



**FINANCE AND ADMINISTRATION COMMITTEE**  
**Seventeenth Session**  
Rarotonga, Cook Islands (Hybrid)  
December 3-8, 2023

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**AUDITOR'S REPORT FOR 2022 AND THE GENERAL ACCOUNT FUND**  
**FINANCIAL STATEMENTS FOR 2022**

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**WCPFC20-2023-FAC17-05**  
**2 November 2023**

**Prepared by the Secretariat**

### **Introduction and Purpose**

1. The purpose of this paper is to provide information for FAC17 and WCPFC20 on the Auditor's Report for 2022 and the General Account Fund Financial Statements for 2022 (see attached).
2. The Commission's Financial Regulations require that an independent external auditor issue a report on the audit of the annual financial statements and relevant schedules relating to the accounts of the Commission (Finance Regulation 12.6). Following consideration of the audited financial statements and audit report, the Commission shall signify its acceptance of the audited financial statements or take such other action as it may consider appropriate (Financial Regulation 13.1).
3. In undertaking the audit, the auditor is required to report on all relevant matters, including:
  - a. whether the statements are based on proper accounts and records;
  - b. whether the statements are in agreement with the accounts and records;
  - c. whether income, expenditure and investment of moneys and the acquisition and disposal of assets by the Commission during the year were in accordance with the Regulations; and
  - d. provide observations with respect to the efficiency and economy of the financial procedures and conduct of business, the accounting system, internal financial controls and the administration and management of the Commission.
4. The audit and compliance documents, which comprise the formal communications from the external auditor, were circulated to all Commission Members, Cooperating Non-Members, and Participating Territories (CCMs) on 2 November 2023 in Circular 2023/93. The audit, compliance reports, and annual financial statements are attached for reference.

### **External Audit Timing Requirements**

5. The Commission's annual financial statements for the 2022 financial period were available to the auditor by 31 March 2023 per the Financial Regulation 12. The final audit was circulated to CCMs on 2 November 2023. The audit was delayed significantly due to the establishment of a new auditing firm in Pohnpei and other operational challenges the Auditor's office encountered.

## Scope

6. The primary reporting focus of the financial statements is the Commission's General Account Fund established in accordance with Financial Regulation 6.1 (a). In addition, detailed information about the other funds in existence as at 31 December 2022 were provided to the auditor and addressed in Note 7 to the Financial Statements:
  - a. Working Capital Fund
  - b. Special Requirements Fund
  - c. Chinese Taipei Trust Fund
  - d. West Pacific East Asia Oceanic Fisheries Management Project
  - e. Japan Trust Fund
  - f. Fees and Charges Trust Fund
  - g. Voluntary Contributions Fund

These other funds were subject to the same audit process as the General Account Fund. The reporting format for the other funds was adopted on the recommendation of the external auditor.

## Audit findings

7. The audit report and compliance report provide that:
  - a. *"In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as of December 31, 2022....."*; and
  - b. a statement that there was compliance with the Commission's Financial Regulation 12.4 (c) which requires an opinion on compliance in relation to income, expenditure, the investment of moneys and the acquisition and disposal of assets.
8. The qualification to the auditor's statement under paragraph 7a relates to the opening balance carried over for liabilities from 2010 when the financial system was implemented by the Secretariat. While the balances in the liability from 2011-2022 are accounted for, the amounts prior to 2011 will be reconciled in the 2023 financial statements, to be presented to FAC18 in 2024.

## Financial results

9. For the General Account Fund, the financial statements show that there was an excess of income over expenditure of **USD734,230**. In addition, prior years' contributions of **USD1,282,585** were paid by some Members in 2022. In accordance with Financial Regulation 4.4, the balance was transferred to the Working Capital Fund.

## Recommendation

10. The Committee is invited to consider the audited financial statements and make the necessary recommendation to WCPFC.

*Financial Statements and Supplementary Information*

**Western and Central Pacific  
Fisheries Commission**

*Year Ended December 31, 2022  
with Report of Independent Auditors*



Western and Central Pacific Fisheries Commission  
Financial Statements and Supplementary Information

Year Ended December 31, 2022

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## Report of Independent Auditors

The Chair  
Western and Central Pacific Fisheries Commission:

### Qualified Opinion

We have audited the accompanying financial statements of Western and Central Pacific Fisheries Commission (the Commission), which comprise the general account fund statement of assets, liabilities and fund balance as of December 31, 2022, and the related statements of income and expenditures and changes in fund balance, cash flows, and appropriations and expenditures for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as of December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Qualified Opinion

The Commission's unliquidated obligation had a beginning balance of \$1,661,950. We were unable to perform audit procedures to verify that the recorded beginning balance still exist or valid as of December 31, 2022 as the Commission was not able to provide a breakdown or supporting schedule for the balance.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements were prepared in conformity with financial regulations of the Commission and certain accounting standards adopted by other international organizations, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 2, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matters**

We have also issued our report dated November 1, 2023, on the Commission's compliance with financial regulation 12.4(c) and our consideration of the Commission's internal control over financial reporting as required by the Commission's financial regulation 12.4(d).

### **Restriction on Use**

This report is intended solely for the information and use of the management and Commission Members of Western and Central Pacific Fisheries Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst + Young LLP*

November 1, 2023

# Western and Central Pacific Fisheries Commission

## Statement of Assets, Liabilities and Fund Balance

December 31, 2022

### Assets

Cash and short-term deposits	\$2,104,742
Contributions receivable	362,289
Less provision for delayed contributions	( 362,289)
Due from other funds	1,661,541
Accounts receivable	25,395
Other assets and advance payments	<u>83,740</u>
Total assets	<u>\$3,875,418</u>

### Liabilities and Fund Balance

Unliquidated obligations	\$ 814,594
Accounts payable and others	39,811
Member contributions in advance	60,171
Due to other funds	2,413,076
Accrued entitlements	542,659
Capitalized security in social security	<u>5,128</u>
Total liabilities	<u>3,875,439</u>
Fund balance	( <u>21</u> )
Total liabilities and fund balance	<u>\$3,875,418</u>



# Western and Central Pacific Fisheries Commission

## Statement of Income and Expenditures and Changes in Fund Balance

Year Ended December 31, 2022

### Income

#### Contributions:

Assessed contributions	\$6,967,454
Voluntary contributions	<u>4,371</u>

Total contributions income	6,971,825
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#### Miscellaneous income:

Interest	327
Other	<u>1,539,376</u>

Total income	<u>8,511,528</u>
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Less Expenditures	<u>7,524,154</u>
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Excess of income over expenditures	987,374
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Less Delayed contributions	<u>253,144</u>
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Net excess of income over expenditures	734,230
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Fund balance at beginning of year	---
Transfer to Working Capital Fund	<u>( 734,251)</u>

Fund balance at end of year	<u>\$ ( 21)</u>
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# Western and Central Pacific Fisheries Commission

## Statement of Cash Flows

Year Ended December 31, 2022

### **Cash flows from operating activities:**

Net excess of income over expenditures	\$ 734,230
Increase in other accounts receivable	( 135,671)
Increase in other assets and advance payments	( 3,836)
Increase in member contributions in advance	4,880
Increase in unliquidated obligations	185,540
Decrease in other liabilities	( 8,492)
Net cash provided by operating activities	776,651
Transfer to Working Capital Fund	( 734,251)
Net change in cash and short-term deposits	42,400
Cash and short-term deposits at beginning of year	<u>2,062,342</u>
Cash and short-term deposits at end of year	<u>\$2,104,742</u>

# Western and Central Pacific Fisheries Commission

## Statement of Appropriations and Expenditures

Year Ended December 31, 2022

WCPFC Budget Items 2022 Assessed and Voluntary Contributions General Account Fund Expenditure	Approved budget 2022	Transfers	Revised Budget	Total Expenditures 31/12/22	Balance of Budget
<b>Part 1 - Administrative Expenses of the Secretariat</b>					
<b>Sub-Item 1.1      <i>Staff Costs</i></b>					
Professional Staff Salary	\$ 974,552	\$ (52,000)	\$ 922,552	\$ 921,353	\$ 1,199
Professional Staff Benefits and Allowances	861,608	16,000	877,608	877,467	141
Professional Staff Insurance	163,638	(4,000)	159,638	154,794	4,844
Recruitment/Repatriation	37,565	23,000	60,565	60,145	420
Support Staff	467,792	17,000	484,792	484,562	230
<b>Total, sub-item 1.1</b>	<b>2,505,155</b>	<b>---</b>	<b>2,505,155</b>	<b>2,498,321</b>	<b>6,834</b>
<b>Sub-Item 1.2      <i>Other Personnel Costs</i></b>					
Temporary Assistance/Overtime	16,500	(1,300)	15,200	10,642	4,558
Chairs Expenses	---	---	---	---	---
Consultants	138,000	1,300	139,300	139,232	68
<b>Total, sub-item 1.2</b>	<b>154,500</b>	<b>---</b>	<b>154,500</b>	<b>149,874</b>	<b>4,626</b>
<b>Sub-item 1.3      <i>Official Travel</i></b>	<b>122,500</b>	<b>---</b>	<b>122,500</b>	<b>58,359</b>	<b>64,141</b>
<b>Sub-item 1.4      <i>General Operating Expenses</i></b>					
Electricity, Water, Sanitation	42,000	(1,000)	41,000	40,917	83
Communications/Courier	84,000	2,400	86,400	86,385	15
Office Supplies & Fuel	41,000	---	41,000	40,779	221
Audit	7,000	---	7,000	7,000	---
Bank Charges	10,000	(1,000)	9,000	8,590	410
Official Hospitality	10,000	(3,000)	7,000	6,369	631
Community Outreach	8,000	---	8,000	5,600	2,400
Miscellaneous Services	6,000	3,000	9,000	8,944	56
Security	100,500	(400)	100,100	97,024	3,076
Training	12,000	---	12,000	9,761	2,239
<b>Total, sub-item 1.4</b>	<b>320,500</b>	<b>---</b>	<b>320,500</b>	<b>311,370</b>	<b>9,130</b>
<b>Sub-item 1.5      <i>Capital Expenditure</i></b>					
Vehicles	---	---	---	---	---
Information Technology	49,373	---	49,373	44,301	5,072
Furniture and Equipment	32,000	---	32,000	20,319	11,681
<b>Total, sub-item 1.5</b>	<b>81,373</b>	<b>---</b>	<b>81,373</b>	<b>64,620</b>	<b>16,753</b>
<b>Sub-item 1.6      <i>Maintenance</i></b>					
Vehicles	6,000	300	6,300	6,216	84
Information and Communication Technology	156,653	(25,000)	131,653	100,642	31,011
Website Hosting	13,320	---	13,320	6,122	7,198
Buildings & Grounds	60,000	25,000	85,000	83,124	1,876
Gardeners and Cleaners	82,500	(300)	82,200	78,012	4,188
Insurance	28,400	---	28,400	28,642	(242)
<b>Total, sub-item 1.6</b>	<b>346,873</b>	<b>---</b>	<b>346,873</b>	<b>302,759</b>	<b>44,114</b>
<b>Sub-Item 1.7      <i>Meeting Services</i></b>					
Annual Session	165,000	104,000	269,000	268,156	844
Scientific Committee	212,000	(54,000)	158,000	7,332	150,668
Northern Committee	18,000	---	18,000	71	17,930
Technical and Compliance Committee	159,800	(50,000)	109,800	873	108,927
Support for IWGs and Science Managers Dialog	162,500	---	162,500	378	162,122
<b>Total, sub-item 1.7</b>	<b>717,300</b>	<b>---</b>	<b>717,300</b>	<b>276,809</b>	<b>440,491</b>
<b>Sub-item 1.8      <i>Future Work</i></b>					
<b>TOTAL, Section 1/Item 1</b>	<b>4,248,201</b>	<b>---</b>	<b>4,248,201</b>	<b>3,662,111</b>	<b>586,090</b>

# Western and Central Pacific Fisheries Commission

## Statement of Appropriations and Expenditures, continued

Year Ended December 31, 2022

	Approved budget 2022	Transfers	Revised Budget	Total Expenditures 31/12/22	Balance of Budget
<b>Part 2 - Science &amp; Technical &amp; Compliance Programme</b>					
<b>Section 2 (Item 2)</b>					
<b>Sub-item 2.1</b> Scientific Services (SPC)	961,875	---	961,875	961,875	---
<b>Sub-item 2.2</b> <i>Scientific Research</i>		---			---
Additional Resourcing SPC	173,206	---	173,206	173,206	---
P35b Maintenance of WCPFC Tissue Bank	103,204	---	103,204	103,204	---
P42 Pacific Tuna Tagging Project	730,000	---	730,000	730,000	---
P65 Peer review of Stock Modelling	50,000	---	50,000	25,882	24,118
P90 Fish weights/lengths for scientific analyses	75,000	---	75,000	75,000	---
P17X2. SWP Mako Shark SA	105,000	---	105,000	105,000	---
P17X3. Preparing WCP tuna fisheries for CKMR	40,000	---	40,000	40,000	---
P17X5. Scientific Advice for Southwest P. BS	40,000	---	40,000	40,000	---
<b>Total, sub-item 2.2</b>	<b>1,316,410</b>	<b>---</b>	<b>1,316,410</b>	<b>1,292,292</b>	<b>24,118</b>
<b>Sub-item 2.3</b> <b>Technical &amp; Compliance Programme</b>					
ROP - Audit/Remediation	15,000	---	15,000	---	15,000
ROP - Training, Assistance & Development	10,000	---	10,000	---	10,000
ROP Data Management	923,904	---	923,904	923,904	---
Vessel Monitoring System - Capital Costs	20,000	---	20,000	---	20,000
Vessel Monitoring System	300,000	(38,000)	262,000	95,525	166,475
Vessel Monitoring System - Airtime	204,846	---	204,846	199,739	5,107
Vessel Monitoring System - Security Audit	8,400	---	8,400	---	8,400
CCM/Staff VMS Training	25,000	---	25,000	---	25,000
Information Management System	100,000	38,000	138,000	137,917	83
Workshops/IATTC Cross Endor. Train.	10,000	---	10,000	---	10,000
AR Part 2/CMS Online Host. and Pub.	18,000	2,800	20,800	20,800	---
Targeted Capacity Building	40,000	---	40,000	---	40,000
Enhance Secretariat Analytical Capacity <i>see note 5</i>	80,000	2,100	82,100	82,019	81
E-Monitoring and E-Reporting Activities	30,000	(2,100)	27,900	8,800	19,100
CMS Future Work	30,000	(2,800)	27,200	14,244	12,956
Regional Capacity Building Workshops	130,000	---	130,000	124,927	5,073
<b>Total, item 2.3</b>	<b>1,945,150</b>	<b>---</b>	<b>1,945,150</b>	<b>1,607,875</b>	<b>337,275</b>
<b>TOTAL, Section 2/Item 2</b>	<b>4,223,435</b>	<b>---</b>	<b>4,223,435</b>	<b>3,862,042</b>	<b>361,392</b>
<b>Total, Parts 1 &amp; 2</b>	<b>\$ 8,471,636</b>	<b>\$ ---</b>	<b>\$ 8,471,636</b>	<b>\$ 7,524,154</b>	<b>\$ 947,482</b>

# Western and Central Pacific Fisheries Commission

## Notes to Financial Statements

December 31, 2022

### 1. Organization

The Western and Central Pacific Fisheries Commission (the Commission) is an international organization established under the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the western and central Pacific Ocean. The Commission came into existence on the 19<sup>th</sup> of June 2004 through force of the Convention. The Secretariat was established in September 2005 when the Executive Director took up his post and operates in Pohnpei, Federated States of Micronesia.

The Commission is the organization through which state parties to the Convention seek to ensure, through effective management, the long term conservation and sustainable use of highly migratory fish stocks in the western and central Pacific Ocean in accordance with the United Nations Convention on the Law of the Sea of 10 December 1982 and the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

The subsidiary bodies of the Commission are a Scientific Committee, a Technical and Compliance Committee, a Northern Committee and a Finance and Administration Committee.

The Commission is currently concentrating on:

- (i) Implementing the decisions of the Annual Sessions of the Commission in relation to conservation and management measures;
- (ii) Monitoring the effect of the conservation and management measures adopted in terms of supporting the sustainable use, conservation and management of western and central Pacific fish stocks and improving data acquired from fisheries in the Convention Area as a basis for monitoring the fisheries supported by members;
- (iii) Operationalizing an integrated system for monitoring, control and surveillance, as provided for in the Convention, including establishment of the Commission's Vessel Record and Authorizations to Fish, Procedures for Listing Vessels that have undertaken IUU fishing activities in the Convention Area, implementation of the High Seas Boarding and Inspection scheme, the satellite-based vessel monitoring system and the Regional Observer Programme;
- (iv) Administration of relationships with other Regional Fisheries Management Organizations;
- (v) Supporting efforts to improve data collection and research associated with tuna fisheries and the WCPO ecosystem including initiatives to scale up tuna tagging programmes;
- (vi) Supporting efforts to promote an ecosystems approach to fisheries (EAF) and its application to WCPO;
- (vii) Supporting efforts to mitigate the impacts of tuna fishing on non-target species and the marine ecosystem;

# Western and Central Pacific Fisheries Commission

## Notes to Financial Statements, continued

December 31, 2022

### 1. Organization, continued

- (viii) Supporting initiatives to evaluate management options for WCPO tuna resources including the matter of allocation;
- (ix) Monitoring and engagement with global efforts to address tuna fishing capacity concerns; and
- (x) Monitoring developments in the tuna industry.

### 2. Summary of Significant Accounting and Financial Reporting Policies of the Commission Scope

These financial statements primarily reflect the assets, liabilities, and transactions relating to the General Account Fund. The Commission administers the following other funds:

- Working Capital Fund;
- Western Pacific East Asia Oceanic Fisheries Management Project Fund;
- Special Requirements Fund;
- Japanese Trust Fund;
- Fees and Charges Trust Fund;
- Voluntary Contributions Fund;
- Food and Agriculture Organization (FAO) of the United Nations - Areas Beyond National Jurisdiction (ABNJ) Tuna Project Fund; and
- Chinese Taipei Trust Fund

The accounts of the Commission are maintained in accordance with the financial regulations of the Commission and administrative instructions issued by the Executive Director of the Commission. The Commission also take into account certain accounting standards adopted by the United Nations Common System.

The Commission accounts are maintained on a fund accounting basis. The funds are maintained as distinct financial and accounting entities.

The financial period of the Commission consists of a calendar year. The financial statements presented are for the calendar year 1 January to 31 December 2022.

Generally, income, expenditure, assets, and liabilities are recognized on the accrual basis of accounting (please refer to “Assets” hereunder).

The accounts of the Commission are presented in United States Dollars (USD). Accounts maintained in other currencies are translated into USD at the time of the translation at the current rates of exchange.

### Income

The amounts necessary to finance the activities of the Commission are assessed to Member States according to the agreed scale of assessments set out in the Commission’s Financial Regulations. Interest income includes interest earned on various bank accounts and term deposits.

# Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

December 31, 2022

## **2. Summary of Significant Accounting and Financial Reporting Policies of the Commission Scope, continued**

### **Expenditure**

All General Account Fund expenditures are recorded against allocated lines of budgetary appropriation.

### **Assets**

Cash and short-term deposits comprise of funds on deposit in operating accounts, interest bearing bank accounts, and petty cash holdings.

Contributions receivable are matched by a provision for delays in collection of the outstanding contributions, in accordance with United Nations System Accounting Standards. This is done in the interest of prudence and no judgment is made about collectability.

Acquisition of capital assets are charged against expenditure accounts in the year of purchase, hence, furniture, equipment and other non-expendable property are not included in the assets of the Commission appearing in the Statement of Assets, Liabilities and Fund Balance. The estimated total of non-expendable property held by the Commission is stated in Note 6.

### **Use of Estimates**

The preparation of financial statements may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of income and expenditures during the reporting period. Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

### **Taxation**

The Commission is exempt from taxes and custom duties as follows:

Within the scope of the official activities, the Commission, its property, premises and assets and its income, including contributions made to the Commission under the Convention, shall be exempt from all national taxes. Goods, including the Commission's publications, motor vehicles and items for official entertainment purposes that are intended for the official use of the Commission shall be exempt from all customs and excise duties payable at customs, except payment for services.

Goods imported or purchased under an exemption shall not be sold or otherwise disposed of in the Federated States of Micronesia, except under conditions agreed in advance with the Government.

The Commission is subject to Pohnpei State Tax but has an arrangement in place with the national government for that tax to be reimbursed.

# Western and Central Pacific Fisheries Commission

## Notes to Financial Statements, continued

December 31, 2022

### 3. Fund Balance

Funds being held in the name of the Commission but which are not included in the General Account Fund statements amounted to \$6,038,620 as of December 31, 2022. These funds are:

#### Fund

Working Capital Fund	\$2,922,837
Western Pacific East Asia Oceanic Fisheries Management Project Fund	1,050,078
Special Requirements Fund	286,701
Japanese Trust Fund	39,889
Fees and Charges Trust Fund	242,596
Voluntary Contributions Fund	1,167,654
Chinese Taipei Trust Fund	<u>328,865</u>
Total	<u>\$6,038,620</u>

Refer to Note 7 for the respective funds' financial statements.

### 4. Provision for Delays in the Receipt of Contributions Receivable

The provisions of \$362,289 in 2022, are derived as follows:

Assessed member contributions for the approved current year budget	\$6,967,454
<u>Add</u> outstanding contributions as at beginning of year	<u>1,391,729</u>
Total member contributions available for collection	8,359,183
<u>Less</u> current year contributions received	<u>6,714,309</u>
Provision for delayed contributions	1,644,874
<u>Less</u> prior year contributions received in current year	<u>1,282,585</u>
Total provision as at end of year	<u>\$ 362,289</u>

The Commission collected \$151,794 of delayed contributions after December 31, 2022, but before the date the financial statements were available to be issued.

### 5. Due to Other Funds

At December 31, 2022, due to other funds of \$2,413,076 includes \$2,111,414 relating to pending transfer of excess funds to the Working Capital Funds. The transfer was completed subsequent to December 31, 2022.



# Western and Central Pacific Fisheries Commission

## Notes to Financial Statements, continued

December 31, 2022

### 6. Non-Expendable Property

A lease and grant for the Commission's headquarters building were obtained at no charge during 2007. The value of the building has been estimated at \$2.9 million.

### 7. Other Funds

#### Working Capital Fund Schedule of Income and Expenditures and Changes in Fund Balance Year Ended December 31, 2022

Income and other additions:	
Balance brought forward from prior year	\$2,240,213
General Account Surplus, savings on prior year obligations and prior year contributions received	2,016,534
Interest	804
Miscellaneous revenue	<u>15,331</u>
Total income and other additions	4,272,882
Expenditures	<u>1,350,045</u>
Fund balance	<u><u>\$2,922,837</u></u>

#### Working Capital Fund Schedule of Assets, Liabilities and Fund Balance December 31, 2022

<u>Assets</u>	
Cash at bank	\$1,401,891
Money market account	744,200
Due from General Account Fund	2,111,414
Due from ABNJ Fund	<u>15,332</u>
Total assets	<u>4,272,837</u>
<u>Liabilities</u>	
Due to General Account Fund	<u>1,350,000</u>
<u>Fund balance</u>	<u><u>\$2,922,837</u></u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

December 31, 2022

**7. Other Funds, continued**

Western Pacific East Asia Oceanic Fisheries Management Project Fund  
Schedule of Income and Expenditures and Changes in Fund Balance  
Year Ended December 31, 2022

Income and other additions:	
Balance brought forward from prior year	\$1,628,458
Contribution for WCPFC GAF co-financing	
Interest	186
Internal incoming transfers	<u>301</u>
Total income and other additions	1,628,945
Expenditures	<u>578,867</u>
Fund balance	<u>\$1,050,078</u>

Western Pacific East Asia Oceanic Fisheries Management Project Fund  
Schedule of Assets, Liabilities and Fund Balance  
December 31, 2022

<u>Assets</u>	
Cash at bank - NZ account	\$1,060,028
Money market account	71,435
Due from General Account Fund	303
Other assets and advance payments	<u>1,149</u>
Total assets	<u>1,132,915</u>
<u>Liabilities</u>	
Unliquidated obligations	34,506
Due to General Account Fund	<u>48,331</u>
Total liabilities	<u>82,837</u>
<u>Fund balance</u>	<u>\$1,050,078</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

December 31, 2022

**7. Other Funds, Continued**

Special Requirements Fund  
Schedule of Income and Expenditures and Changes in Fund Balance  
Year Ended December 31, 2022

Income and other additions:	
Balance brought forward from prior year	\$ 407,515
Donation from Australia	72,260
Donation from China	25,000
Interest	<u>42</u>
Total income and other additions	504,817
Expenditures	<u>218,116</u>
Fund balance	\$ <u>286,701</u>

Special Requirements Fund  
Schedule of Assets, Liabilities and Fund Balance  
December 31, 2022

<u>Assets</u>	
Cash at bank	\$ 377,027
Due from General Account Fund	<u>25,000</u>
Total assets	<u>402,027</u>
<u>Liabilities</u>	
Due to General Account Fund	75,326
Due to Voluntary Contributions Fund	<u>40,000</u>
Total liabilities	115,326
<u>Fund balance</u>	\$ <u>286,701</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

December 31, 2022

**7. Other funds, continued**

Japanese Trust Fund  
Schedule of Income and Expenditures and Changes in Fund Balance  
Year Ended December 31, 2022

Income and other additions:	
Balance brought forward from prior year	\$ 39,881
Contribution from Japan	232,821
Interest	<u>9</u>
Total income and other additions	<u>272,711</u>
Expenditures:	
Payments for projects	215,359
Administrative expenditures	<u>17,463</u>
Total expenditures	<u>232,822</u>
Fund balance	<u>\$ 39,889</u>

Japanese Trust Fund  
Schedule of Assets, Liabilities and Fund Balance  
December 31, 2022

<u>Assets</u>	
Cash at bank	\$ 57,346
<u>Liabilities</u>	
Due to General Account Fund	<u>17,457</u>
<u>Fund balance</u>	<u>\$ 39,889</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

December 31, 2022

**7. Other funds, continued**

Fees and Charges Trust Fund  
Schedule of Income and Expenditures and Changes in Fund Balance  
Year Ended December 31, 2022

Income and other additions:	
Balance brought forward from prior year	\$ 204,415
Contributions from non-members	174,657
Observer fees	14,628
Interest	<u>35</u>
Total income and other additions	<u>393,735</u>
Expenditures:	
Transfer to General Account Fund	150,784
Bank fees and other charges	205
Write off of CNM prior year unpaid contributions	<u>150</u>
Total expenditures	<u>151,139</u>
Fund balance	\$ <u>242,596</u>

Fees and Charges Trust Fund  
Schedule of Assets, Liabilities and Fund Balance  
December 31, 2022

<u>Assets</u>	
Cash at bank	\$ 392,931
Due from General Account Fund	<u>500</u>
Total assets	<u>393,431</u>
<u>Liabilities</u>	
Due to General Account Fund	150,785
Advance payments by CNMs	<u>50</u>
Total liabilities	<u>150,835</u>
<u>Fund balance</u>	\$ <u>242,596</u>

# Western and Central Pacific Fisheries Commission

## Notes to Financial Statements, continued

December 31, 2022

### 7. Other funds, continued

#### Voluntary Contributions Fund Schedule of Income and Expenditures and Changes in Fund Balance Year Ended December 31, 2022

Income and other additions:	
Balance brought forward from prior year	\$1,278,133
United States	125,000
Korea	155,025
Interest	129
Internal incoming transfer	<u>80,000</u>
Total income and other additions	<u>1,638,287</u>
Expenditures:	
Project expenses and other charges	262,113
Refunds to project	151,091
Delayed contributions	<u>57,429</u>
Total expenditures	<u>470,633</u>
Fund balance	<u>\$1,167,654</u>

#### Voluntary Contributions Fund Schedule of Assets, Liabilities and Fund Balance December 31, 2022

<u>Assets</u>	
Cash at bank - USD accounts	\$1,047,323
Cash at bank - Euro accounts	243,172
Tranche payment owed to Commission	396,982
Less provision for delayed contributions	( 57,429)
Due from General Account Fund	275,880
Due from Special Requirements Fund	40,000
Repayment of Temp Payments	<u>312,557</u>
Total assets	<u>2,258,485</u>
<u>Liabilities</u>	
Unliquidated obligations	1,075,500
Due to Working Capital Fund	<u>15,331</u>
Total liabilities	<u>1,090,831</u>
<u>Fund balance</u>	<u>\$1,167,654</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

December 31, 2022

**7. Other funds, continued**

Chinese Taipei Trust Fund  
Schedule of Income and Expenditures and Changes in Fund Balance  
Year Ended December 31, 2022

Income and other additions:	
Balance brought forward from prior year	\$ 549,977
Interest	<u>84</u>
Total income and other additions	<u>550,061</u>
Expenditures	<u>221,196</u>
Fund balance	<u>\$ 328,865</u>

Chinese Taipei Trust Fund  
Schedule of Assets, Liabilities and Fund Balance  
December 31, 2022

<u>Assets</u>	
Cash at bank	\$ <u>771,089</u>
<u>Liabilities</u>	
Unliquidated obligations	422,581
Due to General Account Fund	<u>19,643</u>
Total liabilities	<u>442,224</u>
<u>Fund balance</u>	<u>\$ 328,865</u>



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## Report of Independent Auditors on Compliance

The Executive Director  
Western and Central Pacific Fisheries Commission:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the general account fund statement of assets, liabilities and fund balance of the Western and Central Pacific Fisheries Commission (the Commission) as of December 31, 2022 and the related statements of income and expenditures and changes in fund balance, of cash flows, and of appropriations and expenditures for the year then ended, and have issued our report thereon, with qualified opinion thereon, dated November 1, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission failed to comply with the terms, covenants, provisions, or conditions inclusive of the Commission's financial regulation 12.4(c), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Commission's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Indenture insofar as they relate to accounting matters.

### **Restriction on Use**

This report is intended solely for the information and use of the management and Commission Members of Western and Central Pacific Fisheries Commission and is not intended to be and should not be used by anyone other than these specified parties.

November 1, 2023



*Management Letter*

**Western and Central Pacific  
Fisheries Commission**

*Year ended December 31, 2022*





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November 1, 2023

The Chair  
Western and Central Pacific Fisheries Commission

In planning and performing our audit of the financial statements of Western and Central Pacific Fisheries Commission (hereinafter referred to as the Commission) as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we noted the following deficiencies in internal control as described above and other matters:

Significant deficiency:

**Unliquidated Obligations**

The Commission does not maintain a monitoring schedule of unliquidated obligation with sufficient detail as to the individual outstanding balance comprising of the total amount at any given point in time. The Commission's general ledger details of the account are rolling forward of transactions booked (carrying over of opening balance, and current period additions and payments made) and are not sufficient to provide management with useful information to monitor the validity of the account. The absence of a monitoring or aging report makes it difficult for the management in verifying the beginning balance of the account. As a result, we were unable to verify the opening balance of \$1,661,950 represent valid liabilities.

### **Unliquidated Obligations, continued**

We recommend that the Commission research past transaction records and prepares a monitoring schedule of unliquidated obligations, reconciled with the general ledger, and determine if any adjustments are necessary. This schedule should be updated and reconciled to the general ledger balances regularly.

#### Other matters:

#### **Brisbane Bank Account**

The Commission's Brisbane bank account with a balance of \$14,054 as of December 31, 2022 is dormant and the latest bank statement that the Commission received was February 2022. Management noted that the Commission has been working to get access to this account for a number of years; however, it requires a lot of work as management needs to visit the branch in Australia.

We recommend that the Commission continues its effort to resolve this matter, closing unused account to prevent unauthorized access or misuse.

#### **Voluntary Contribution Receivable**

Based on our examination of the Commission's voluntary contribution receivable, there are receivable balances from European Union that are long outstanding (ranging from 2014-2020). Upon further inquiry with management and examination of these receivables, a total of \$120,000 represent estimates and should have been removed from the account.

We recommend that the Commission revisits the composition of voluntary contribution receivable and to clean-up those that are only estimates. We also recommend that the Commission considers adding a policy for providing an allowance for doubtful account to other types of receivables.

\*\*\*\*\*

This communication is intended solely for the information and use of the management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We commend management for their continuous effort to improve certain internal control procedures in the accounting and operations department.

At this time, we would like to extend our appreciation to the management, and the rest of the accounting staff for the excellent cooperation extended to us during our audit.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

Sincerely,

*Ernst + Young LLP*

*The Auditor's Communication With Those Charged  
With Governance*

**Western and Central Pacific  
Fisheries Commission**

*Year Ended December 31, 2022*





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November 1, 2023

The Chair  
Western and Central Pacific Fisheries Commission:

We have performed an audit of the financial statements of Western and Central Pacific Fisheries Commission, as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States and have issued our report thereon dated November 1, 2023.

Provided below is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *“The Auditor’s Communication With Those Charged With Governance”*, and other applicable auditing standards.

At EY, we are committed to delivering the highest quality audit services, and we continually evaluate the quality of our professionals’ work in order to meet or exceed your expectations.

This communication is intended solely for the information and use of the Board of Directors. It is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

## **REQUIRED COMMUNICATIONS**

### **Auditor's responsibility under generally accepted auditing standards, including a discussion of the type of auditor's report we are issuing and the reasons for any modification to our report**

Our responsibilities are included in our audit engagement agreement. A copy of such agreement has previously been provided to you.

We issued a qualified opinion on the Company's financial statements as of and for the year ended December 31, 2022.

### **Changes to the audit strategy, timing of the audit and significant risks identified**

Our audit strategy is consistent with the plan communicated on August 9, 2023.

### **Matters relevant to our evaluation of the entity's ability to continue as a going concern**

We did not identify any events or conditions that led us to believe there was substantial doubt about the Company's ability to continue as a going concern.

### **Our views about the qualitative aspects of the entity's significant accounting practices, including:**

- **Accounting policies**
- **Accounting estimates**

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

A discussion of sensitive accounting estimates has been included in footnote 2 of the financial statements.

### **Changes to the terms of the audit with no reasonable justification for the change**

We are not aware of any matters that require communication.

### **Significant unusual transactions**

We are not aware of any significant unusual transactions executed by the Company.

**Difficult or contentious matters subject to consultation outside of the audit team**

There were no difficult or contentious matters that required consultation outside of the audit team.

**Material corrected misstatements related to accounts and disclosures**

Refer to “Summary of Corrected Misstatements” in Appendix A.

**Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial**

Refer to the “Summary of Uncorrected Misstatements” in Appendix A.

**Significant deficiencies and material weaknesses in internal control over financial reporting**

No significant deficiencies and material weaknesses have been identified.

**Fraud and noncompliance with laws and regulations (illegal acts)**

We are not aware of any matters that require communication.

**Obtain information relevant to the audit**

Inquiries regarding matters relevant to the audit were accomplished during the performance of the audit.

**Independence matters**

We are not aware of any matters that in our professional judgment would impair our independence.

**Significant issues discussed with management in connection with the auditor’s initial appointment or recurring retention**

We are not aware of any matters that require communication.

**Disagreements with management and significant difficulties encountered in dealing with management when performing the audit**

There were no difficulties encountered in dealing with management in performing the audit.

**Management’s consultations with other accountants**

We are not aware of any consultations made by management with other accountants or specialists.



**Other material written communications with management**

None.

**Other matters**

There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

**AICPA ethics ruling regarding third-party service providers**

There are no significant matters arising from the audit that required us to subcontract portions of the Audit Services to other EY firms and that required participation of personnel from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers.

**Representations we are requesting from management**

We have obtained from management a representations letter related to the audit and a copy of the management representations letter is included in Appendix A.

Appendix A - Management Representations Letter



November 1, 2023

Ernst & Young LLP  
231 Ypao Road Suite 201  
Ernst & Young Building  
Tamuning, Guam 96913

In connection with your audit of the Western and Central Pacific Fisheries Commission (the Commission) as of December 31, 2022 and for the year then ended, and the related notes to the financial statements we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Commission in accordance with financial regulations of the Commission and certain accounting standards adopted by other international organizations, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief.

***Management's responsibilities***

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated November 14, 2022, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US applied on a basis consistent with that of the preceding period.

We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, data, documentation and other matters
- Additional information that you have requested from us for the purpose of the audit

Appendix A - Management Representations Letter, continued

- Unrestricted access to persons within the Commission from whom you determined it necessary to obtain evidence

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

From January 1, 2022 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

***Uncorrected misstatements***

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule, accumulated by you during the current and prior audit period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole. Refer to the “Schedule of Uncorrected Misstatements” in Appendix A.

***Corrected misstatements***

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected these adjustments in the financial statements. Refer to the “Schedule of Corrected Misstatements” in Appendix B.

***Internal control***

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

We are not aware of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting.

***Minutes and contracts and internal audit reports***

The dates of meetings of Commission prepared from January 1, 2022 to December 31, 2022 are as follows:

- Eighteenth Regular Session of the Commission (Electronic Meeting) – issued: April 13, 2022
- Eighteenth Regular Session of the Technical and Compliance Committee (Electronic Meeting) – issued: September 21-27, 2022
- Eighteenth Regular Session of the Scientific Committee (Electronic Meeting) – August 10-18, 2022
- Eighteenth Regular Session of the Northern Committee (Electronic Meeting) – October 4-6, 2022

Appendix A - Management Representations Letter, continued

We also have made available to you all significant contracts, including amendments, and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

Methods, significant assumptions, and data used in making accounting estimates<sup>)</sup>  
The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including those measured at fair value, are reasonable and supportable.

***Risks and uncertainties***

There are no risks and uncertainties related to significant estimates and current vulnerabilities due to material concentrations that have not been disclosed in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 275, *Risks and Uncertainties*.

***Receivables and revenues***

Receivables have been determined in accordance with United Nations System Accounting Standards. This is done in the interest of prudence and no judgment is made about collectability.

Appropriate provision has been made for losses, costs and expenses that may be incurred subsequent to the statement of assets, liabilities and fund balance in respect of contributions prior to that date and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at that date.

***Side agreements and other arrangements***

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

***Arrangements with financial institutions***

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the financial statements.

***Contingent liabilities***

There are no unasserted claims or assessments, including those our lawyers have advised us of, that are probable of assertion and must be disclosed in accordance with ASC 450-20, *Contingencies – Loss Contingencies*.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of

Appendix A - Management Representations Letter, continued

noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by ASC 450, *Contingencies*, nor are there any accruals for loss contingencies included in the statement of assets, liabilities and fund balance or gain contingencies reflected in earnings that are not in conformity with the provisions of ASC 450.

We have consulted legal counsel concerning litigation, claims or assessments.

***Non-compliance with laws and regulations, including fraud***

We acknowledge that we are responsible to determine that the Commission's business activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws or regulations, including fraud.

We acknowledge our responsibility for the design, implementation and maintenance of a system of internal control to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Commission's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Commission.

***Independence***

We have communicated to you the names of all the Commission's affiliates, officers and directors.

We are not aware of any business relationship between the Commission and Ernst & Young or any other member firm of the global Ernst & Young organization.

We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of the Commission's audit.

***Unliquidated obligation***

As of the beginning of the year 2022, the Commission has an unliquidated obligation amounting to \$1,661,950. The Commission's system was not able to extract aging schedule for the said obligation. In addition, the management was not also able to maintain a listing or monitoring file of the obligation. As a result, EY was not able to verify the existence of the account and was not able to obtain sufficient appropriate audit evidence about the account. We understand that EY

Appendix A - Management Representations Letter, continued

has rendered a qualified opinion in relation to the said matter for the limitation on the scope of audit.

Other matters

We have received a draft copy of the financial statements of Commission as of and for the year ended December 31, 2022. The accuracy and completeness of the financial statements, including footnote disclosures, are the responsibility of the management of the Commission.

You have assisted in the preparation of the Commission's financial statements based on the information in the Commission's trial balance and accounting records. It is our understanding that:

- The Commission's underlying books and records are maintained by the Commission's accounting department and that the final trial balance prepared by the Commission is complete; and
- Management of the Commission has designated a competent representative to oversee our services and that there are Commission personnel with sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements.

We acknowledge that we have reviewed the draft financial statements for accuracy and completeness, and we take responsibility for them.

***Subsequent events***

Subsequent to December 31, 2022, no events or transactions have occurred or are pending that would have a material effect on the financial statements at that date or for the period then ended, or that are of such significance in relation to the Commission's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations or cash flows of the Commission.

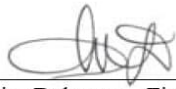
We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and was, therefore, designed primarily for the purpose of expressing an opinion on the financial statements as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Appendix A - Management Representations Letter, continued

Very truly yours,



\_\_\_\_\_  
Aaron Nighswander, Finance and Administrative Manager



\_\_\_\_\_  
Merisa Delcampo, Finance Officer

Appendix A - Management Representations Letter, continued

Appendices

A – Schedule of Uncorrected Misstatements

B – Schedule of Corrected Misstatements

C- Subsequent Events





Appendix A - Management Representations Letter, continued

B – Schedule of Corrected Misstatements

**Communication schedule for corrected misstatements**

Entity: Western and Central Pacific Fisheries Commission      Period ended: 31-Dec-2022      Currency: USD

Corrected misstatements	Assets		Liabilities		Equity components		Income statement effect of the current period	
	Current	Non-current	Current	Non-current	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
No. WIP ref.	Account (misstatements are recorded as journal entries with a description)		Debit/(Credit)		Debit/(Credit)		Debit/(Credit)	
A.E01	ED100	To provide allowances for long outstanding voluntary contribution receivables						
		Provision Delayed Contribution	(57,429)					57,429
		Expenditures						
<b>Total of corrected misstatements before income tax</b>				<b>(57,429)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,429</b>
<b>Financial statement amounts</b>				<b>13,163,527</b>	<b>0</b>	<b>(7,124,926)</b>	<b>0</b>	<b>309,991</b>
<b>Effect of corrected misstatements on FIS amounts</b>				<b>-0.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>18.5%</b>

[For US PCAOB audits we are required to communicate all misstatements that are accumulated on our SAD]

Appendix A - Management Representations Letter, continued

C – Subsequent Events

**Western and Central Pacific Fisheries Commission**

Subsequent Events Questionnaire

Coverage:

For the period from January 1, 2022 to audit report date

Question	Response Yes or No	If yes, please provide additional information
1 Have there been any business combinations, acquisitions of significant assets, segment disposals, disposals of significant assets or extraordinary, unusual or infrequently occurring transactions, except as disclosed in the financial statements?	No	
2 Have there been any new significant contingent liabilities or commitments that arisen, except as disclosed in the financial statements?	No	
3 Have there been any significant changes that occurred in trends of service fees/grant revenue or program expenses that could affect accounting estimates (e.g., valuation of receivables, provisions for liabilities, or unearned income)?	No	
4 Have there been any significant changes that occurred, or are pending, in the capital accounts, long-term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements?	No	
5 Have there been any significant changes that occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?	No	
6 Were there any significant, unusual or nonrecurring adjustments that have been recorded (or are necessary).	No	
7 Were there any communications, written or oral, that occurred with regulatory agencies with which the entity files financial statements?	No	
8 Were there any other events that occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements, that could have a material effect on the audited financial statements?	No	
9 Are you aware of any fraud or suspected fraud affecting the Commission involving (1) management, (2) employees who have significant roles in internal control or (3) others, when the fraud could have a material effect on the financial statements?	No	
10 Are you aware of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), when such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Commission?	No	