

Agenda Item 6.2: Audit Committee Report

Purpose:

1. To present to Members the SPREP Audit Committee (AC) Report on the Committee's work over the past 12 months.

Background:

2. This report on the activities of the AC covers the period between 1 August 2023 to 31 July 2024.
3. The report is in accordance with the Governance Policy and Section 3 of the Audit Committee Charter which stipulates responsibilities of the AC.
4. The Audit Committee is an integral; independent component of SPREP's Governance arrangements and its responsibilities are to provide structured, systematic oversight of the Secretariat's governance, risk and internal control issues and provide independent advice and guidance on adequacy and effectiveness of Secretariat's practices and potential improvements to those practices.

Composition of the Audit Committee

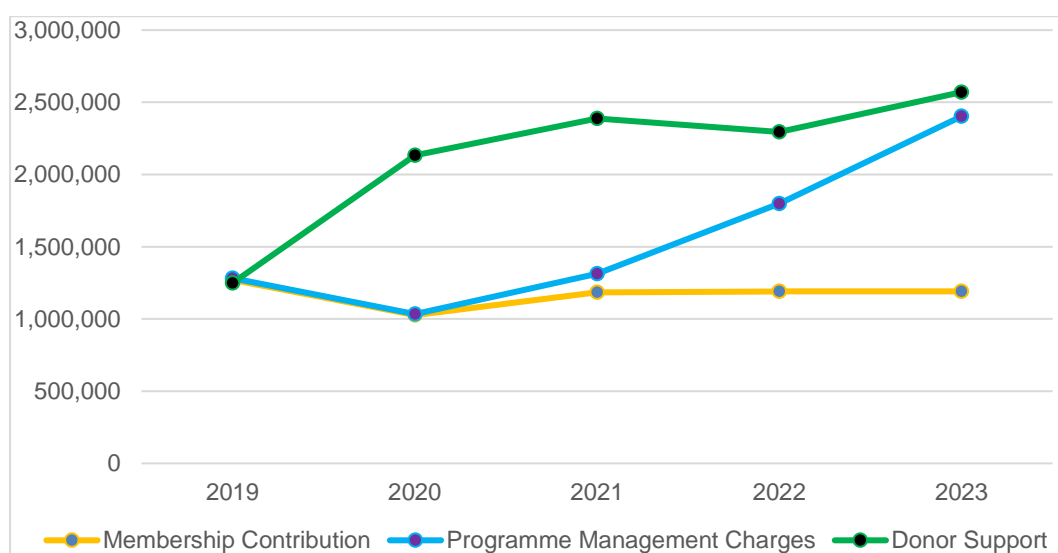
5. For the period between 1 August 2023 to 31 July 2024 the Audit Committee consisted of the following members:
 - Chairman:
 - Mr. Tupuola Oloialii Koki Tuala, Partner, Koki Tuala Chartered Accountant (KTCA) (Special terms of appointment were extended by Troika for an additional year until 31 December 2024 after serving two, four-year terms since 2016).
 - Member(s):
 - Ms. Rosalini Moli, Assistant Chief Executive Officer, Ministry of Finance, Samoa (Re-appointed for second term in March 2023).
 - Ms. Katherine Berryman, Assistant Director, Pacific Climate Finance and Partnerships Section New Zealand and Climate Branch, Department of Foreign Affairs and Trade (DFAT). (Appointed in March 2023 and concluded in March 2024).
 - Ms. Bridgette Cottrill, Senior Policy and Development Officer, Pacific Climate Negotiations and Oceans New Zealand, Partners and Pacific Climate Change Branch, Office of the Pacific, DFAT. (Appointed in April 2024).

- Mr. Reece Fitzgibbon, First Secretary (Trade and Economic), New Zealand High Commission to Samoa (MFAT) (Appointed in March 2023 and concluded in March 2024).
- Mr. Jonathan Lee, Second Secretary (Economic Affairs), New Zealand High Commission to Samoa (MFAT) (Appointed in March 2024).
- Mr. Taimalie Kele Lui, Manager Human Resources, Tokelau Office, Apia (Appointed in March 2019 and concluded in July 2023).
- Ms Ake Puka-Mauga, Secretary to Council and Senior Policy Advisor, Office of the Council for the Ongoing Government of Tokelau, Tokelau Office, Apia (Appointed in July 2023).

Financial Performance

6. The Committee acknowledges the collective and concerted efforts made by the Secretariat in managing its financial position and performance. The Secretariat recorded a net surplus of US\$1,260,299 for the year ended 31 December 2023, compared to US\$26,261 for the same period as of 31 December 2022. This improvement was mainly attributed to the enhanced revenue collection, which increased by US\$841,125 or 15%, from US\$5,750,410 in 2022 to US\$6,591,535 in 2023.
7. The details of the Secretariat's principal revenue stream in US dollars for the last five years, 2019-2023, are shown below:

Year	Membership Contribution US (\$)	Programme Management Charges US (\$)	Donor Support US (\$)
2023	1,190,245	2,402,591	2,570,374
2022	1,190,195	1,797,631	2,294,333
2021	1,183,955	1,313,071	2,388,092
2020	1,026,444	1,033,668	2,133,269
2019	1,270,103	1,281,790	1,249,147



Support from Partners and Donors

8. The Committee recognises and appreciates the increased support received from partners and donors, particularly Australia (DFAT) and New Zealand (MFAT), towards the Secretariat's operations and corporate support. The total other income from donor funds for 2023 was US\$2,570,374 compared to US\$2,294,333 for the same period in 2022, representing 39% of the total income recorded for the year ended 31 December 2023.
9. The Committee noted subsequently in March 2024, the Secretariat and the MFAT formalised two new Grant Funding Arrangements, collectively valued at up to NZ\$15.19 million over a three-year period. The overarching objective of these arrangements is to bolster the Secretariat's institutional capacity, thereby enhancing the resilience of Pacific communities to climate change and promoting the health and resilience of island and ocean ecosystems.
10. A key component of this initiative includes a strategic digital transformation aimed at modernising the Secretariat's technology and information management systems, significantly improving operational efficiency across the organisation. This investment will support "phase one" of the Integrated Enterprise Management System, with an initial focus on enhancing financial and human resource management systems.
11. In addition, the Committee noted the Secretariat signed a core fund support agreement with the United Kingdom in June 2024, securing a substantial funding commitment of £3 million for the period 2024-2025. This significant contribution from the UK will greatly enhance the Secretariat's capacity to support members in its environmental initiatives. The Committee are grateful for this robust support and look forward to the positive impact it will have on our programmes and initiatives.

Membership Contribution Increase

12. The Committee welcomes the resolution passed during the 31st SPREP Meeting to enforce the 20% increase in membership contributions, which was originally proposed at the 28th SPREP Meeting, with this change taking effect in 2024. This decision is a significant step towards ensuring the financial sustainability of SPREP.
13. The Committee expresses its appreciation to those members who have proactively increased their contributions by 20% prior to 2024 and have been punctual in paying their membership dues. The Committee strongly encourage the remaining members to honour their commitment and extend their support to the Secretariat.

Outstanding Membership Contributions

14. The Committee is, however, concerned about outstanding membership contributions on a cash basis for the period ended 31 December 2023, amounting to US\$446,859.
15. The Committee reiterates that SPREP was established "*by and for its members,*" making membership support and participation critical for upholding regional solidarity. This unity sends a strong message about the Pacific Islands' unwavering commitment to better environmental management within the framework of sustainable development.

16. It is also both our legal obligation and moral responsibility to ensure that SPREP has the necessary resources to fulfill the mandates entrusted to it by us members. The success of SPREP in achieving its objectives is directly linked to the active involvement and support of all its members. Members are encouraged to settle their membership dues timely and demonstrate membership solidarity.
17. On the same note the Committee encourages the Secretariat; to establish dialogue “*Talanoa*” *forum* for open discussions and feedback on membership matters, create a membership profile webpage and conduct a membership feedback survey at least every two years to gauge their views, perspectives, and satisfaction with the Secretariat's service delivery. This will help the Secretariat to reflect the economic benefit and value provided to members, understand constraints and effectively engage and refine the approach and service delivery.
18. On June 6, 2024, the Committee formally communicated its concerns to the Secretariat in a letter, addressing the issue of outstanding membership contributions. The Committee emphasised the potential long-term impact these arrears could have on the financial stability of SPREP.

Project Management Fees

19. The project management fees, a major revenue stream for the Secretariat, improved significantly by 34%, or US\$604,960, from US\$1,797,631 in 2022 to US\$2,402,591 in 2023. This improvement is attributed to:
 - a) Improved project implementation and delivery rates due to the reopening of borders, and normalisation of operations to pre-pandemic levels in 2023.
 - b) Implementation of new projects.
 - c) Effective coordination and strong collaboration with partners and members.

Improvement in Reserve Position

20. The Committee noted that the reserve position significantly improved from US\$1,043,972 as of 31 December 2022, to US\$2,304,271 as of 31 December 2023. The Secretariat is in a strong financial position with healthy reserves, positioning it well and sufficiently to sustain operations for 4 to 5 months in any unforeseen event.
21. However, the Committee urges the Secretariat to sustain and continuously improve this reserve position, recognising that a strong reserve is crucial for:
 - a) Efficient implementation of current operations and member obligations.
 - b) Maintaining assets and infrastructure to ensure longevity.
 - c) Managing staff welfare.
 - d) Responding to unanticipated events.
 - e) Supporting future headquarters and regional expansion, and visibility of the Secretariat.
 - f) Enhance trust among stakeholders and build confidence in new donors and supporters for SPREP.

Enhancing and Sustaining Reserve Position

22. The Committee encourages the Secretariat to maintain vigilance and continue improving its revenue stream. The Committee:

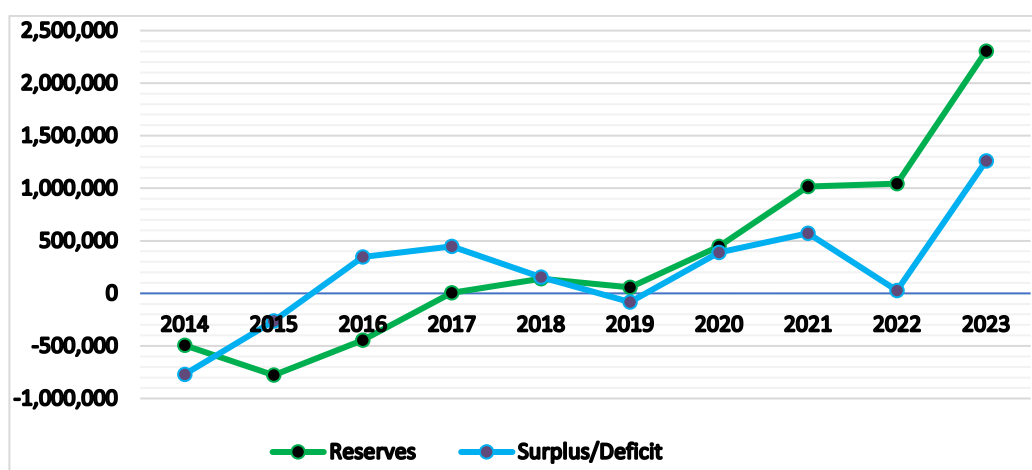
- a) emphasises the importance of enhancing membership engagement and encouraging timely contributions. We recommend conducting a review of membership contributions in consultation with members at regular intervals, noting that the last review occurred in 2017. This will ensure that contributions remain fair and reflective of current economic conditions.
- b) underscores the importance of established relationships with existing partners and donors while identifying new potential partners and donors. Continued regular updates on the impact of their contributions and active engagement in the Secretariat's strategic initiatives is crucial. This approach will foster long-term commitment and support from our stakeholders.
- c) recognises that the Secretariat's ability to boost its revenue stream is "*intrinsically linked to its project implementation rate*". It is therefore essential to regularly review and optimise operational processes to identify and eliminate inefficiencies. Streamlined support for programs will enable timely and seamless project execution, thereby enhancing revenue generation.
- d) advocates for the continued maintenance of strict budget discipline. Aligning expenses with strategic priorities and regularly monitoring financial performance against the budget and cash flows are imperative. This disciplined approach ensures efficient resource allocation and supports the achievement of our strategic goals.
- e) advises vigilance regarding risk exposures arising from global inflation, financial fraud risks, regional competition for funds, and potential recessions affecting our major partners. These factors could significantly impact the Secretariat's operational costs. Proactive risk management strategies must be in place to mitigate these potential impacts and ensure organisational resilience.

Financial Position and Performance (2014-2023)

23. The following results of the financial position (reserves) and financial performance (net surplus/deficit) for the last 10 years highlights and reconfirm the points presented in (point 20) above:

Year	Financial Position Reserve US (\$)	Financial Performance Net Surplus/(Deficit) US (\$)
2023	2,304,271	1,260,299
2022	1,043,972	26,261
2021	1,017,711	570,573
2020	447,139	389,376
2019	57,763	(81,977)
2018	139,740	154,273
2017	5,123	445,982
2016	(443,762)	346,898
2015	(778,112)	(261,729)
2014	(492,631)	(769,488)

Secretariat's Financial Position (Reserves) and Performance (Surplus/Deficit) from 2014-2023



Discussion and Review of Financial Statements

24. The Committee has discussed the 2023 audited financial statements and the relevant accounting policies with the Secretariat and the external auditors, KPMG Fiji. It also reviewed the external auditor's report on the financial statements and the related management letter, providing recommendations for the future improvement of SPREP's operations.
25. The Committee noted that there were no disagreements between the engagement team and management, no scope limitations were imposed by the Secretariat during the audit, and no adverse audit findings were raised by the external auditor.
26. The annual consultations between the Committee and the external auditors have proven valuable over the past seven years, facilitating the exchange of views, sharing of information, and formulation of positive recommendations for improvement, which have added value to SPREP's audit process.
27. Following a review of the financials and discussions with management and KPMG, the Committee issued a statement on 11 June 2024, regarding internal control. This statement was based on the findings and outcomes of the audited financial statements for 2023.

Mid-term Review Progress

28. The Committee noted that the Secretariat is working closely with the Working Group to implement the high-priority recommendations from the joint Independent Corporate Review (ICR) assessment of the Secretariat's overall performance as well as the Mid-term Review (MTR) of the SPREP Strategic Plan 2017-2026 conducted in 2021. The high-priority areas identified are as follows:
 - a) Mainstreaming Gender Equity, Disability and Social Inclusion (GEDSI).
 - b) Establishing robust staff support mechanisms, including a disputes redress mechanism, staff data protections, and strengthening the staff advisory committee independence.
 - c) Developing Country & Territory Strategic Partnership Frameworks, which was one of the higher recommendations proposed and reinforced.

- d) Adopting a single project methodology and a robust, standardized approach to managing, delivering, and reporting on projects, as well as engaging with development partners.
 - e) Fully establishing and implementing the Results Planning, Performance Reporting, and Learning Framework as described in the Strategic Plan 2017-2026.
29. The Committee acknowledges the progress made and urges the Secretariat to allocate the necessary resources to expedite the implementation of the recommendations from the review team and the prioritisation set by the ICR and MTR Working Group. The Committee notes that the Secretariat is due for its next review in 2026, coinciding with the completion of the current 2017-2026 Strategic Plan.

Progress on Country and Territory Strategic Partnership Framework

30. The Committee observed progress on the issue of the significant delay in the development of the Country and Territory Strategic Partnership Framework (CTSPF) since 2017. The Committee is pleased to note that the CTSPF for Palau and American Samoa has been successfully endorsed in September 2023 and May 2024 respectively, marking a critical milestone. Additionally, work is actively underway on the remaining 19 CTSPFs, with a target completion date set for December 2025.
31. The Committee strongly encourages member countries and territories to continue their steadfast support and collaboration in finalising their respective CTSPFs. This collaboration is essential to connect and ensure that the Secretariat can plan, design and provide more effective tailor-made project support and interventions in addressing the pressing environmental challenges faced by our members.

Development and Enhancement of the Project Management Information System (PMIS)

32. The Committee previously reported that the Secretariat developed the Project Management Information System (PMIS) in 2017 to enhance project monitoring, status tracking, and dashboard reporting. This system was designed and developed in-house, funded through the GEF accreditation readiness MSP project, with an engagement of an external consultant costing US\$206,000, along with significant internal staff time dedicated to its development.
33. The Committee expressed early concerns regarding the limited usage of the PMIS. In response, the Secretariat undertook efforts to redesign the system, culminating in the relaunch of the Project Information Management System (PIMS) in 2022. However, the Committee acknowledges that the system is still undergoing modifications and remains a work in progress.
34. The Committee is concerned about the prolonged period of seven years (2017–2024) required to address initial issues, revitalise, enforce, and fully operationalise the system. The absence of a robust system hampers the Secretariat's ability to effectively monitor and track project progress and generate real-time dashboard reports for the executive team, senior leadership, and the risk committee's evaluation.
35. The Committee noted that a system upgrade has been earmarked and incorporated into the proposed Integrated Enterprise Management System. In the interim, a manual project tracker reporting mechanism has been developed. The Committee emphasises that prioritising this upgrade is crucial to ensure the effectiveness of project monitoring and reporting.

Progress on Policy Review and Development

36. The Committee acknowledges the significant progress made by the Secretariat in addressing the concerns raised in its 2019 report, particularly regarding the review of the 63 identified policies and procedures. The Committee notes that the Secretariat has successfully completed the review of 12 policies and is currently engaged in the comprehensive review and development of several critical policies, including the Monitoring and Evaluation Framework, Gender Equality, Disability, and Social Inclusion (GEDSI) Mainstreaming Policy, Grant Mechanism Procedures, Procurement Manual, Flexi-Remote Work Policy, Travel Policy, Communication and Visibility Policy, and Staff Grievance Policy, utilising a combination of in-house expertise and external consultants.
37. The Committee acknowledges the advancements made and encourages the Secretariat to maintain this momentum, ensuring that all policies and procedures are up-to-date, aligned with best practices, and supportive of the objectives and compliance requirements of the Secretariat, its partners, and donors.
38. In the same vein, the Committee emphasises the importance of the implementation and adherence to the policies and procedures governing the Secretariat's administration

Strengthening SPREP's Risk Management Framework

39. The Committee acknowledges and commends the Secretariat for its significant progress and increased focus on the critical need to cultivate a robust and resilient risk management culture and framework.
40. Encourage the Secretariat to remain proactive and vigilant in identifying and addressing emerging risks. Given the rapidly evolving environmental, political, and financial landscapes, it is crucial that SPREP continuously monitors potential threats and adjusts its strategies to mitigate any adverse impacts. This approach will ensure that the Secretariat remains resilient and capable of navigating future challenges.
41. To further fortify SPREP's risk management framework, the Committee recommends the following actions:
 - a) expedite the appointment of a Risk Officer. Filling this critical position is essential for reinforcing the Secretariat's risk management framework, ensuring that the organisation is well-equipped to identify, assess, and mitigate risks effectively.
 - b) conduct periodic meetings and thorough assessments of the risk management plan to ensure its relevance, comprehensiveness, and alignment with evolving organisational needs.
 - c) foster a culture of risk awareness that promotes prudent risk-taking, accountability, and transparency across all levels of the organisation.
 - d) adopt a proactive and systematic approach to risk identification, assessment, and mitigation, ensuring that risks are managed effectively before they escalate.
 - e) seamlessly integrate risk considerations into decision-making processes at every organisational level to enhance strategic planning and operational effectiveness.

Fraud Prevention and Awareness

42. The Committee appreciates the continued support and confidence of our donors in the Secretariat's governance processes and acknowledges the critical need to safeguard funds against fraudulent activities. During the current reporting period, no fraud complaints were recorded or received through our dedicated fraud reporting and whistleblower channel.
43. To mitigate the risk of fraud, the Committee noted that fraud awareness sessions were conducted, encouraging staff to take necessary actions to prevent fraud and understand the reporting mechanisms in place. These sessions also highlighted the safeguards available to protect whistleblowers.
44. Additionally, the Committee noted that the review of the Fraud Prevention and Whistleblower Protection Manual is in its final stages and is anticipated to be endorsed by the fourth quarter of 2024. The Committee recognised that a consultative approach was undertaken, with key stakeholders being approached for their feedback.

Occupational Health and Safety

45. The Committee underscores the importance of robust Occupational Health and Safety (OHS) practices in the workplace. It is a critical aspect of SPREP's operational framework, ensuring the well-being of employees, contractors, participants and visitors within the Secretariat's premises.
46. Effective OHS measures are vital for promoting a safe and healthy work environment, mitigating risks, and ensuring compliance with relevant host country labour laws and regulations particularly when the Secretariat is expanding regionally.
47. Continuous improvement in OHS policies, procedures, safety protocols and compliance are essential to safeguard the well-being of staff, guests and participants attending the Secretariat organised events. The Committee recommends prioritising OHS initiatives and ensuring adequate resources are allocated to support these efforts.

Cybersecurity Incident and Response

48. In December 2023, the Secretariat was the target of a cyberattack affecting one of its projects. The Committee noted the support received from donor partner and the proactive measures taken by the relevant authorities, which successfully recovered AU\$1,450,067 of the AU\$1,500,000 defrauded. However, AU\$49,933 of the funds is likely unrecoverable. The Secretariat is fully engaged and supports the ongoing inquiry by the donor partner and relevant authorities into this matter.

Importance of Cybersecurity

49. The Committee recognises that cybersecurity is a pervasive risk and that responding to cyber threats is particularly challenging due to the dynamic nature of the environment. Consequently, the Committee urges the Secretariat to implement the necessary safeguards to ensure cybersecurity and maintain donor confidence in managing transactions. The recommended actions are as follows:

- a) Proactively review, test, and manage the cybersecurity risk management plan.
- b) Strengthen the cybersecurity policy and IT infrastructure.
- c) Enhance staff awareness and training on cybersecurity threats.
- d) Collaborate with other sister CROP organisations to develop a network and forum for knowledge sharing and enhancing cybersecurity capabilities.
- e) Prioritise cybersecurity within the enterprise risk management (ERM) framework.
- f) Engage cybersecurity experts at regular intervals to conduct penetration and vulnerability testing, thereby assessing and improving the existing controls and system capabilities.

Development of Project Grievance Redress Mechanism, Anti-Money Laundering (AML), and Counter Financing of Terrorism (CFT) Policies and Procedures

50. The Committee acknowledges that the Secretariat has pipelined the development of the Project Grievance Redress Mechanism (GRM) policy and procedures in first quarter 2025 under its SPREP GCF Readiness project, as mandated by the Green Climate Fund (GCF) Master Agreement signed in 2016

51. The Committee strongly urges the Secretariat to prioritise and expedite the formulation of the Project GRM policy and procedures. This is essential for maintaining high standards of project governance, fostering stakeholder trust, and ensuring effective and transparent grievance management. Equally important is the need for the policy to be effectively communicated to all relevant stakeholders, ensuring broad visibility and understanding.

52. Furthermore, the Committee notes the requirement under the GCF Master Agreement 2016 to develop policies and procedures on Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT). While the Secretariat is currently referencing Samoa's national laws, the Committee strongly recommends that the Secretariat develop its own comprehensive AML and CFT policies and procedures. This development should include capacity-building training for staff and the establishment of linkages with law enforcement agencies in host governments to ensure robust implementation and compliance.

53. Addressing these critical areas promptly is vital for strengthening SPREP's governance framework and enhancing its risk management capabilities. Additionally, it will provide a strong grievance redress mechanism for all stakeholders and safeguard against emerging financial crimes, which pose significant risks for both the region and the Secretariat.

PacWaste Project -EU Audit Outcome

54. The Committee noted that the Secretariat was awarded the EU project FED/2013/319-309 Pacific Hazardous Waste Management also known as PacWaste EDF 10 with a budget of €7.85 million and which was implemented from 17 May 2013 to 31 March 2018. Following 2 years after project completion, EY Auditors in Belgium were contracted in February 2020 by the European Commission (EU) to undertake the expenditure verification exercise for the

project. The onset of the COVID Pandemic in the beginning of 2020 resulted in significant delays in the audit mission which eventually was continued and completed in 2022.

55. The Committee further noted that the preliminary audit findings identified ineligible expenditure amounting to €4.162 million. However, after the Secretariat provided the requested supporting information, this figure was substantially reduced to €8,569.55. The Secretariat has addressed this issue and assured the Committee that necessary controls have been strengthened.

Acknowledgment of GCF and AF Accreditation Achievements and Strategic Project Opportunities

56. The Committee acknowledges the Secretariat's successful navigation of a rigorous assessment process to secure its first re-accreditation with the Green Climate Fund (GCF), earning a second 5-year accreditation term from 2023 to 2028. Concurrently, the Secretariat is undergoing its second re-accreditation process with the Adaptation Fund (AF) in 2024. The Secretariat is accredited with AF since 2014 and GCF since 2015. These accreditations have been pivotal in establishing the Secretariat as a key player in climate finance within the Pacific region.
57. The Committee also noted that the Secretariat is currently managing significant projects under these accreditations: the US\$18 million VANKIRAP project under its initial GCF accreditation, and the US\$9 million project Enhancing the Climate Resilience of Vulnerable Island Communities in FSM under the Adaptation Fund.
58. The Committee emphasises the importance of fully leveraging these accreditations to expand the Secretariat's project portfolio, secure additional funding, and enhance its capacity to address the pressing environmental challenges faced by its members.

Strengthening the Internal Audit Function

59. The Committee commends the Secretariat and the Internal Auditor for coordinating a transparent and inclusive process in the engagement of an independent consultant to review the Internal Audit Function. The Committee acknowledges that this marks the first instance of such a review, a pivotal step toward strengthening the internal audit operations, particularly in light of the Secretariat's expansion and the increasing demands of the role. The review, initiated in July 2024, is a significant milestone and is expected to culminate in a comprehensive report with recommendations for improvement by the end of August 2024.
60. Furthermore, the Committee recognises the critical importance of addressing human resource limitations, and capacity development and budgetary support to align with the standards of international best practices as set forth by the Global Institute of Internal Auditors. The Committee underscores that addressing these areas will substantially enhance audit coverage, reinforce donor and partner engagement, and foster a robust culture of accountability, good governance, and transparency within the organisation.

Staff Onboarding and Development

61. The Committee acknowledged the Secretariat's concerted efforts to enhance staff onboarding by decentralising the recruitment process to individual programs and departments. However, the Committee noted that timely recruitment remains a challenge, likely due to market competitiveness and internal procedural constraints.
62. The Committee noted that the Secretariat is prioritising the Human Resources Recruitment System as part of its Integrated Enterprise Management System. This initiative aims to streamline and automate various aspects of the recruitment process, with full operational implementation anticipated in 2025.
63. Furthermore, the Committee encourages the Secretariat to engage in regular workforce planning to anticipate staffing needs and commence recruitment activities early. Additionally, the Secretariat should leverage crop harmonisation initiatives, share knowledge and experiences, explore secondment options with member partners, and consider engaging reputable agencies to expedite the hiring process.
64. The Committee strongly urges the Secretariat to leverage advancements in technology by investing in the development of e-learning platforms for its induction program. This investment will facilitate timely and effective onboarding, enabling new employees to quickly integrate into the organisation and gain a thorough understanding of the Secretariat's role, key policies, and safeguards upon joining.
65. The Committee also underscores the importance of a robust staff learning and development strategy. This includes investing in mentoring and upskilling initiatives that align with the Secretariat's mission, vision, and strategic objectives.

Ongoing Consultations with Management

66. The Audit Committee remains committed to maintaining high standards of governance and accountability. We appreciate the cooperation of all stakeholders in these efforts and commend management and staff for their commitment and dedication in achieving the best financial results and outcomes for SPREP to date.
67. The Committee strongly advocates for the ongoing practice of regular consultations with the senior leadership team throughout the year. These consultations have demonstrated significant utility and value in enhancing dialogue, facilitating informed decision-making, and accelerating the implementation of practical solutions to the challenges faced by the Secretariat.

Recommendations:

68. The Executive Board Meeting is invited to:
 - a) **Note and approve** the report of the Audit Committee for the period 1 August 2023 to 31 July 2024;
 - b) **Acknowledge** the significant improvement in the reserve position, from US\$1,043,972 in 2022 to US\$2,304,271 in 2023;
 - c) **Appreciate** the increased support from partners and donors;
 - d) **Emphasise** the importance of timely settlement of member contributions to uphold regional solidarity and ensure SPREP has the resources to fulfill its mandates;

- e) **Encourage** the establishment of a membership profile webpage and the conduct of a membership feedback survey at least every two years to gauge members' views;
 - f) **Urge** the Secretariat to prioritise and allocate resources to fully implement the ICR and MTR recommendations and ensure readiness for the 2026 review;
 - g) **Note** the progress in endorsing Country and Territory Strategic Partnership Frameworks (CTSPFs) for Palau and American Samoa and encourage continued member collaboration to finalise the remaining CTSPFs by December 2025;
 - h) **Prioritise** and expedite upgrade and full operationalisation of the Project Management Information System (PMIS) to ensure effective project monitoring, tracking, and reporting capabilities;
 - i) **Recognise** the progress in reviewing key policies and procedures and encourage continued efforts to ensure all policies are up-to-date and supportive of SPREP's objectives;
 - j) **Urge** promptly filling the vacant Risk Officer position to strengthen risk management framework;
 - k) **Urge** the implementation of proactive cybersecurity measures, including regular review and testing of the cybersecurity plan, staff training, and collaboration with other CROP organisations for knowledge sharing;
 - l) **Urge** the expedited development and socialisation of Project Grievance Redress Mechanism (GRM), Anti-Money Laundering (AML), and Countering Financing of Terrorism (CFT) policies to strengthen governance and risk management;
 - m) **Encourage** the Secretariat to leverage its GCF and AF accreditation status to explore new strategic project opportunities;
 - n) **Urge** the Secretariat to address the human resource constraints and enhance capacity-building support to the Internal Audit Unit;
 - o) **Encourage** investing in e-learning platforms and development strategies to enhance staff onboarding, integration and professional development; and
 - p) **Record** its appreciation for the cooperation and support received from the Director General, Senior Leadership Team, and staff of SPREP over the past 12 months.
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