial Regulation with some revisions in texts and sequence.

- investments issued by financial institutions or Government bodies with current ratings provided by a rating body approved by the Secretariat's Auditor, indicating a strong capacity to pay. The details of investment transactions and income derived shall be reported in the documents supporting the budget.
- b. With regard to moneys held in the CTI-CFF or Special funds for which use is not required for at least 12 (twelve) months, longer-term investments may be authorized by the CTI COM and the relevant CTI Partner, provided such action is consistent with the terms under which the moneys were lodged with the CTI-CFF. Such investments shall be restricted to securities and other investments issued by financial institutions or Government bodies with current ratings, provided by a rating body approved by the Secretariat's Auditor, indicating a strong capacity to pay.
3. Income derived from investments shall be credited to the Fund from which the investment was made.

## Regulation 8<sup>6</sup> Budget

1. The Executive Director, in consultation with relevant staff of Regional Secretariat, shall prepare a proposed annual budget for each financial year that covers income and expenditures for the financial year to which it relates.
2. The draft annual budget shall be divided into parts and sections. It shall be accompanied by such information, annexes and explanatory statements as may be required by the CTI Council of Ministers (CTI COM) or CTI Committee of Senior Officials (CTI CSO), including a statement on the main changes in comparison with the budget of the previous year, and such further annexes or statements as the Executive Director may deem necessary and useful.
3. The draft budget shall be categorized by section, program and sub-program; for the purpose of comparison, the object of expenditures for the previous financial year and the program expenditures of the current year shall be indicated alongside the resource estimates for the forthcoming financial year.
4. The proposed budget shall include a statement of the significant financial implications for subsequent financial years in respect of any proposed work programs presented in terms of estimated expenditure categories.

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6 This regulation is part of Regulation 3 on Budget of the original Financial Regulation with some revisions in texts and sequence.



5. The Executive Director shall submit the proposed budget for the following year to CTI COM/CTI CSO and the Operation Plan and Budget Committee at least sixty (60) days prior to the CTI COM/CTI CSO Meeting. The Operation Plan and Budget Committee shall evaluate and prepare a report to the CTI COM/CTI CSO on the budget proposed by the Executive Director.
6. The CTI COM/CTI CSO shall decide upon the annual budget of the Secretariat after considering the report of the Operation Plan and Budget Committee.
7. Supplementary budget proposals may be prepared by the Executive Director if exceptional circumstances make this necessary. Supplementary budget proposals shall be prepared in a form consistent with the approved budget and shall be reviewed by the Operation Plan and Budget Committee. Such supplementary budget only allowed to be submitted during the second half of the financial year. Exemption can be given by CTI-CSO depending on the urgency and case by case basis. The provisions of these Regulations shall be applicable to the proposed supplementary budget to the extent possible.
8. The proposed budget shall be presented in United States dollars.
9. If the CTI COM is unable to adopt a decision on the Budget, the level of contribution to the administrative Budget of the Secretariat shall be determined in accordance with the Budget for the preceding year for the purpose of meeting the administrative expenses of the Secretariat for the following year until such time as a new Budget can be adopted by consensus.

## Regulation 9<sup>7</sup> Appropriation

1. The resolution for appropriations adopted by the CTI COM or CTI CSO shall constitute an authorization for the Executive Director to incur obligations and make payments for the purposes for which the appropriations were adopted.
2. Future obligations may be paid by Executive Director out of the current budget subject to prior authority by the CTI-CSO/COM.
3. Appropriations shall be available for the financial year to which they relate. At the end of the financial year all appropriations for that financial year shall lapse. Commitments remaining undischarged against previous appropriations at the end

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<sup>7</sup> This regulation is a part of the Regulation 4 on Appropriations of the original Financial Regulation with some edited parts on language and sequence.

of a financial year shall be carried over and be included in the budget for the next financial year, unless the CTI COM or CTI CSO decides otherwise.

4. The Executive Director may make transfers of up to 10 (ten) percent of budget between appropriations with prior approval by CTI CSO. All transfers must be reported by the Executive Director in the annual financial report provided to the CTI COM and CTI CSO. This shall be done, provided there is no shortfall in the resources for the same financial year.
5. Should the Executive Director anticipate a shortfall in resources over the financial period as a whole, the Executive Director shall consult in writing the CTI CSO, as to priorities for expenditure.
6. Unforeseen and extraordinary expenses may be incurred from within existing budget appropriations, or from voluntary contributions. Approval to incur such expenses must be obtained from the CTI CSO. All approvals with the corresponding expenses incurred following the format made by the CTI CSO must be reported and submitted to the SOM.
7. While amounts for budget expenditures is included in the appropriation, prior authorization for the utilization of funds must be obtained from the Chair of the CSO, as follows:
  - a. Official Travel outside the official stations
  - b. Increments in the Compensation and Benefits of the Staff
  - c. Other Utilization that the CTI COM/CTI CSO approval may deem necessary
8. For project/s funded by the CTI Partners with unutilized funds for current financial year, the Executive Director may expend the funds in question in the subsequent financial year provided that there is a written consent from the CTI Partners. In the event that the project is completed, any unexpended funds shall be utilized in accordance with the provisions of the Memorandum of Agreement/ Understanding.

## Regulation 10<sup>8</sup> Procurement of Goods and Services

1. Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works.
2. All purchases of goods and services shall be made in accordance with the following rules of procurement:

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<sup>8</sup> This is a new regulation to manage the procurement process.

- a. Tenders – for purchases above USD 15,000;
- b. Written Quotations – for purchases between USD 2,001 to USD 15,000
- c. Open Market Purchases – For amounts of USD 2,000 and below.

For tenders, it should be posted on the website and published in a newspaper of general circulation nationwide and in any conspicuous place in the premises of the Procuring Entity. This is to ensure widest possible dissemination and adhere to the principle of transparency, accountability, efficiency, equity and economy in its procurement process.

3. The foregoing Regulations, shall, however, not apply in the following cases:
  - a. where it has been ascertained that only a single supplier/sole distributor exists, and that fact is supported by document and certified by the supplier/distributor
  - b. where voluntary contributions have been provided in the MOU/MOA, specifying a particular project and/or supplier;
  - c. where, on the CTI COM or CTI CSO, there are determined to be exceptional circumstances that require such deviation; and
  - d. in case of emergency, or force majeure, or where, for any other reason, these Regulations would not be in the best financial interests of the Secretariat, and that fact is so certified by the Executive Director.

## Regulation 11<sup>9</sup> Accounting

1. The Executive Director shall:
  - a. Ensure that appropriate records and accounts are kept of the transactions and affairs of the Secretariat.
  - b. Perform all things necessary to ensure that all payments out of the Secretariat's moneys are correctly made and properly authorized.
  - c. Ensure that adequate control is maintained over the assets of the Secretariat, or any assets in the custody of the Secretariat.
  - d. Ensure that adequate control is maintained over the incurring of liabilities by the Secretariat.
2. The Executive Director shall submit **annual financial statements** to the CTI COM and the CTI CSO. The annual financial statements shall show, for the financial year to which they relate:
  - a. the income and expenditure relating to all funds including donations from CTI Partners, Collaborators, and other source of funds and accounts;

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<sup>9</sup> This regulation includes some parts of Regulation 6 on The Accounts of the original Financial Regulation with additional information.

- b. the status with regard to budget/appropriations, including:
    - i. the approved budget/appropriations;
    - ii. the actual expenditure under or in excess of the approved budget/appropriations;
    - iii. any other income;
    - iv. the detailed amounts charged against these appropriations and other income;
  - c. the financial assets and liabilities of the Secretariat;
  - d. investments, where such investments shall be restricted to securities and other investments issued by financial institutions or Government bodies with current ratings, provided by a rating body approved by the Secretariat's Auditor, indicating a strong capacity to pay;
  - e. Loss of assets and bad debts proposed in accordance with Regulation.
  - f. Provide such other information as may be appropriate to indicate the financial position of the Secretariat.
3. The official accounts of the Secretariat shall be presented in United States dollars. At the option of the Executive Director, he/she may keep accounting records in other currency.
  4. Appropriate separate accounts shall be kept for all Special funds and CTI-CFF funds created pursuant to Regulation 6.
  5. The annual financial statements shall be submitted by the Executive Director to the Auditor not later than thirty (30) days following the end of the financial year.
  6. The Executive Director may propose to the CTI CSO the writing off of losses of assets and bad debts, provided that the external auditor so recommends. In such cases, it shall be covered by an investigation report prepared by investigation committee created for the purpose in accordance with the manual. Such losses shall be included in the annual accounts.

## Regulation 12<sup>10</sup> Reporting to CTI Parties and CTI Partners

1. The Executive Director shall submit to each CTI CSO/COM Meeting a report on the collection of annual assessed contributions from Parties, any voluntary contributions received including contributions from CTI Partners, any investment income and other income received.

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<sup>10</sup> This regulation is an extended version of Regulation 11 on Reporting of the original Financial Regulation with additional information.

2. The Executive Director shall ensure reports on expenditure from funds donated by CTI Partners will be made to such CTI Partners within timeframes that meet the internal budgetary reporting cycle of those Partners.
3. Reports prepared for CTI Partners will be in a format that will meet the internal reporting requirements of the CTI Partner concerned.
4. Copies of reports made for CTI Partners will also be provided to the CTI CSO.
5. For the purpose of monitoring of funds, the Regional Secretariat shall submit to the Operation Plan and Budget Committee on a quarterly basis, the financial reports on the 10th day of the month following the end of each quarter.

### Regulation 13<sup>11</sup> Internal Control

1. For the effective and efficient use of Secretariat's Assets, the Executive Director shall:
  - a. Prepare manual containing detailed financial rules and procedures in consultation with the Operation Plan and Budget Committee designated by the CTI CSO to ensure effective financial administration and the exercise of economy in the use of funds;
  - b. Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the goods or services have been received and that payment has not been previously made;
  - c. Designate officers who may receive monies, incur obligations and make payments on behalf of the Secretariat; and
  - d. Maintain and be responsible for internal financial control to ensure:
    - i. The regularity of the receipt, custody and disposal of all funds and other financial resources of the Secretariat;
    - ii. The conformity of obligations and expenditures with the appropriations adopted by the CTI CSO and CTI COM; and
    - iii. The economic use of the resources of the Secretariat.
2. For any agreement or contract, the Regional Secretariat shall seek prior authority in writing from the CTI COM/CTI CSO in accordance with Article 3 of The Agreement on the Establishment of the Regional Secretariat of the CTI-CFF.
3. For the improvement of systems and procedures of Regional Secretariat, any Party may request the conduct of internal audit subject to the approval of the Chair

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11 This regulation is part of Regulation 5 on Internal Control of the original Financial Regulation with simplified explanation.

of the CTI CSO, in accordance with this regulation and generally acceptance auditing standards. The Internal Auditor shall:

- a. Review, evaluate and report on the use of financial resources and on the effectiveness, adequacy and application of internal control systems, procedures and other relevant internal controls.
- b. Determine compliance of financial transactions with financial regulations, rules and procedures and other CTI-COM/CTI CSO legislative mandates including administrative instructions and approved recommendations of external oversight bodies.

## Regulation 14<sup>12</sup> External Audit

1. The **CTI CSO Chair** shall appoint the external Auditor with consent of the Parties, who shall be the Auditor-General or equivalent statutory authority from a Party affiliated with internationally recognized independent auditor or an internationally recognized independent auditor with local office establish in Indonesia with experience in the audit of international organizations. The Auditor shall be appointed for a period of one year and may be reappointed. The CTI COM will ensure respect for the Auditor's independence of the Secretariat and the Secretariat's staff and shall make provision for appropriate funds to the Auditor. Regardless of estimated contract cost, the Tender/Invitation to Bid shall be published in the website and published in a newspaper of general circulation nationwide.
2. The Auditor shall be completely independent and solely responsible for the conduct of the audit.
3. The Auditor or its duly authorized Partner/s or Staff shall be entitled at all reasonable times to full and free access to all accounts and records of the Secretariat relating directly or indirectly to the receipt or disbursement of funds by the Secretariat or to the acquisition, receipt, custody or disposal of assets by the Secretariat and may make copies of, or take extracts from any such accounts or records.
4. The Auditor shall conduct their examination of the financial statements in conformity with generally accepted auditing standards and shall report on all relevant matters, including:
  - a. Whether, in their opinion, the statements are based on proper accounts and records;
  - b. Whether the statements are in agreement with the accounts and the records;
  - c. Whether, in their opinion, the income, expenditure and the acquisition and

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12 This regulation is a part of Regulation 11 on External Audit of the original Financial Regulation.

- disposal of assets by the Secretariat during the year have been in accordance with these Regulations; and
- d. Observations with respect to the efficiency and economy of the financial procedures.
5. The Executive Director shall provide the Auditor with the facilities he or she may require in the performance of the audit.
  6. The Auditor shall, within sixty (60) days of the date upon which the annual financial statements are submitted by the Executive Director, issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as the Auditor deems necessary with regard to matters referred to in paragraph 4 as appropriate. The Auditor shall provide two copies of the Audit Reports and Audited Financial Statements, one copy to the Chair of the CTI CSO and COM and another copy to the Regional Secretariat upon completion of the audit as stated in the contract. The Regional Secretariat shall be responsible to circulate the soft copy of Audit Report and the complete set of Audited Financial Statements to member parties within seven (7) working days.
  7. The CTI CSO may request the Auditor to perform certain specific examinations and issue separate reports on the results as specified in the contract.

## Regulation 15<sup>13</sup> Acceptance of Financial Statements

1. The CTI CSO shall, following consideration of the audited annual financial statements and audit report submitted to it under Regulation 14 of these Regulations, signify its acceptance of the audited annual financial statements or take such other action as it may consider appropriate
2. The CTI CSO may direct the Executive Director to take such actions as it thinks fit based on the external Auditor's report. The Executive Director shall submit his/her compliance, along with the supporting documents, with the audit findings as required by CTI CSO not later than thirty (30) days after receipt.

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<sup>13</sup> This regulation is part of Regulation 13 on Acceptance of Financial Statements of the original Financial Regulation.

## Regulation 16<sup>14</sup> Insurance

The Secretariat may take out suitable insurance with a reputable financial institution against normal risks to its assets.

## Regulation 17<sup>15</sup> Penalties

Misappropriations/Malversations of funds and Noncompliance with any provision of this regulation shall be a ground for disciplinary action as provided in the Staff Regulation.

## Regulation 18<sup>16</sup> Repealing Clause

All ( previous) Financial Regulations inconsistent with the provisions of this regulation are hereby repealed or amended accordingly.

## Schedule 1 Assessed Contribution Formulae

Parties will contribute to the General Fund of the Secretariat on the following basis:

- a. The total amount to be contributed will be determined by the CTI COM based on the draft budget provided by the Secretariat;
- b. Sixty percent (60%) of the amount identified in paragraph (a) of this Schedule will be contributed by each of the Parties in equal shares; and
- c. The remainder of the total amount identified in paragraph (a) of this Schedule will be divided between the Parties based upon the relative size of their gross domestic product (GDP) as calculated by the most recent year for which GDP figures are available for all Parties.

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14 This regulation is part of Regulation 14 on Insurance of the original Financial Regulation with simplified explanation.

15 This is a new regulation.

16 This is a new regulation.











**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



### **Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF)**

The CTI-CFF is a multilateral partnership of six countries working together to sustain extraordinary marine and coastal resources by addressing crucial issues such as food security, climate change and marine biodiversity.

The CTI-CFF was established formally during the Leaders' Summit in 2009 with approval of the leaders from the CT6 countries. They adopted the CTI Regional Plan of Action (CTI RPOA) which is a strategic action plan with five goals: (1) designation of effectively managed seascapes; (2) application of an ecosystem approach to fisheries management; (3) establishment of a fully functional marine protected area system; (4) strengthening climate change adaptation and resilience; and (5) improving the status of threatened marine species.