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4 February 2020

**IPHC CIRCULAR 2020-002**

**SUBJECT: REPORT OF THE 96<sup>th</sup> SESSION OF THE IPHC FINANCE AND  
ADMINISTRATION COMMITTEE (FAC096)**

Dear Commissioners,

In accordance with Rule 15 (Reports and Records) of the IPHC Rules of Procedure (2019), I am pleased to provide you with the final Report of the 96<sup>th</sup> Session of the IPHC Finance and Administration Committee (FAC096) (IPHC-2020-FAC096-R) which was adopted today, 4 February 2020.

The report is also available for download from the IPHC website: <https://www.iphc.int/>.

Yours sincerely

David T. Wilson, Ph.D.  
Executive Director, IPHC

**Attachments:**

**Attachment I:** Report of the 96<sup>th</sup> Session of the IPHC Finance and Administration Committee (FAC096)



# ATTACHMENT I

INTERNATIONAL PACIFIC  
HALIBUT COMMISSION

IPHC-2020-FAC096-R

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## **Report of the 96<sup>th</sup> Session of the IPHC Finance and Administration Committee (FAC096)**

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Anchorage, Alaska, U.S.A., 3 February 2020

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**DISTRIBUTION:**

Participants in the Session  
Members of the Commission  
IPHC Secretariat

**BIBLIOGRAPHIC ENTRY**

IPHC 2020. Report of the 96<sup>th</sup> Session of the IPHC  
Finance and Administration Committee (FAC096).  
3 February 2020.  
*IPHC-2020-FAC096-R, 16 pp.*

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INTERNATIONAL PACIFIC  
HALIBUT COMMISSION

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## ACRONYMS

AM	Annual Meeting
CB	Conference Board
FAC	Finance and Administration Committee
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
IPHC	International Pacific Halibut Commission

## DEFINITIONS

A set of working definitions are provided in the IPHC Glossary of Terms and abbreviations: <https://www.iphc.int/the-commission/glossary-of-terms-and-abbreviations>.

## HOW TO INTERPRET TERMINOLOGY CONTAINED IN THIS REPORT

This report has been written using the following terms and associated definitions so as to remove ambiguity surrounding how particular paragraphs should be interpreted.

- Level 1: RECOMMENDED; RECOMMENDATION; ADOPTED** (formal); **REQUESTED; ENDORSED** (informal): A conclusion for an action to be undertaken, by a Contracting Party, a subsidiary (advisory) body of the Commission and/or the IPHC Secretariat.
- Level 2: AGREED:** Any point of discussion from a meeting which the Commission considers to be an agreed course of action covered by its mandate, which has not already been dealt with under Level 1 above; a general point of agreement among delegations/participants of a meeting which does not need to be elevated in the Commission's reporting structure.
- Level 3: NOTED/NOTING; CONSIDERED; URGED; ACKNOWLEDGED:** General terms to be used for consistency. Any point of discussion from a meeting which the Commission considers to be important enough to record in a meeting report for future reference. Any other term may be used to highlight to the reader of an IPHC report, the importance of the relevant paragraph. Other terms may be used but will be considered for explanatory/informational purposes only and shall have no higher rating within the reporting terminology hierarchy than Level 3.

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## EXECUTIVE SUMMARY

The 96<sup>th</sup> Session of the International Pacific Halibut Commission (IPHC) Finance and Administration Committee (FAC096) was held in Anchorage, Alaska, U.S.A. on 3 February 2020. A total of 6 members (6 Commissioners) attended the Session, as well as 2 advisors/experts from the two (2) Contracting Parties. The meeting was opened by the Chairperson, Mr Chris Oliver (USA) and Vice-Chairperson, Mr Paul Ryall (Canada) who welcomed participants to Anchorage, Alaska, USA.

The following are a subset of the complete recommendations and requests for action from the FAC096, which are provided at [Appendix VI](#).

## RECOMMENDATIONS

### *Financial Statements for FY2019*

FAC096–Rec.01 ([para. 13](#)). The FAC **RECOMMENDED** that the Commission **NOTE** the Financial Statements for FY2019, as detailed in paper [IPHC-2020-FAC096-04 Rev 3](#), and that the IPHC Secretariat would facilitate a deeper review of the corrections and write-offs as part of the FY2019 Financial Statements, and to provide a report to the Commission intersessionally.

### *Annual independent auditor's report (2018 & 2019)*

FAC096–Rec.02 ([para. 17](#)) The FAC **RECOMMENDED** that the Commission **NOTE** the status of the FY2018 and FY2018 audit reports, and that the audits will be communicated to the Commission for intersessional endorsement.

### *FY2020 budget - update*

FAC096–Rec.03 ([para. 23](#)) The FAC **RECOMMENDED** that the Commission **NOTE**:

- a) that the FY2020 General Fund was approved with the expectation that it would run at a loss of US\$759,838 to draw down the carry-over. However, given that the previously targeted level of carry-over funds has been reached one year ahead of schedule (due to FISS fish sales ~\$1,200,000 less than budgeted), the IPHC Secretariat would seek to reduce operating expenses to match income;
- b) that the IPHC Secretariat will seek to ensure that all FISS activities are accurately cost-recovered from the Supplemental Fund to the General Fund;
- c) that all auxiliary activities requested by external parties (e.g. govt. agencies) are also fully cost recovered.

### *Budget estimates: FY2021 (for approval); FY2022 (for information)*

FAC096–Rec.04 ([para. 27](#)) The FAC **RECOMMENDED** that the Commission adopt Contracting Party contributions for FY2021 as follows:

- a) **Canadian Contribution – US\$1,011,657 (US\$900,407** for contributions to the General Fund, and **US\$111,250** to cover pension deficit payments, noting that the pension fund will be valued in April of 2020 and may result in a variation of the deficit payment required by Canada);
- b) **U.S.A. Contribution – US\$4,767,901 (US\$4,157,760** for contributions to the General Fund; **US\$139,424** to cover pension deficit payments (noting that the pension fund will be valued in April of 2020 and may result in a variation of the deficit payment required by USA), and **US\$470,717** to cover the headquarters building lease (US\$370,798) and maintenance (US\$99,919) costs.

FAC096–Rec.05 ([para. 28](#)) The FAC **RECOMMENDED** the Commission adopt the FY2021 budget (financial period: 1 October 2020 to 30 September 2021) ([Appendix V](#)), noting that the IPHC Secretariat has balanced the General Fund expenses against income, rather than the previously planned loss in the General Fund to draw down carry-over.

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## 1. OPENING OF THE SESSION

1. The 96<sup>th</sup> Session of the International Pacific Halibut Commission (IPHC) Finance and Administration Committee (FAC096) was held in Anchorage, Alaska, U.S.A. on 3 February 2020. A total of 6 members (6 Commissioners) attended the Session, as well as 2 advisors/experts from the two (2) Contracting Parties. The list of participants is provided at [Appendix I](#). The meeting was opened by the Chairperson, Mr Chris Oliver (USA) and Vice-Chairperson, Mr Paul Ryall (Canada) who welcomed participants to Anchorage, Alaska, USA.

## 2. ADOPTION OF THE AGENDA AND ARRANGEMENTS FOR THE SESSION

2. The FAC **ADOPTED** the Agenda as provided at [Appendix II](#). The documents provided to the FAC096 are listed in [Appendix III](#).
3. The FAC **NOTED** the intention to produce a formal report of the meeting, that would be presented to the Commission under agenda item 13, on Wednesday morning of the AM096, and that this would be the first formal report of this nature to the Commission, thereby complying with the IPHC Rules of Procedure (2019).

## 3. UPDATE ON ACTIONS ARISING FROM THE 95<sup>TH</sup> SESSION OF THE IPHC FINANCE AND ADMINISTRATION COMMITTEE (FAC095)

4. The FAC **NOTED** paper IPHC-2020-FAC096-03, which provided the FAC with an opportunity to consider the progress made during the inter-sessional period, in relation to the direct requests for action by the FAC during the 95<sup>th</sup> Session of the IPHC Finance and Administration Committee (FAC095, January 2019).
5. The FAC **AGREED** to consider and revise as necessary, the actions arising from FAC095, and for these to be combined with any new actions arising from the FAC096.

## 4. FINANCIAL STATEMENTS FOR FY2019

6. The FAC **NOTED** paper [IPHC-2020-FAC096-04 Rev 3](#) which included the Financial Statements and supporting documentation for the financial period 01 October 2018 to 30 September 2019 (FY2019).
7. The FAC **NOTED** the intention of the IPHC Secretariat to prepare a 'Statement of Cash Flows', in accordance with Generally Accepted Accounting Principles (GAAP) as part of the annual financial statement package and implementation of best practices organization wide.
8. The FAC **NOTED** that for FY2019, US\$111,250 was budgeted from Canada for a contribution to the International Fisheries Commissions Pension Society (the Plan). Canada indicated that in 2013 it agreed to an annual pension liability payment schedule. Canada has indicated that as a result of additional payments in 2017, they are now \$400,537 ahead of the agreed schedule. As a result, no additional funds were contributed in 2019. At this time, overall payments and contributions are being reviewed for proper application to the Plan. Further details will be forthcoming intersessional for noting.
9. **NOTING** the range of corrections and write-offs required to accurately present the financial position of the IPHC at FY2019, the FAC **AGREED** that before the audited FY2019 financial statements can be issued, further investigations are required to ensure those changes are solely due to accounting errors.
10. The FAC **AGREED** that the IPHC Secretariat would facilitate a deeper review of the corrections and write-offs and to provide a report to the Commission intersessionally.
11. The FAC **AGREED** that the current fidelity insurance level for IPHC Secretariat staff is insufficient at US\$25,000. The IPHC Secretariat is currently investigating options to increase coverage to an amount equal to signature and contract amounts needed to maintain operations. The IPHC Secretariat will also extend coverage to all Directors and Officers (D&O) of the Commission. This is necessary to adequately bond the Executive Director, staff, and Commissioners. Fidelity insurance options will be provided to the Commissioners for consideration intersessionally.

12. The FAC **NOTED** the intention of the IPHC Secretariat to prepare a quarterly 'Financial Statement' moving forward, as part of the implementation of best practices organization wide, and for this to be presented to the Commission for intersessional noting.
13. The FAC **RECOMMENDED** that the Commission **NOTE** the Financial Statements for FY2019, as detailed in paper [IPHC-2020-FAC096-04 Rev 3](#), and that the IPHC Secretariat would facilitate a deeper review of the corrections and write-offs as part of the FY2019 Financial Statements, and to provide a report to the Commission intersessionally.

#### 5. ANNUAL INDEPENDENT AUDITOR'S REPORT (2018 & 2019)

14. The FAC **NOTED** paper [IPHC-2020-FAC096-05 Rev 1](#) which provided the status of the Independent Auditors Reports for FY2018 and FY2019, per Regulation 14 of the IPHC Financial Regulations (2019).
15. The FAC **NOTED** that the combined audit for the two fiscal years has been completed by our independent auditor, pending confirmation by management and lead Commissioners that the 'write-offs' underlying the financials are justified.
16. The FAC **NOTED** that this confirmation should be completed by the end of March, and would require an inter-sessional decision by the Commission to endorse the audits. This will most likely occur in March/April 2020.
17. The FAC **RECOMMENDED** that the Commission **NOTE** the status of the FY2018 and FY2018 audit reports, and that the audits will be communicated to the Commission for intersessional endorsement.

#### 6. FY2020 BUDGET - UPDATE

18. The FAC **NOTED** paper [IPHC-2020-FAC096-06](#) which provided the FAC with the approved budget for FY2020 (financial period: 1 October 2019 to 30 September 2020).
19. The FAC **RECALLED** that the Commission approved an organization wide budget for FY2020 ([Appendix IV](#)) that included US\$734,578 in expenses above the projected income for the fiscal year. The aim at that time was to reduce the aggregate carryover for the General Fund and Supplemental Fund to US\$993,903 (at or around \$1,000,000). As that level was reached one year ahead of schedule due to low FISS fish sales in FY2019, the IPHC Secretariat is undertaking a process of budget rationalisation for FY2020.
20. The FAC **NOTED** that the IPHC Secretariat intends on conducting a full budget review for FY2020 in April 2020 with the aim of aligning expenditure with the projected income or lower.
21. The FAC **RECALLED** that the Commission adopted Contracting Party contributions for FY2020 as follows: (Para. 114, of IPHC-2019-AM095-R):
- a) **Canadian Contribution – US\$985,432** (US\$874,182 for contributions to the General Fund, and US\$111,250 to cover pension deficit payments);
  - b) **U.S.A. Contribution – US\$4,532,000** (US\$4,020,093 for contributions to the General Fund; US\$139,424 to cover pension deficit payments, and US\$371,673 to cover the headquarters building lease (US\$274,665) and maintenance (US\$97,008) costs.
22. The FAC **NOTED** that as of 3 February 2020 (4 months into the FY2020 fiscal year), contributions have not yet been received by the IPHC Secretariat from either Contracting Party for FY2020. This is placing a strain on cash flow at the IPHC Secretariat and may soon result in forced reductions in operations.
23. The FAC **RECOMMENDED** that the Commission **NOTE**:
- a) that the FY2020 General Fund was approved with the expectation that it would run at a loss of US\$759,838 to draw down the carry-over. However, given that the previously targeted level of carry-over funds has been reached one year ahead of schedule (due to FISS fish sales ~\$1,200,000 less than budgeted), the IPHC Secretariat would seek to reduce operating expenses to match income;
  - b) that the IPHC Secretariat will seek to ensure that all FISS activities are accurately cost-recovered from the Supplemental Fund to the General Fund;



- c) that all auxiliary activities requested by external parties (e.g. govt. agencies) are also fully cost recovered.

## 7. BUDGET ESTIMATES: FY2021 (FOR APPROVAL); FY2022 (FOR INFORMATION)

24. The FAC **NOTED** paper [IPHC-2020-FAC096-07](#) which provided the FAC with the budget estimates for FY2021 for recommendation to the Commission, and tentatively for FY2022 for information (financial periods: 1 October 2020 to 30 September 2021 & 1 October 2021 to 30 September 2022, respectively).

### *FY2021*

25. The FAC **NOTED** that the General Fund budget for FY2021 included US\$372,063 in expenses above the projected income for the fiscal year. The aim was to reduce the aggregate carryover for the General Fund and Supplemental Fund to at or around \$1,000,000. As that level was reached one year ahead of schedule (end FY2019) due to low FISS fish sales in FY2019, the IPHC Secretariat is undertaking a process of budget rationalisation for FY2021 and will aim to ensure expenses are no more than projected income.
26. The FAC **NOTED** that the IPHC building lease is expiring in October 2020, and the new lease is expected to be finalised shortly, representing a significant increase on leasing costs.
27. The FAC **RECOMMENDED** that the Commission adopt Contracting Party contributions for FY2021 as follows:
- a) **Canadian Contribution – US\$1,011,657** (US\$900,407 for contributions to the General Fund, and US\$111,250 to cover pension deficit payments, noting that the pension fund will be valued in April of 2020 and may result in a variation of the deficit payment required by Canada);
  - b) **U.S.A. Contribution – US\$4,767,901** (US\$4,157,760 for contributions to the General Fund; US\$139,424 to cover pension deficit payments (noting that the pension fund will be valued in April of 2020 and may result in a variation of the deficit payment required by USA), and US\$470,717 to cover the headquarters building lease (US\$370,798) and maintenance (US\$99,919) costs.
28. The FAC **RECOMMENDED** the Commission adopt the FY2021 budget (financial period: 1 October 2020 to 30 September 2021) ([Appendix V](#)), noting that the IPHC Secretariat has balanced the General Fund expenses against income, rather than the previously planned loss in the General Fund to draw down carry-over.

### *FY2022*

29. The FAC **NOTED** that the IPHC notional budget for FY2022 will be based on a 3% increase in general contributions for Canada and U.S.A. to cover expected matching increases in costs, including a 2.5% increase in salaries (based on cost of living and step increases) and a 5% increase in health care costs.

## 8. IPHC FINANCIAL REGULATIONS (2019) - REVISIONS

30. The FAC **NOTED** paper [IPHC-2020-FAC096-08](#), which proposed revisions to the IPHC Financial Regulations.
31. The FAC **NOTED** that the proposed revisions include the following:
- a) To align the Financial Regulations with the IPHC Rules of Procedure (2019);
  - b) To clarify the FAC review and recommendation process to the Commission;
  - c) To increase the authorisation limit for the Executive Director from \$50,000 to \$100,000;
  - d) To simplify an unnecessarily convoluted accounting structure;
  - e) Minor edits to ensure consistency in terminology used.
32. The FAC **RECOMMENDED** that the Commission Endorse and Adopt the International Pacific Halibut Commission Financial Regulations (2020), as provided in [IPHC-2020-FAC096-08](#), following additional review by technical experts from each Contracting Party.

**9. IPHC RULES OF PROCEDURE (2019) - REVISIONS**

33. The FAC **NOTED** paper [IPHC-2020-FAC096-09](#) which proposed amendments to the IPHC Rules of Procedure (2019) for endorsement and recommendation to the Commission.
34. The FAC **RECOMMENDED** that the Commission Endorse and Adopt the International Pacific Halibut Commission Rules of Procedure (2020), as provided in [IPHC-2020-FAC096-09](#), pending final comments expected from the CB090 on 6 February 2020, and following additional review by technical experts from each Contracting Party.

**10. OTHER BUSINESS**

35. Nil

**11. REVIEW OF THE DRAFT AND ADOPTION OF THE REPORT OF THE 96<sup>TH</sup> SESSION OF THE IPHC FINANCE AND ADMINISTRATION COMMITTEE (FAC096)**

36. The Report of the 96<sup>th</sup> Session of the IPHC Finance and Administration Committee (IPHC-2020-FAC096-R) was **ADOPTED** via correspondence on 04 February 2020, including the consolidated set of recommendations and requests arising from FAC096, provided at [Appendix VI](#).

## APPENDIX I

LIST OF PARTICIPANTS FOR THE 96<sup>TH</sup> SESSION OF THE IPHC FINANCE AND  
ADMINISTRATION COMMITTEE (FAC096)

## Commission Officers

Vice-Chairperson	Chairperson
Mr Paul <b>Ryall</b> (Canada)	Mr Chris <b>Oliver</b> (United States of America)

## Commissioners

Canada	United States of America
Mr Paul <b>Ryall</b>	Mr Chris <b>Oliver</b>
Mr Neil <b>Davis</b>	Mr Robert <b>Alverson</b>
Mr Peter <b>DeGreef</b>	Mr Richard <b>Yamada</b>

## Advisors/experts

	Ms Staci <b>MacCorkle</b> – Financial Advisor
	Dr Alesia <b>Read</b> – Staff Advisor

## IPHC Secretariat

Participant	Title	Email
Dr David <b>Wilson</b>	Executive Director	<a href="mailto:david.wilson@iphc.int">david.wilson@iphc.int</a>
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Mr Tom <b>Kong</b>	Fisheries Data Specialist	<a href="mailto:thomas.kong@iphc.int">thomas.kong@iphc.int</a>

**APPENDIX II**

**AGENDA FOR THE 96<sup>TH</sup> SESSION OF THE IPHC FINANCE AND ADMINISTRATION COMMITTEE  
(FAC096)**

**Date:** 03 February 2020

**Location:** Anchorage, AK, USA

**Venue:** Hotel Captain Cook; **Room:** Aft Deck

**Time:** 09:00-12:00

**Chairperson:** Mr Chris Oliver (USA)

**Vice-Chairperson:** Mr Paul Ryall (Canada)

1. **OPENING OF THE SESSION**
2. **ADOPTION OF THE AGENDA AND ARRANGEMENTS FOR THE SESSION**
3. **UPDATE ON ACTIONS ARISING FROM THE 95<sup>TH</sup> SESSION OF THE IPHC FINANCE AND ADMINISTRATION COMMITTEE (FAC095)**
4. **FINANCIAL STATEMENT FOR FY2019**
5. **ANNUAL INDEPENDENT AUDITOR'S REPORT (2018 & 2019)**
6. **FY2020 BUDGET – UPDATE**
7. **BUDGET ESTIMATES: FY2021 (for approval); FY2022 (for information)**
8. **IPHC FINANCIAL REGULATIONS (2019) - Revisions**
9. **IPHC RULES OF PROCEDURE (2019) - Revisions**
10. **OTHER BUSINESS**
11. **REVIEW OF THE DRAFT AND ADOPTION OF THE REPORT OF THE 96<sup>TH</sup> SESSION OF THE IPHC FINANCE AND ADMINISTRATION COMMITTEE (FAC096)**

**APPENDIX III****LIST OF DOCUMENTS FOR THE 96<sup>TH</sup> SESSION OF THE IPHC FINANCE AND ADMINISTRATION COMMITTEE (FAC096)**

<b>Meeting documents</b>	<b>Title</b>	<b>Availability</b>
IPHC-2020-FAC096-01	Agenda & Schedule for the 96 <sup>th</sup> Session of the IPHC Finance and Administration Committee (FAC096)	✓ 29 Oct 2019
IPHC-2020-FAC096-02	List of Documents for the 96 <sup>th</sup> Session of the IPHC Finance and Administration Committee (FAC096)	✓ 29 Oct 2019 ✓ 03 Jan 2020 ✓ 28 Jan 2020
IPHC-2020-FAC096-03	Update on actions arising from the 95 <sup>th</sup> Session of the IPHC Finance and Administration Committee (FAC096) (D. Wilson; K. Jernigan)	✓ 02 Jan 2020
IPHC-2020-FAC096-04 Rev_3	Financial Statements for FY2019 (D. Wilson; K. Jernigan, J. Filippini)	✓ 03 Jan 2020 ✓ 28 Jan 2020 ✓ 29 Jan 2020 ✓ 31 Jan 2020
IPHC-2020-FAC096-05	Independent auditor's report (FY2018 & FY2019) (D. Wilson; K. Jernigan)	✓ 03 Jan 2020
IPHC-2020-FAC096-06	FY2020 Budget – Update (D. Wilson; K. Jernigan)	✓ 03 Jan 2020
IPHC-2020-FAC096-07	Budget estimates: FY2021 (for approval): FY2022 (for information) (D. Wilson; K. Jernigan)	✓ 03 Jan 2020
IPHC-2020-FAC096-08	IPHC Financial Regulations (2020) – Draft (D. Wilson, K. Jernigan)	✓ 02 Jan 2020
IPHC-2020-FAC096-09	IPHC Rules of Procedure (2020) – Draft (D. Wilson)	✓ 02 Jan 2020
<b><i>Information papers</i></b>		
Nil	Nil	Nil

**APPENDIX IV**  
**FY2020 ADOPTED BUDGET**

(1 Oct. 2019 to 30 Sept. 2020)

**General Fund**

**Income**

**Contributions**

United States of America	\$4,532,000	<sup>1,2</sup>
Canada	\$985,432	<sup>1</sup>

**Other Income**

Grants & Contracts	\$449,562
Interest Income	\$5,000
Misc. Income	\$0

**General Fund Total** \$5,971,994

**Expenses**

**Core IPHC Activities**

Administration	\$2,288,847
Scientific	\$3,652,199
Catch Sampling	\$638,132

**Research Activities**

Field Research	\$0
Other Research	\$550,000

FISS Program Cost Recovery (\$397,346)

**General Fund Total** \$6,731,832

**General Fund - Gain/Loss** (\$759,838)

**Year-end Carryover** \$434,954

**Supplemental Fund**

**Income**

**Fish Sales Income**

FISS Program	\$4,904,582
Other Research	\$46,400

**Other Income**

Interest	\$1,125
Rollover from Reserve Account	\$10,000

**Supplemental Fund Total** \$4,962,106

**Expenses**

**FISS Expenses**

FISS Program	\$4,539,501
FISS Program Cost Recovery	\$397,346

**Supplemental Fund Total** \$4,936,847

**Supplemental Fund - Gain/Loss** \$25,260

**Year-end Carryover** \$558,949

**Combined General/Supplemental Funds**

**Combined Gain/Loss** (\$734,578)

**Year-end Combined Balance** \$993,903

Notes: <sup>1</sup> - Includes Pension Funding Payment. In 2013 Canada agreed to an annual pension liability payment schedule. Canada have indicated that as a result of additional payments in 2017, they are now \$400,537 ahead of the agreed schedule. As a result no additional funds are expected to be contributed in 2020.

<sup>2</sup> - Includes Headquarters Lease and Building Maintenance Payments.

**APPENDIX V**  
**FY2021 PROPOSED BUDGET**

(1 Oct. 2020 to 30 Sept. 2021)

**General Fund**

**Income**

**Contributions**

United States of America	\$4,767,960	<sup>1,2</sup>
Canada	\$1,011,657	<sup>1</sup>

**Other Income**

Grants & Contracts	\$478,599
Interest Income	\$5,000
Misc. Income	\$0

**General Fund Total**

\$6,263,216

**Expenses**

**Core IPHC Activities**

Administration	\$2,402,610
Scientific	\$3,427,938
Catch Sampling	\$646,945

**Research Activities**

Field Research	\$0
Other Research	\$425,000

FISS Program Cost Recovery (\$639,277)

**General Fund Total**

\$6,263,216

**General Fund - Gain/Loss** (\$0)

**Year-end Carryover** \$434,954

**Supplemental Fund**

**Income**

**Fish Sales Income**

FISS Program	\$5,010,798
Other Research	\$46,400

**Other Income**

Interest	\$1,125
Rollover from Reserve Account	\$25,000

**Supplemental Fund Total**

\$5,083,323

**Expenses**

**FISS Expenses**

FISS Program	\$4,608,624
FISS Program Cost Recovery	\$639,277

**Supplemental Fund Total**

\$5,247,901

**Supplemental Fund - Gain/Loss** \$164,579

**Year-end Carryover** \$451,858

**Combined General/Supplemental Funds**

**Combined Gain/Loss** (\$164,579)

**Year-end Combined Balance** \$886,812

Notes: <sup>1</sup> - Includes Pension Funding Payment.

<sup>2</sup> - Includes Headquarters Lease and Building Maintenance Payments.

## APPENDIX VI

**CONSOLIDATED SET OF RECOMMENDATIONS AND REQUESTS OF THE 96<sup>TH</sup> SESSION OF THE  
IPHC FINANCE AND ADMINISTRATION COMMITTEE (FAC096) (3 FEBRUARY 2020)**

*RECOMMENDATIONS*

*Financial Statements for FY2019*

FAC096–Rec.01 ([para. 13](#)). The FAC **RECOMMENDED** that the Commission **NOTE** the Financial Statements for FY2019, as detailed in paper [IPHC-2020-FAC096-04 Rev 3](#), and that the IPHC Secretariat would facilitate a deeper review of the corrections and write-offs as part of the FY2019 Financial Statements, and to provide a report to the Commission intersessionally.

*Annual independent auditor's report (2018 & 2019)*

FAC096–Rec.02 ([para. 17](#)) The FAC **RECOMMENDED** that the Commission **NOTE** the status of the FY2018 and FY2018 audit reports, and that the audits will be communicated to the Commission for intersessional endorsement.

*FY2020 budget - update*

FAC096–Rec.03 ([para. 23](#)) The FAC **RECOMMENDED** that the Commission **NOTE**:

- a) that the FY2020 General Fund was approved with the expectation that it would run at a loss of US\$759,838 to draw down the carry-over. However, given that the previously targeted level of carry-over funds has been reached one year ahead of schedule (due to FISS fish sales ~\$1,200,000 less than budgeted), the IPHC Secretariat would seek to reduce operating expenses to match income;
- b) that the IPHC Secretariat will seek to ensure that all FISS activities are accurately cost-recovered from the Supplemental Fund to the General Fund;
- c) that all auxillary activities requested by external parties (e.g. govt. agencies) are also fully cost recovered.

*Budget estimates: FY2021 (for approval); FY2022 (for information)*

FAC096–Rec.04 ([para. 27](#)) The FAC **RECOMMENDED** that the Commission adopt Contracting Party contributions for FY2021 as follows:

- c) **Canadian Contribution – US\$1,011,657 (US\$900,407** for contributions to the General Fund, and **US\$111,250** to cover pension deficit payments, noting that the pension fund will be valued in April of 2020 and may result in a variation of the deficit payment required by Canada);
- d) **U.S.A. Contribution – US\$4,767,901 (US\$4,157,760** for contributions to the General Fund; **US\$139,424** to cover pension deficit payments (noting that the pension fund will be valued in April of 2020 and may result in a variation of the deficit payment required by USA), and **US\$470,717** to cover the headquarters building lease (US\$370,798) and maintenance (US\$99,919) costs.

FAC096–Rec.05 ([para. 28](#)) The FAC **RECOMMENDED** the Commission adopt the FY2021 budget (financial period: 1 October 2020 to 30 September 2021) ([Appendix V](#)), noting that the IPHC Secretariat has balanced the General Fund expenses against income, rather than the previously planned loss in the General Fund to draw down carry-over.

*IPHC Financial Regulations (2019) - Revisions*

FAC096–Rec.06 ([para. 32](#)) The FAC **RECOMMENDED** that the Commission Endorse and Adopt the International Pacific Halibut Commission Financial Regulations (2020), as provided in [IPHC-2020-FAC096-08](#), following additional review by technical experts from each Contracting Party.



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*IPHC Rules of Procedure (2019) - Revisions*

FAC096–Rec.07 ([para. 34](#)) The FAC **RECOMMENDED** that the Commission Endorse and Adopt the International Pacific Halibut Commission Rules of Procedure (2020), as provided in [IPHC-2020-FAC096-09](#), pending final comments expected from the CB090 on 6 February 2020, and following additional review by technical experts from each Contracting Party.

***REQUESTS***

Nil