



**THE AUDIT BOARD OF  
THE REPUBLIC OF INDONESIA**



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

**EXTERNAL AUDITOR'S OPINION  
AND LONG-FORM REPORT  
AND AUDITED FINANCIAL STATEMENTS  
OF THE CORAL TRIANGLE INITIATIVE ON  
CORAL REEFS, FISHERIES, AND FOOD  
SECURITY (CTI-CFF)  
REGIONAL SECRETARIAT  
for the year ended 31 December 2024**



**March 2025**

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# **External Auditor's Opinion and Long-Form Report**



**CHAIR OF THE AUDIT BOARD  
REPUBLIC OF INDONESIA**

**Letter from the External Auditor to the Chair  
of the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security  
Committee of Senior Officials (CTI CSO)**

Number: 31 /S/I/03/2025

Irjen. Pol. Drs. Victor Gustaf Manoppo, M.H  
Director General of Marine Spatial Management  
Ministry of Marine Affairs and Fisheries  
Indonesia  
Chair of the Coral Triangle Initiative Committee of Senior Officials

Dear Chair of CTI CSO,

In accordance with Article 14.6 of the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security's (CTI-CFF's) Financial Regulations, I have the honour of presenting the Audit Board of the Republic of Indonesia's (Badan Pemeriksa Keuangan (BPK)) Report to you for onward transmission to the Coral Triangle Initiative Committee of Senior Officials. This report comprises the External Auditor's Opinion and External Auditor's Long-Form Report on the attached Audited Financial Statements of the CTI-CFF Regional Secretariat for the year ended 31 December 2024.

Yours Sincerely,

**Dr. Isma Yatun, CSFA., CFrA**  
**Chair of the Audit Board of the Republic of Indonesia**  
**External Auditor**

**Jakarta, Indonesia**  
**26 March 2025**



**CHAIR OF THE AUDIT BOARD  
REPUBLIC OF INDONESIA**

**Letter from the External Auditor to the Executive Director  
of the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF)  
Regional Secretariat**

Number: 32 /S/I/03/2025

Dr. Frank Keith Griffin  
Executive Director of the CTI-CFF Regional Secretariat  
Jl. A.A. Maramis Kayuwatu, Kairagi II  
Manado, North Sulawesi 95254  
Indonesia

Dear Executive Director,

In accordance with Article 14.6 of the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security's (CTI-CFF's) Financial Regulations, I have the honour of presenting the Audit Board of the Republic of Indonesia's (Badan Pemeriksa Keuangan (BPK)) Report to you for onward transmission to the Member Parties of the CTI-CFF. This report comprises the External Auditor's Opinion and External Auditor's Long-Form Report on the attached Audited Financial Statements of the CTI-CFF Regional Secretariat for the year ended 31 December 2024.

Yours Sincerely,

**Dr. Isma Yatun, CSFA., CFA**  
**Chair of the Audit Board of the Republic of Indonesia**  
**External Auditor**

**Jakarta, Indonesia**  
**26 March 2025**



**THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA**

**AUDIT OPINION**

**CERTIFICATE OF THE EXTERNAL AUDITOR ON THE FINANCIAL STATEMENTS OF  
THE CORAL TRIANGLE INITIATIVE ON CORAL REEFS, FISHERIES, AND FOOD  
SECURITY (CTI-CFF) REGIONAL SECRETARIAT AS AT AND FOR THE FINANCIAL  
PERIOD ENDED 31 DECEMBER 2024**

To the Coral Triangle Initiative Committee of Senior Officials

**Opinion**

We have audited the financial statements of the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF) Regional Secretariat (the Regional Secretariat), which comprise the Statement of Financial Position as at 31 December 2024; and the Statement of Activities, the Statement of Changes in Net Assets, and the Statement of Cash Flows for the year then ended; and Notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2024, and financial activities and cash flows for the year then ended of the Regional Secretariat in accordance with Indonesian Financial Accounting Standards (IFAS).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 independent of the Regional Secretariat, in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 21, which describes a subsequent event that occurred after the reporting date. On 20 January 2025, the President of the United States issued an Executive Order titled "Re-evaluating and Realigning United States Foreign Aid," mandating a 90-day pause on U.S. foreign development assistance. In response, USAID issued a suspension notice on 26 January 2025, affecting the USAID Sustainable Coral Triangle (USAID-SCT) Project and related grants from the United States Department of Interior (US-DOI). Subsequently, on 26 February 2025, USAID formally terminated Award No. 72048624IO00001, citing realignment with U.S. foreign policy priorities.

As described in Note 21, this event is classified as a non-adjusting subsequent event in accordance with IFAS 210 'Events After the Reporting Period'. While it does not require adjustments to the 2024 financial statements, it has material financial and operational implications for CTI-CFF. Our opinion is not modified in respect of this matter.

### **Information Other than the Financial Statements and the Auditor's Report thereon**

The Regional Secretariat is responsible for the other information, which comprises supplementary information, contained below, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether this other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in such other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFAS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Regional Secretariat's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Regional Secretariat or to cease operations or has no realistic alternative but to do so.

The Coral Triangle Initiative (CTI) Committee of Senior Officials (CTI CSO) and CTI Council of Ministers (CTI COM) as Those Charged with Governance, are responsible for overseeing the Regional Secretariat's financial reporting process.

### **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 from 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 a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

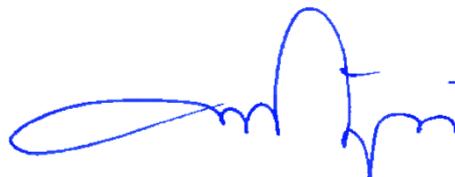
A further description of our responsibilities for the audit of the financial statements is included in Annex 1 of this auditor's report. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

Further, in our opinion, the transactions of the Regional Secretariat that have come to our notice or which we have tested as part of our audit have, in all significant respects, been in accordance with the Regional Secretariat's Financial Regulations.

In accordance with the Article 14.6 of the CTI-CFF's Financial Regulations, we have also issued a long-form report on our audit of the Regional Secretariat.



**Dr. Isma Yatun, CSFA., CFrA**  
**Chair of the Audit Board of the Republic of Indonesia**  
**External Auditor**

**Jakarta, Indonesia**  
**26 March 2025**

## EXECUTIVE SUMMARY

Pursuant to the Agreement on the Establishment of the Regional Secretariat of the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF), Article 11, as well as CTI-CFF's Financial Regulations, Regulation 14, the Audit Board of The Republic of Indonesia (Badan Pemeriksa Keuangan (BPK)) has audited the financial statements of the Regional Secretariat of CTI-CFF for the year ended 31 December 2024 and has expressed an unmodified opinion as stated in our External Auditor's Opinion that has been issued along with this long-form audit report.

To obtain reasonable assurance about whether the financial statements are free from material misstatement, BPK performed tests of the effectiveness of internal control systems and compliance with rules and regulations that have a direct and material effect on the financial statements. However, BPK's audit was not specifically designed to express an opinion on the effectiveness of internal control systems and compliance with rules and regulations. Accordingly, BPK does not express such an opinion.

BPK identified three audit observations during the audit of the financial statements, with the following summary:

1. Inadequate Recognition and Policy Framework for Intangible Assets.
2. Inadequate Structure in the 2024 CTI-CFF Regional Secretariat's Budget.
3. Inadequate Risk Assessment Documentation.

Based on these observations, BPK recommends the Regional Secretariat of CTI-CFF:

1. Develop and implement policies and procedures for the recognition of intangible assets.
2. Improve the budget structure with income information and clear categorization.
3. Clearly define the objectives in the annual budget plan.
4. Perform systematic risk documentation.

Detailed descriptions of the audit observations and recommendations can be found in this long-form audit report.

## EXTERNAL AUDITOR'S LONG-FORM REPORT

### Report of the External Auditor on the Financial Statements of the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF) Regional Secretariat as at and for the Financial Period Ended 31 December 2024

Key Facts	
USD 1,726,873	Final 2024 Budget approved by the Senior Official's Meeting
USD 1,401,768	Total Revenues reported in 2024
USD 1,768,815	Total Expenditures incurred in 2024
USD 1,389,731	Net Assets as at 31 December 2024
12	Key Management Personnel and staff of the CTI-CFF Regional Secretariat as of 31 December 2024

#### A. Introduction

##### *Mandate*

1. We have conducted an audit of the CTI-CFF Regional Secretariat's financial statements for the period of 1 January to 31 December 2024 pursuant to Article 14.4 of the CTI-CFF's Financial Regulations, during the period of 3 February and 26 March 2025. Matters arising out of the audit were discussed with Management, and comments and responses received have, where appropriate, been incorporated in this Report.

##### *Audit Scope*

2. The audit covered the financial statements of the Regional Secretariat, which comprised the Statement of Financial Positions as of 31 December 2024; and the Statement of Activities, the Statement of Changes in Net Assets, the Statement of Cash Flows, and Notes to the financial statements.
3. The audit included a general review of financial systems, internal controls, an assessment of risk, and a test examination of the accounting records and other supporting evidence to the extent that the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan (BPK)) considered necessary to form an opinion on the financial statements. We also assessed the extent of implementation of previous audit recommendations.

##### *Audit Objectives*

4. The audit was conducted primarily to enable BPK to obtain reasonable assurance to form an opinion as to whether the financial statements of the CTI-CFF for the year ended 31 December 2024 are presented fairly, in accordance with Indonesian Financial Accounting Standards (IFAS). This includes an assessment to test whether the transactions of the Secretariat were, in all significant respects, in accordance with the Secretariat's Financial Regulations.

### ***Auditing Standards***

5. The audit was carried out in accordance with the International Standards on Auditing (ISAs). The Standards require that we comply with ethical requirements and plan and conduct the audit to obtain reasonable assurance about whether the financial statements of the CTI-CFF are free from material misstatements.

### ***Audit Methodology***

6. The audit approach was developed based on our understanding of the issues, new developments and key risks that might impact the financial statements. We obtained an understanding of the Secretariat's business and accounting processes and internal controls relevant to the financial statements to help us identify risks that may impact the financial statements.
7. In making our risk assessments, we considered internal controls relevant to the Secretariat's preparation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Secretariat's internal control.
8. BPK examined, updated and reported on the status of the external auditor's recommendations from prior year audits.

### ***Reporting***

9. Financial Regulation 14 states that the External Auditor shall issue a report on the audit of the financial statements. The report shall include such information as BPK deems necessary in regard to matters on the accounts of the Secretariat, as referred to in Financial Regulations Article 14.6. The form and content of our report is in accordance with ISA 700 (Revised) *Forming an Opinion and Reporting on Financial Statements* and may need to be amended in the light of audit findings. BPK has discussed the issues and matters with Management and their views are reflected in this report.

## **B. Financial Overview**

10. The financial statements of the Secretariat for the year ended 31 December 2024 were presented in accordance with the IFAS and the Financial Regulations of the Secretariat.
11. The general overview of the Secretariat's financial statements for the year ended 31 December 2024, are presented on paragraphs below.
12. In 2024, revenue increased USD35,523 (2.60%) to USD1,401,768 (2023: USD1,366,245). The increase in revenue in 2024 was largely due to an increase in Grants, offset by a reduction in Country Contributions. Country Contributions remains the highest revenue in the 2024 financial statements with a balance of USD1,057,589 (75.45% of total revenue).
13. Expenditure for the year was USD1,768,815, an increase of USD795,312 (81.70%) (2023: USD973,503). In 2024, the main expenditure related to General Administration of USD855,487. This balance is increased by USD33,886 (4.12%) (2023: USD821,601). General administration represented 48.36% of total expenses.
14. In 2024, the Secretariat recorded a deficit for the year of USD367,047 (2023: surplus of USD392,742). The deficit was mainly due to a higher expenditure recorded for the year.
15. Net assets decreased by USD403,279 to USD1,389,731 in 2024 (2023: USD1,793,010).

16. Overall, the key financial indicators remained sound. BPK’s analysis of the key financial ratios demonstrated that the Secretariat had the ability to meet its liabilities (see Table 1 below).

**Table 1. The Secretariat’s Financial Ratios**

Description of Ratio	Year				
	2024	2023	2022	2021	2020
<b>Current ratio<sup>1</sup></b>					
Current assets: Current liabilities	19.17	62.29	64.47	30.77	39.69
<b>Total assets: Total liabilities<sup>2</sup></b>					
Assets: Liabilities	9.81	63.47	66.93	31.94	41.06
<b>Cash ratio<sup>3</sup></b>					
Cash plus Short-term investments: Current liabilities	16.20	48.36	35.04	17.93	26.91
<b>Quick ratio<sup>4</sup></b>					
(Cash plus Short-term investments plus Accounts receivable): Current liabilities	18.95	61.87	64.01	30.61	39.38
<b>Days cash on hand<sup>5</sup></b>					
Cash and cash equivalents: [(Total expenses – (Depreciation/impairment expenses): 365 days]	269	534	374	398	607

**Source: The Secretariat’s Financial Statements**

1. A high ratio indicates the Secretariat’s ability to pay off its current liabilities.
2. A high ratio is a good indicator of solvency.
3. The cash ratio is an indicator of the Secretariat’s liquidity by measuring the amount of cash and cash equivalents and short-term investment to cover current liabilities.
4. The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to turn into cash.
5. Days cash on hand measures the number of days of operating expenses that can be covered from existing cash and cash equivalent. Generally, higher values indicate stronger liquidity position, although there is both benefit and an opportunity cost to holding cash reserves.

17. BPK noted that the overall financial ratios of the operations of the Secretariat, as reported in financial statements, were sound.

**C. Findings and Recommendations**

***Inadequate Recognition and Policy Framework for Intangible Assets***

18. The CTI-CFF Regional Secretariat's financial statements as at 31 December 2024 disclosed non-current assets of USD25,271, representing a 25.46% decrease from the prior year’s balance of USD33,903. The composition of noncurrent assets is presented below:

**Table 2. Secretariat’s Non-current Assets in the Financial Statements**

Noncurrent Assets	31-Dec-24	31-Dec-23
Acquisition Value	207,724	138,846
Accumulated Depreciation	182,453	104,943
<b>Net Book Value</b>	<b>25,271</b>	<b>33,903</b>

19. An examination of intangible asset recognition and management identified the following deficiencies:

a) Current Classification Deficiencies.

Seven software items with an acquisition value of USD16,731 were incorrectly classified as fixed assets instead of intangible assets. These assets were assigned a useful life of three years and are depreciated using the straight-line method, with a current book value of USD601.

Moreover, the Coral Triangle Atlas (CT Atlas) - an online GIS database developed in 2019 at the cost of USD61,620 – was not recognized as an asset in the financial statements, despite meeting the definition of an intangible asset under IFAS 238.

b) Inadequate Policy Framework for Intangible Assets.

An examination of the Financial Policies and Procedures Manual (FPPM) revealed gaps in the guidelines for intangible assets. The manual lacked a clear classification framework, which had led to the misclassification of software as fixed assets, instead of recognizing these as intangible assets. Additionally, there was an absence of capitalization thresholds, making it unclear when intangible assets should be recorded on the balance sheet. Furthermore, no specific guidelines on amortization methods existed, leading to an inconsistent accounting treatment and potential misstatements in the financial statements.

20. The deficiencies arose as the FPPM lacked comprehensive guidelines for the recognition and classification of intangible assets, capitalization thresholds, determination of useful life, and amortization methods. Moreover, these issues resulted in an understatement of intangible assets and a misclassification of assets in the financial statements.

21. In response to this matter, Management recognized CT Atlas as an intangible asset, fully depreciating the asset over a 3-year useful life using the straight-line method, resulting in zero book value in 2024. Moreover, the software was classified as an intangible asset.

22. BPK is of the view that these deficiencies highlighted the need for policy revisions to align with financial reporting standards, specifically IFAS 238 Intangible Assets, and to ensure accurate asset classification and valuation.

**Recommendation 1**

**BPK recommends the Regional Secretariat develop and implement policies and procedures for the recognition of intangible assets.**

**Management response:**

The CTI-CFF Regional Secretariat acknowledges the audit observation regarding the recognition and classification of intangible assets in the 2024 financial statements of the CTI-CFF Regional Secretariat. Additionally, the Regional Secretariat recognizes that the current CTI-CFF Financial Policy and Procedure Manual (FPPM) does not yet include specific guidelines on the recognition, classification, and treatment of intangible assets. The Secretariat understands the importance of ensuring compliance with applicable accounting standards to maintain the accuracy and transparency of financial reporting.

Management will develop an Asset Tracking System to monitor and classify intangible assets in Quarter 1 2025. Final approval by SOM and Ministerial Meeting is expected in Quarter 4 2025.

### ***Inadequate Structure in the 2024 CTI-CFF Regional Secretariat's Budget***

23. The CTI-CFF Financial Regulations stipulated that the Executive Director, in consultation with relevant staff of the Regional Secretariat, shall prepare a proposed annual budget for each financial year that covers income and expenditures for the financial year to which it is related. The draft annual budget was to be divided into parts and sections. It was to be accompanied by such information, annexes and explanatory statements as required by the CTI Council of Ministers (CTI COM) or CTI Committee of Senior Officials (CTI CSO). This included a statement outlining the main changes compared to the previous year's budget, along with any additional annexes or statements that the Executive Director deemed necessary and useful.
24. The draft budget was to be categorized by section, program and sub-program. For comparison purposes, the object of expenditures for the previous financial year and the program expenditures of the current year were to be indicated alongside the resource estimates for the forthcoming financial year. Additionally, the draft budget was to include a statement outlining the significant financial implications for subsequent financial years concerning any proposed work programs, presented in terms of estimated expenditure categories.
25. Our review of the 2024 approved budget found that, while it was categorized by programs and sub-programs and included comparative figures for 2023 and projections for 2025-2026, it did not fully comply with financial regulations due to the following issues:

#### ***Absence of income section in the 2024 budget***

26. The 2024 proposed budget and approved budget only presented expenditure information without including the corresponding income section. The current budget document solely focused on expenditure categories totalling USD1,726,873 for 2024 without a corresponding income section detailing funding sources.
27. Income projection in the budgeting process was essential for informed decision-making. CTI-CFF's sources of funds could include Country Contributions in accordance with Financial Regulations; voluntary contributions made by Parties, CTI Partners or other entities; and such other Funds to which the Secretariat might become entitled or may receive, including income from investments. Accurate income estimates with a detailed breakdown of income sources would assist in creating realistic and achievable financial plans.

#### ***Lack of clear definition in the budget structure***

28. While the proposed and approved budget for 2024 was divided into programs and sub-programs, the budget document did not provide clear definitions of how it was structured in sections, programs and sub-programs. Several major sections of the current budget (Communication Information, Governance & Others, Recruitment, Capital Expenditures, and Appropriation) lacked proper program and sub-program categorizations as required by financial regulation.
29. As per the FPPM, expenditures should be divided into 2 (two) sections: 1) General budget for expenses and activities funded by Country Contributions; 2) Budget for activities funded by grant(s) from partner(s). Moreover, the line items for the expenditures to be included in the budget should include, but not limited to, the following:
  - a) Operating expenses of the Secretariat, e.g. utility, supplies, permit and licenses, etc;
  - b) Salary and benefits for Staff of the Secretariat;
  - c) Budget expenses for programs and events;
  - d) Capital expenditure; and
  - e) Appropriation.

30. The current budget did not distinguish between these categories, making it challenging to assess which activities were funded by core contributions versus external grants.
31. BPK noted that the implementation of the budget requirements outlined in the Financial Regulations was incomplete and clear and definitive guidelines on how to categorize budget items into sections, programs, and sub-programs were insufficient.
32. BPK is of the view that without proper budget structure, the CTI-CFF Secretariat may have difficulty in assessing the financial sustainability of planned expenditures without income projections; and difficulty in making informed decisions about resource allocation for specific programs and activities in the current budget structure.

**Recommendation 2**

**BPK recommends the Regional Secretariat improve the budget structure with income information and clear categorization.**

**Management response:**

The CTI-CFF Regional Secretariat acknowledges the audit observation regarding the budget structure and the absence of an income section in the 2024 CTI-CFF Budget. The budget currently reflects only Country Contributions, which are allocated to sustain the core operations of the CTI-CFF Regional Secretariat as mandated by the CT6 member countries. Grants from CTI Partners/Donors have not been included in the income section. The 2024 budget, as approved in SOM-18 and MM-9, has been organized by program and sub-program, ensuring that expenditures align with CTI-CFF’s strategic objectives. Through these corrective measures, CTI-CFF reaffirms its commitment to financial transparency and regulatory compliance, ensuring that the budget process adheres to Financial Regulations and FPPM requirements.

Management evaluates feasibility of incorporating Partner Contributions in income projections for future budgets in Quarter 2 2025. The revised budget structure for the 2026 fiscal year during 2025 Internal Resource Committee and SOM20 will be implemented in Quarter 3 to Quarter 4 2025.

***Inadequate Risk Assessment Documentation***

33. The CTI-CFF FPPM positioned risk assessment as a key component of the internal control framework. The risk assessment outlined in section 2.3.4 of the manual established a hierarchical approach, starting with Secretariat-wide objectives through budget planning, which then cascaded down to activity-level objectives, and culminated in specific risk identification and analysis processes. This structure was designed to ensure that risk management was integrated across all levels of the organization, from strategic planning to operational execution.
34. The FPPM required the Secretariat to not only identify and analyze risks, but also to ensure these risks were categorized, documented, and actively managed through appropriate mitigation measures. This comprehensive approach reflected CTI-CFF Regional Secretariat's commitment to robust risk management as part of its overall governance framework, with specific requirements for annual risk analysis and continuous monitoring of identified risks.

35. During the audit, we found that CTI-CFF's implementation of its risk assessment framework did not fully comply with the requirements outlined in the FPPM. While risks were actively managed through ongoing control activities embedded in financial and operational processes, there were gaps in the formal risk assessment and documentation procedures.

***Absence of clearly identified goals and objectives in the annual budget plan***

36. The 2024 budget plan did not clearly identify organizational goals and objectives as required by the FPPM, nor did it contain detailed activity-level objectives. This absence of clearly defined objectives at both the Secretariat-wide and activity levels impacted the organization's ability to effectively allocate resources and measured performance against established targets.

***Inadequate documentation of risk assessment***

37. The Regional Secretariat had not documented risk categories as required by the FPPM, formally assessed and documented the significance of identified risks, analyzed and documented potential impacts of risks, or maintained systematic documentation of risk analysis and mitigation measures. These gaps represented a partial implementation of the risk management framework required by Section 2.3.4 of the FPPM, which specifically calls for formal risk categorization, significance assessment, and impact analysis. While existing control activities provided some risk mitigation, the lack of systematic risk documentation and analysis might limit the organization's ability to effectively monitor and respond to risks in a comprehensive manner.
38. BPK noted that the current organizational structure might not adequately support the comprehensive implementation of risk management activities as envisioned in the FPPM. Moreover, there were inadequate guidelines for formal risk documentation templates, methodology to categorize risks, and procedures to integrate risk mitigation into operational activities.
39. Furthermore, the absence of clearly defined objectives in the annual budget plan could reduce the effectiveness of resource allocation and create difficulties in aligning activity-level initiatives with organizational goals. Besides, the absence of systematic risk documentation and analysis could lead to inconsistent risk management practices and limit the organization's ability to comprehensively monitor and address potential risks.

**Recommendation 3 and 4**

**BPK recommends the Regional Secretariat:**

- a. Clearly define the objectives in the annual budget plan; and**
- b. Perform systematic risk documentation.**

**Management responses:**

The CTI-CFF Regional Secretariat acknowledges the audit observation regarding risk assessment documentation and recognizes the importance of aligning risk management practices with the FPPM. While risk management activities have been integrated across various operational areas, a formal, structured, and well-documented risk assessment process remains essential to ensure compliance with the FPPM and to enhance transparency and oversight.

Strengthening risk documentation to ensure continuous monitoring and compliance is expected to be implemented in Quarter 4 of 2025.

**D. Implementation of External Auditor’s Recommendation from Prior Years**

- 40. As of 31 December 2023, there were 7 recommendations reported in the external audit reports from 2022 to 2023. To the year ended 31 December 2024, 1 of the 5 outstanding recommendations from prior years has since been fully implemented. Therefore, 3 recommendations (43%) had now been fully implemented and 4 recommendations (57%) remain in progress.
- 41. Details of the implementation status of the recommendations are shown below in Table 4, and the Annex 2 of this report.

**Table 3. Recapitulation of Status of Implementation of External Auditor's Recommendations from Prior Years**

Year	Total Recommendations	As of 31 December 2023		Implemented During 2024	As of 31 December 2024			
		Implemented	In Progress		Implemented		In Progress	
					Number of Recommendations	%	Number of Recommendations	%
2022	3	2	1	0	2	66%	1	33%
2023	4	0	0	1	1	25%	3	75%
<b>Total</b>	<b>7</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>43%</b>	<b>4</b>	<b>57%</b>

**E. Disclosure by Management**

***Write-offs and Losses of Cash and Other Assets***

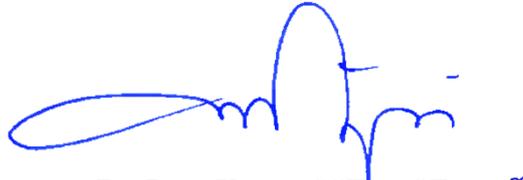
- 42. There were no write-offs of losses of cash and cash equivalents, nor any write-offs of fixed assets and receivables in 2024.

***Cases of Fraud and Presumptive Fraud***

- 43. In accordance with ISA 240 *The Auditor’s Responsibilities Relating to Fraud in Audit of Financial Statements*, BPK planned its audits of the financial statements so that it had a reasonable expectation of identifying material misstatements and irregularity (including those resulting from fraud). Our audit should not, however, be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with Management.
- 44. During the audit, BPK made enquiries of the Regional Secretariat regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to those risks, including any specific risks that Management had identified, or that had been brought to its attention. BPK also enquired as to whether the Regional Secretariat had any knowledge of any actual, suspected or alleged fraud. BPK identified no instances of fraud in its audit, and no cases came to our attention through our testing.
- 45. The Regional Secretariat reported that during the financial year of 1 January to 31 December 2024, Management had no notice or knowledge of any case of fraud or presumptive fraud.

**F. Acknowledgement**

46. We wish to express our appreciation for the cooperation and assistance extended by the Executive Director, key management personnel, and staff of the Regional Secretariat during our audit.



**Dr. Isma Yatun, CSFA., CFrA**  
**Chair of the Audit Board of the Republic of Indonesia**  
**External Auditor**

**Jakarta, Indonesia**  
**26 March 2025**

## **Annex 1. Description of Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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;
- 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 Regional Secretariat's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Draw conclusions as to the appropriateness of Management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the Regional Secretariat to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional Secretariat to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Annex 2. Status of Implementation of External Auditor’s Recommendation from Prior Years as of 31 December 2024**

<b>Financial Period</b>	<b>Report Ref.</b>	<b>Summary of Findings</b>	<b>Recommendations</b>	<b>Management’s Response</b>	<b>Management’s Action</b>	<b>Auditors’ Comment</b>	<b>Status</b>
<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f</b>	<b>g</b>	<b>h</b>
<b>Audit Report for the year ended 31 December 2022</b>							
2022	2022 Management Letter, Point No. 3	<b>Internal control committee / department</b>  In the organizational structure there is no Division of Internal Control Committee (ICC) which reports directly to the Executive Director.	The Regional Secretariat of the CTI-CFF to establish an Internal Control Division in accordance with the Guidelines for Financial Policies and Procedures Section 2.3.8 of the Internal Control Committee.	CTI-CFF Regional Secretariat noted the recommendation to establish RS ICC.	SOM-19 has agreed on the terms of reference for the establishment of an ICC to safeguard the integrity of financial and accounting information, ensure the achievement of targets, and facilitate the dissemination of management policies. Planned time for implementation: end of 2025	The Management has indicated that the establishment of the ICC is currently underway, and the BPK has expressed its agreement.	<b>In Progress</b>
<b>Audit Report for the year ended 31 December 2023</b>							
2023	2023 Long Form Audit Report, Recommendation No. 1	Legal clarity regarding the use of the CTI-CFF Regional Secretariat premise needs to be achieved through timely ratification of the Host Country Agreement	BPK recommends the Regional Secretariat urgently communicate and coordinate proactively with relevant authorities to expedite the ratification process of the renewed HCA and the renewal agreement on the borrow-to-use of the CTI-CFF Regional Secretariat Building.	The CTI-CFF Regional Secretariat values the comprehensive review and insightful feedback on the Host Country Agreement (HCA) and the supplementary agreements concerning the borrow-to-use building/premise. The management recognizes the importance of addressing the issues identified during the audit and are grateful for the recommendations.	SOM-19 Chair Summary 4.1 noted the expected ratification of the CTI-CFF's Regional Secretariat Host Country Agreement in early 2025.  Planned time for implementation: end of 2025	BPK has received the SOM-19 Chair Summary	<b>In Progress</b>

Financial Period	Report Ref.	Summary of Findings	Recommendations	Management's Response	Management's Action	Auditors' Comment	Status
a	b	c	d	e	f	g	h
2023	2023 Long Form Audit Report, Recommendation No. 2	CTI-CFF's financial statements need to be prepared in accordance with the International Public Sector Accounting Standards (IPSAS)	BPK recommends the Regional Secretariat undertake a comprehensive study to assess the feasibility of applying IPSAS.	Management acknowledges that the CTI-CFF FPPM currently mandates the use of Host Country Financial Accounting Standards. By referring to the Auditor's assessment that adopting an internationally recognized accounting standards such as IPSAS could significantly benefit CTI-CFF Regional Secretariat. IPSAS would provide a robust framework, ensuring consistent financial reporting across different jurisdictions and improving comparability with other international entities	SOM-19 acknowledged the recommendation to align CTI-CFF's financial statements with IPSAS, for further coordination with ASEAN for benchmarking purposes.	BPK has received the SOM-19 Chair Summary	<b>In Progress</b>
2023	2023 Long Form Audit Report, Recommendation No. 3	Policies and procedures for managing unpaid country contributions need to be improved	BPK recommends the Regional Secretariat develop and implement robust policies and procedures for the systematic management of overdue country contributions.	Management appreciates the audit's emphasis on the need for improved management of country contributions. The CTI-CFF Regional Secretariat will present the proposal for country contributions to the upcoming IRC, planned for August/September 2024, and subsequently propose it at the upcoming Senior Officials Meeting and Ministerial Meeting.	SOM-19 endorsed a structured process for managing overdue country contributions, including early notifications, consultations, and consistent reminders to ensure timely payments. The management had sent notifications regarding unpaid country contributions and Indonesia had paid the outstanding country contributions for the year 2023.	BPK has received the SOM-19 Chair Summary	<b>Implemented</b>

<b>Financial Period</b>	<b>Report Ref.</b>	<b>Summary of Findings</b>	<b>Recommendations</b>	<b>Management's Response</b>	<b>Management's Action</b>	<b>Auditors' Comment</b>	<b>Status</b>
<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f</b>	<b>g</b>	<b>h</b>
2023	2023 Long Form Audit Report, Recommendation No. 4	CTI-CFF's financial reporting system needs to be improved	BPK recommends the Regional Secretariat improve its financial reporting system using current resources or find the most efficient and effective way to provide more reliable unaudited financial statements before submitting them to the external auditor.	The CTI-CFF Regional Secretariat appreciates the thorough review and detailed management letter regarding the 2023 financial statements of CTI-CFF submitted to the External Auditor.	A new ERP System is already in place, with preparation is underway for data transfer and integration. This system aims to enhance the accuracy and reliability of CTI-CFF's financial reporting processes. Planned time for implementation: end of 2025	BPK has received a copy of purchase request of the ERP	<b>In Progress</b>

# **Audited Financial Statements**



# CORAL TRIANGLE INITIATIVE

ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY

REGIONAL SECRETARIAT

CTI-CFF Secretariat Building  
Jl. A. A. Maramis Kayuwatu, Kairagi II  
Manado, North Sulawesi 95254  
Indonesia  
regional.secretariat@cticff.org

Dr. Isma Yatun, CSFA., CFrA  
Chair of The Audit Board of the Republic of Indonesia  
Jalan Gatot Subroto Kav. 31  
Jakarta 10210  
Indonesia

Manado, 26 March 2025

## Letter of Transmittal

Pursuant to the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF) Financial Regulation Article 14, we have the honor to submit the Financial Statements for the year ended 31 December 2024 of the CTI-CFF Regional Secretariat, certified and approved in accordance with Financial Regulations.

We confirm, to the best of our knowledge and belief, and having made appropriate enquiries with other officials of the CTI-CFF, the following representation in connection with your audit of the Financial Statements of the CTI-CFF Regional Secretariat for the year ended 31 December 2024.

We are responsible for preparing financial statements that properly present the activities of the CTI-CFF Regional Secretariat, and for making accurate representations to you. All accounting records and related information have been made available for the purpose of your audit, and all of the transactions that occurred in the financial period have been properly reflected in the financial statements and recorded by the CTI-CFF Regional Secretariat in the accounting and other records.

1. The financial statements have been prepared and presented in accordance with:
  - a. The Indonesian Financial Accounting Standards (IFAS); and
  - b. The Financial Regulations of the CTI-CFF.
2. The accounting policies used by the CTI-CFF as stated in the financial statements are consistent with those of previous years.
3. The value of cash and cash equivalents recorded is not impaired and, in our opinion, is fairly stated.
4. All material accounts receivable and other current assets have been included in the financial statements and represent valid claims against debtors or future economic benefits to the CTI-CFF.

5. The fixed assets disclosed in notes to the financial statements are owned by the CTI-CFF and are free from any charge.
6. All known liabilities have been included in the financial statements.
7. All revenues and expenses reported during the year were incurred in accordance with the Financial Regulations of the CTI-CFF and any specific agreements and requirements.
8. The CTI-CFF did not have any commitments for any goods or services ordered in 2024 but were not delivered as of 31 December 2024. Commitments for future expenses have not been recognized as liabilities.
9. The CTI-CFF did not have any legal or contingent liabilities as of 31 December 2024.
10. The CTI-CFF made no write-offs of losses of cash and cash equivalents, nor any write-offs of doubtful debt during 2024.
11. There were no identified cases of fraud or presumptive fraud at the CTI-CFF in 2024.
12. Disclosure is made in the financial statements of all matters necessary to enable them to present fairly the results of the transaction during the year.
13. There have been no known events since the CTI-CFF reporting date of 31 December 2024 that necessitate a revision of the information presented in the financial statements thereto.
14. We have disclosed to you the identity of the CTI-CFF's related parties and all the related party relationships and transactions of which we are aware.



Dr. Frank Keith Griffin  
Executive Director

**CTI-CFF Regional Secretariat**  
**Statement of financial positions**  
As of 31 December 2024 and 2023

*(Expressed in United State Dollar, unless otherwise stated)*

	Notes	31 December 2024	31 December 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2c, 3	1,286,148	1,387,975
Accounts receivable	4	218,121	387,794
Prepaid expenses	5	12,147	10,615
Advances	6	5,758	1,427
<b>Total current assets</b>		<b>1,522,174</b>	<b>1,787,811</b>
<b>Noncurrent assets</b>			
Fixed assets – net	2g, 7	24,670	31,737
Intangible assets - net	2g, 7	601	2,166
<b>Total noncurrent assets</b>		<b>25,271</b>	<b>33,903</b>
<b>Total assets</b>		<b>1,547,445</b>	<b>1,821,714</b>
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	8	34,433	17,465
Accrued expenses	9	24,748	11,239
Unearned revenue		20,219	-
<b>Non-Current liabilities</b>	10	78,314	-
<b>Total liabilities</b>		<b>157,714</b>	<b>28,704</b>
<b>Net assets</b>			
With restriction from donors:			
- Temporary restricted	2f	1,389,731	1,793,010
<b>Total net assets</b>		<b>1,389,731</b>	<b>1,793,010</b>
<b>Total liabilities and net assets</b>		<b>1,547,445</b>	<b>1,821,714</b>

*The accompanying notes to financial statements form an integral part of these financial statements.*

**CTI-CFF Regional Secretariat**

**Statement of activities**

For the year ended 31 December 2024 and 2023

*(Expressed in United State Dollar, unless otherwise stated)*

	Notes	31 December 2024			31 December 2023		
		Without restriction from donors	With restrictions from donors – Temporary restricted	TOTAL	Without restriction from donors	With restrictions from donors – Temporary restricted	TOTAL
<b>Revenues</b>							
Country contributions	2d, 11	-	1,057,589	1,057,589	-	1,143,900	1,143,900
Grants	2d, 12	-	310,887	310,887	-	220,850	220,850
Other income		-	33,292	33,292	-	1,495	1,495
<b>Total revenues</b>		-	<b>1,401,768</b>	<b>1,401,768</b>	-	<b>1,366,245</b>	<b>1,366,245</b>
<b>Expenditures</b>							
Program services	2d, 13, 14	(194,643)	-	(194,643)	(29,384)	-	(29,384)
Communication information	2d, 13, 15	(50,079)	-	(50,079)	(27,106)	-	(27,106)
General administration	2d, 13, 16	(855,487)	-	(855,487)	(821,601)	-	(821,601)
Governance and others	2d, 13, 17	(209,331)	-	(209,331)	(54,172)	-	(54,172)
Recruitment	2d, 13, 17	(131)	-	(131)	(17,296)	-	(17,296)
Others (depreciation and exchange rate)	13, 18	(20,956)	-	(20,956)	(23,944)	-	(23,944)
USAID Sustainable Coral Triangle Project	12, 13	(275,121)	-	(275,121)	-	-	-
US Department of Interior	12,13	(132,677)	-	(132,677)	-	-	-
CT Day	13	(30,390)	-	(30,390)	-	-	-
<b>Total expenditures</b>		<b>(1,768,815)</b>	-	<b>(1,768,815)</b>	<b>(973,503)</b>	-	<b>(973,503)</b>
<b>Surplus/ (deficit)</b>		<b>(1,768,815)</b>	<b>1,401,768</b>	<b>(367,047)</b>	<b>(973,503)</b>	<b>1,366,245</b>	<b>392,742</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income (loss)</b>		<b>(1,768,815)</b>	<b>1,401,768</b>	<b>(367,047)</b>	<b>(973,503)</b>	<b>1,366,245</b>	<b>392,742</b>

*The accompanying notes to financial statements form an integral part of these financial statements.*

**CTI-CFF Regional Secretariat**  
**Statement of changes in net assets**  
For the year ended 31 December 2024 and 2023

*(Expressed in United State Dollar, unless otherwise stated)*

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Net assets without restrictions from donors</b>		
Beginning balance	-	-
Surplus (deficit) - current year	(1,768,815)	(973,503)
Net assets released from restrictions - current year (note 12)	1,768,815	973,503
<b>Ending balance</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>		
Beginning balance	-	-
Surplus (deficit) - current year	-	-
<b>Ending balance</b>	<b>-</b>	<b>-</b>
<b>Net assets with restrictions from donors</b>		
<b>Temporary restricted</b>		
Beginning balance	1,793,010	1,400,268
Adjustment on Net Assets	(36,232)	-
Changes of net assets – current year		
Surplus (deficit) - current year	1,401,768	1,366,245
Net assets released from restrictions - current year (note 12)	(1,768,815)	(973,503)
Net changes of net assets - current year	(367,047)	392,742
<b>Ending balance</b>	<b>1,389,731</b>	<b>1,793,010</b>
<b>Total net assets</b>	<b>1,389,731</b>	<b>1,793,010</b>

*The accompanying notes to financial statements form an integral part of these financial statements.*

**CTI-CFF Regional Secretariat**  
**Statement of cash flows**  
For the year ended 31 December 2024 and 2023

*(Expressed in United State Dollar, unless otherwise stated)*

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Cash flows from operating activities</b>		
Changes in net assets	(367,047)	392,742
Additional (deduction) of items that is not affecting operating cash flow:		
Depreciation expenses	15,890	23,756
Adjustment on Net Assets	(36,232)	-
Changes in assets and liabilities:		
Accounts receivable	169,673	227,418
Prepaid expenses	(1,532)	(2,313)
Advances	(4,331)	(914)
Accounts payable	18,836	175
Accrued expenses	11,641	8,379
Unearned revenue	20,219	-
Non-current liabilities	78,314	-
<b>Net cash flows provided from (used in) operating activities</b>	<b>(94,569)</b>	<b>649,243</b>
<b>Cash flows from investing activities</b>		
Acquisition of fixed assets	(7,258)	(5,451)
<b>Net cash flows provided used in investing activities</b>	<b>(7,258)</b>	<b>(5,451)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(101,827)</b>	<b>643,792</b>
Cash and cash equivalents - beginning	1,387,975	744,183
<b>Cash and cash equivalents - ending</b>	<b>1,286,148</b>	<b>1,387,975</b>

*The accompanying notes to financial statements form an integral part of these financial statements.*

**CTI-CFF Regional Secretariat**  
**Notes to financial statements**  
As of 31 December 2024 and 2023  
and for the years then ended

*(Expressed in United State Dollar, unless otherwise stated)*

**1. General**

**a) Secretariat's establishment**

The Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF) Regional Secretariat (the "Secretariat") was established in the Republic of Indonesia based on the Agreement on the Establishment of the Regional Secretariat of the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF) (the "Agreement") dated 28 October 2011 and has been ratified under Presidential Regulation of the Republic of Indonesia number 46 of 2016. The Host Country Agreement was extended on 31 January 2023, and its ratification is currently being processed by the Government of Indonesia.

CTI-CFF became an International Organization after being registered with the Secretary General of the United Nations on 1 November 2017, which issued the Statement of Treaties and International Treaties.

The Governments of the Republic of Indonesia, Malaysia, Independent State of Papua New Guinea, Republic of the Philippines, Solomon Islands and the Democratic Republic of Timor-Leste (collectively referred to as "CT6"), acknowledge the vast marine, coastal and small islands ecosystems and the unique biodiversity of the Coral Triangle region of the Indo Pacific, which provide invaluable livelihood and food security benefits for the people. The Coral Triangle Initiative Leader's Declaration on Coral Reefs, Fisheries and Food Security, signed on 15 May 2009 in Manado, Indonesia, inter alia, emphasized the need to establish a secretariat to service the ongoing CTI-CFF implementation process.

In accordance with Article 5 of the Agreement, the Secretariat's functions include the following:

- i. Coordinate and support official meetings and events linked to the CTI-CFF process, including cross-cutting services in support of monitoring and evaluation, financial coordination, information management and outreach;
- ii. Coordinate the implementation of CTI-CFF Regional Plan of Action (RPOA) and provide support to, and coordination with, National Coordination Committee, including advising the CTI Committee of Senior Officials (CSO) on emerging opportunities and priorities related to reaching goals and targets of the RPOA;
- iii. Develop regional plans, programs and project activities in relation to CTI-CFF from consideration with the CTI Council of Ministers (COM) in accordance with the approved policy guidelines set through the CTI CSO;
- iv. Act as the channel of communication and share information and foster networking between the Parties, CTI Partners and other organizations and donors in the efforts to promote the objectives of the CTI-CFF;
- v. Facilitate technical assistance, including recruiting and sourcing experts to support the Parties, in line with appropriate needs assessment procedures;
- vi. Assist the Parties in financing agreed projects and activities through support from CTI Partners and financial institutions; and
- vii. Perform other duties and functions which may be assigned by the CTI COM or the CSO.

The Secretariat commenced its operations in 2015. At present, the Secretariat is domiciled at CTI-CFF Secretariat Building, CTI Centre, Jl. A.A. Maramis Kayuwatu, Kairagi II, Manado, North Sulawesi 95254, Indonesia Since 11 July 2016. The premises are provided rent-free by the Government of Indonesia as per the Host Country Agreement (HCA) signed on 31st January 2023. However, the renewed HCA had not been ratified by the Indonesian government as of the end of 2023.

Based on the decision letter for the abolition of the taxpayer identification number S-80HPS/WPJ.16/KP.0103/2021 dated 23 September 2021, from the tax office of Manado, CTI-CFF Regional Secretariat was deleted from the administration of the Director General of Taxes effective from 23 September 2021 hence the Secretariat is no longer required to file tax returns to the tax office.

**CTI-CFF Regional Secretariat**  
**Notes to financial statements** (continued)  
As of 31 December 2024 and 2023  
and for the years then ended

*(Expressed in United State Dollar, unless otherwise stated)*

As of 31 December 2024, and 2023, the Secretariat has 12 and 10 employees, respectively.

**b) Organizational structure**

Based on Summary of the 19th Senior Official's Meeting (SOM) dated 5 December 2024 and 18th Senior Official's Meeting (SOM) dated 7 November 2023, the composition of Directors of CTI CFF as of 31 December 2024 and 2023 is as follows:

	2024	2023
Executive Director	Frank Keith Griffin	Christovel R.S. Rotinsulu (Acting)
Deputy Executive Director		
- Program Services	Christovel R.S. Rotinsulu	Christovel R.S. Rotinsulu
- Corporate Services	Hanung Cahyono	-

**c) Completion of the financial information**

The preparation and fair presentation of the financial statements were the responsibilities of the management and were approved by the Executive Director on 26 March 2025.

**2. Summary of significant accounting policies**

The significant accounting policies adopted by the Secretariat, which influence determination of financial position and results of its operations are explained below:

**a) Statement of compliance**

The financial statements of the Secretariat have been prepared in accordance with Indonesian Financial Accounting Standards.

These financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

**b) Basis of preparation of the financial statements**

The financial statements are prepared using accounting principles and reporting practices generally accepted in Indonesia. Financial statements presentation is based on Interpretation of Financial Accounting Standards No. 35 regarding the presentation of financial statements of non-profit oriented entities.

The statements of cash flows are prepared using the indirect method by classifying cash flows on the basis of operating, investing and financing activities.

The currency used in the financial statements is United States Dollar (USD) which is the functional currency of the Secretariat.

**c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and including temporary restricted fund derived from collection of previous years surplus as imposed by Senior Official Meeting (SOM) that is shown in the account in Bank Mandiri Manado Number 1500015231416.

**CTI-CFF Regional Secretariat**  
**Notes to financial statements** (continued)  
As of 31 December 2024 and 2023  
and for the years then ended

*(Expressed in United State Dollar, unless otherwise stated)*

**d) Receipts and expenditures recognition**

Country contributions are recorded on an accrual basis. The commitment of each country is determined in the annual Senior Official's Meeting (SOM).

Grants are recognized when funds are utilized to carry out activities, and/or milestones stipulated in the grant agreements are achieved. Project grants are recognized when its funds are utilized to carry out activities.

Expenses are recognized when incurred.

**e) Foreign currency transactions and balances**

The Secretariat has determined that its functional currency is U.S. Dollar. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made.

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the time the transactions are made. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to the functional currency to reflect the exchange rate published by Bank of Indonesia. Gains or losses resulting from such adjustment or settlement of each monetary asset and liability denominated in foreign currencies are credited or charged to statement of activities.

As of 31 December 2024 and 2023 the exchange rates used were as follows:

	<b>2024</b>	<b>2023</b>
IDR per USD 1	16,162	15,416

**f) Net assets**

Revenues less expenses during the period are accumulated as fund balance and presented as net assets. Net assets are divided into 2 (two) types: net assets without restriction from donors and net assets with restrictions from donors.

Net assets with restrictions from donors consist of:

- Permanently restricted  
Restriction of using fund imposed by the fund provider permanently. However, recipient is permitted to use portion or all of the income or other economic benefit which comes from that fund.
- Temporary restricted  
Restriction of using fund imposed by the fund provider until certain period or until certain conditions are completed.

**g) Fixed assets and intangible assets**

Fixed assets and intangible assets held for administrative purposes are stated at cost, less accumulated depreciation, and any accumulated impairment losses.

Depreciation and amortization are recognized so as to write-off the cost of assets less residual value using the straight-line method based on the estimated useful lives as follows:

**CTI-CFF Regional Secretariat**  
**Notes to financial statements** (continued)  
As of 31 December 2024 and 2023  
and for the years then ended

*(Expressed in United State Dollar, unless otherwise stated)*

	<b>Useful lives</b>
Furniture	10 years
Vehicle	5 years
Equipment	5 years
Computer	3 years
Software	3 years

The estimated useful lives, depreciation, and amortization method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Maintenance and repair costs are charged to statement of activities as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of fixed assets, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Renovation costs are capitalized with additional assets and depreciated in accordance with the useful lives of the assets.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in the statement of activities.

**h) Impairment of Non-financial Assets**

At reporting dates, the Secretariat reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Secretariat estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. If carrying amount of the asset is reduced to its recoverable amount, an impairment loss is recognized immediately in the statement of activities.

**i) Employee benefit liabilities**

The CTI-CFF Regional Secretariat recognizes employee benefit liability related to separation compensation and unused leave benefits for staff under the Working Agreement in accordance with the Organization's Staff Regulations. This liability was first recognized in 2024 in compliance with accounting standards and the Financial Policies and Procedures Manual.

**j) Provisions**

Provisions are recognized when the Secretariat has a present obligation (legal or constructive) as a result of a past event, it is probable that the Secretariat will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**3. Cash and cash equivalents**

Cash and cash equivalents consist of the following:

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	31 December 2024	31 December 2023
<b>Petty Cash</b>	<b>371</b>	<b>143</b>
<b>Petty Cash SCT</b>	<b>145</b>	-
<b>Cash in Bank</b>		
USD Account		
Bank Mandiri (Persero) A/C No 1030006453407 (**)	870,873	656,755
Bank Mandiri (Persero) A/C No 1500015231416 (*)	269,687	469,063
Bank Mandiri - USD DOI	90,974	220,926
Bank Mandiri – USAID SCT	41,097	
Indonesian Rupiah Account		
Bank Mandiri (Persero) A/C No 1030006453399 (**)	13,001	41,088
Bank Mandiri - SUFIA LCD IDR	-	-
<b>Total Cash in Bank</b>	<b>1,285,632</b>	<b>1,387,832</b>
<b>Total</b>	<b>1,286,148</b>	<b>1,387,975</b>

(\*) This account is used is holding funds that are not needed for the immediate use by the Secretariat. Usage of this short-term investment is subject to the approval of the CTI COM/SOM.

(\*\*) These accounts are used for holding surplus cash. The surplus cash, after deducting the undischarged commitment, is to be included in the subsequent year’s budget.

The amount of surplus cash at year end is calculated as follows:

	31 December 2024	31 December 2023
<b>Cash and Bank Balance for Country Contribution</b>		
Bank Mandiri (Persero) A/C No 1030006453407	870,873	656,755
Bank Mandiri (Persero) A/C No 1030006453399	13,001	41,088
Petty Cash	371	143
<b>Total Cash/Bank (Country Contribution)</b>	<b>884,245</b>	<b>697,986</b>
<b>Deduction</b>		
Account Payable	34,433	17,465
Accrued Expense	24,748	11,239
Unearned Revenue	20,219	-
Post-Employment Benefit Liability	78,314	-
Provisional Use of Temporary Restricted Funds	200,000	-
<b>Total Deduction</b>	<b>357,714</b>	<b>28,704</b>
<b>Net Surplus</b>	<b>526,531</b>	<b>669,282</b>

#### 4. Accounts receivable

Accounts receivable consist of the following:

	31 December 2024	31 December 2023
<b>Accounts receivable</b>		
Indonesia	-	387,794
Papua New Guinea	111,744	-
Timor-Leste	106,377	-
<b>Total</b>	<b>218,121</b>	<b>387,794</b>

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Management believes that all contributions and grants receivable are collectible, and as such, no allowance for doubtful accounts was provided.

**5. Prepaid expenses**

Prepaid expenses consist of the following:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Rental	638	79
Health Insurance	11,262	10,251
Vehicle Insurance	247	285
<b>Total</b>	<b>12,147</b>	<b>10,615</b>

**6. Advances**

Advances for the years ended 31 December 2024 and 2023 amounting to USD5,758 and USD1,427, respectively represent travel advance.

**7. Fixed assets and intangible assets**

Fixed assets consist of the following:

	<b>Balance as of 1 January 2024</b>	<b>Changes in 2024</b>		<b>Balance as of 31 December 2024</b>
		<b>Addition</b>	<b>Deduction</b>	
<b>Acquisition cost</b>				
Furniture	8,251	-	-	8,251
Vehicles	40,234	-	-	40,234
Equipment	54,288	3,401	-	57,689
Computer	19,342	3,857	-	23,199
<b>Total acquisition cost</b>	<b>122,115</b>	<b>7,258</b>	<b>-</b>	<b>129,373</b>
<b>Accumulated depreciation</b>				
Furniture	3,145	894	-	4,039
Vehicles	37,552	2,682	-	40,234
Equipment	34,181	7,965	-	42,146
Computer	15,500	2,784	-	18,284
<b>Total accumulated depreciation</b>	<b>90,378</b>	<b>14,325</b>	<b>-</b>	<b>104,703</b>
<b>Book value</b>	<b>31,737</b>			<b>24,670</b>

	<b>Balance as of 1 January 2023</b>	<b>Changes in 2023</b>		<b>Balance as of 31 December 2023</b>
		<b>Addition</b>	<b>Deduction</b>	
<b>Acquisition cost</b>				
Furniture	8,251	-	-	8,251
Vehicles	40,234	-	-	40,234
Equipment	51,792	3,272	776	54,288
Computer	33,218	2,189	16,065	19,342
<b>Total acquisition cost</b>	<b>133,495</b>	<b>5,461</b>	<b>16,841</b>	<b>122,115</b>
<b>Accumulated depreciation</b>				
Furniture	2,320	825	-	3,145
Vehicles	29,505	8,047	-	37,552
Equipment	25,221	9,736	776	34,181
Computer	27,852	3,713	16,065	15,500
<b>Total accumulated depreciation</b>	<b>84,898</b>	<b>22,321</b>	<b>16,841</b>	<b>90,378</b>
<b>Book value</b>	<b>48,597</b>			<b>31,737</b>

The intangible assets of CTI-CFF consist of software used for CTI-CFF operations. Details of changes in intangible assets are as follows:

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	Balance as of 1 January 2024	Changes in 2024		Balance as of 31 December 2024
		Addition	Deduction	
<b>Acquisition cost</b>				
Software	16,731	-	-	16,731
CT Atlas	-	61,620	-	61,620
<b>Total acquisition cost</b>	<b>16,731</b>	<b>61,620</b>	<b>-</b>	<b>78,351</b>
<b>Accumulated amortization</b>				
Software	14,565	1,565	-	16,130
CT Atlas	-	61,620	-	61,620
<b>Total accumulated amortization</b>	<b>14,565</b>	<b>63,185</b>	<b>-</b>	<b>77,750</b>
<b>Book value</b>	<b>2,166</b>			<b>601</b>

	Balance as of 1 January 2023	Changes in 2023		Balance as of 31 December 2023
		Addition	Deduction	
<b>Acquisition cost</b>				
Software	16,731	-	-	16,731
<b>Total acquisition cost</b>	<b>16,731</b>	<b>-</b>	<b>-</b>	<b>16,731</b>
<b>Accumulated amortization</b>				
Software	13,121	1,444	-	14,565
<b>Total accumulated amortization</b>	<b>13,121</b>	<b>1,444</b>	<b>-</b>	<b>14,565</b>
<b>Book value</b>	<b>3,610</b>			<b>2,166</b>

During the years 2024 and 2023, the organization made additions to its fixed assets, with purchases amounting to USD7,258 and USD5,451, respectively.

In 2024, the CTI-CFF recognized CT Atlas, acquired in 2019, as an intangible asset valued at USD61,620. The software was amortized using the straight-line method over a 3-year useful life, resulting in a zero-book value in 2024.

## 8. Accounts payable

Accounts payable consist of the following:

	31 December 2024	31 December 2023
<b>Accounts Payable</b>		
Conservation & Environment Protection of Papua New Guinea	7,950	7,950
PT Dwidaya World Wide	-	8,312
PT Kayreach System	-	180
Gustaaf Adolf Lumiu	-	18
Solomon Kitano Mendana Hotel	-	1,005
Christovel Rotinsulu	2,132	-
Dewi Satriani	7,081	-
Dili Development Company LDA	10,914	-
Dr Frank Keith Griffin	940	-
Dr Yang Mee Eng	3,713	-
Hanung Cahyono	772	-
PT PLN (Persero) UIP Sulutenggo	727	-
PT Telkom Indonesia	204	-
<b>Total</b>	<b>34,433</b>	<b>17,465</b>

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**9. Accrued expenses**

Accrued expenses consist of the following:

	31 December 2024	31 December 2023
<b>Accrued expenses</b>		
BPJS Manpower	1,552	912
BPJS Health	316	327
Professional fee	22,880	10,000
<b>Total</b>	<b>24,748</b>	<b>11,239</b>

**10. Non-Current Liabilities**

Employee benefit liabilities are calculated based on actuarial valuation performed as of December 31, 2024. The calculation considers the following components:

- a) **Separation Compensation:** Payment provided upon ending of Working Agreement, determined by length of service:
- 1) Work period under three years: one-month latest salary
  - 2) Work period of three years or more but less than six years: one and a half months of latest salary
  - 3) Work period of six years or more but less than nine years: two months of latest salary
  - 4) Work period of nine years or more: three months latest salary
- b) **Unused Annual Leave:** Staff with unused annual leave at the time of separation shall be paid the cash equivalent for accrued leave up to a maximum of thirty (30) working days, calculated on the basis of the last net base salary.

The combined liability formula applied is:  $\text{Compensation} = 1 \times \text{Separation Compensation} + 0.4775 \times \text{Unused Leave}$ .

The factor 0.4775 for unused leave represents the average percentage of unused leave during 2023-2024.

**Employee Benefit Liability Position**

As of December 31, 2024, the present value of the employee benefit obligation is USD78,314.

**Expense Recognition**

For the year ended December 31, 2024, the Organization recognized the current portion of employee benefit liabilities of USD42,082 in the Statement of Activities as part of General Administration expense (Note 16).

**Staff Profile**

The liability calculation is based on 12 employees with a total monthly salary of USD31,266. The average age of employees at valuation date was 42.42 years with an average service period of 1.38 years.

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**Future Expectations**

Management regularly reviews the assumptions used in calculating the employee benefit liability and makes adjustments when necessary to reflect changes in demographic profiles, financial conditions, and organizational policies. The liability will be recalculated annually through actuarial valuation.

**11. Country contributions**

Country contributions consist of the following:

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Country contributions</b>		
Indonesia	363,498	387,794
Malaysia	185,147	200,365
Papua New Guinea	111,744	120,520
Philippines	184,752	205,230
Solomon Islands	106,071	114,766
Timor-Leste	106,377	115,225
<b>Total</b>	<b>1,057,589</b>	<b>1,143,900</b>

Based on the declaration of CT6, all parties will contribute to the General Fund of the Secretariat on the following basis:

1. The total amount to be contributed will be determined by the CTI-COM based on the approved budget provided by the Secretariat;
2. Sixty percent of the amount identified in paragraph (a) mentioned above will be contributed by each of the parties in equal shares, and;
3. The remaining of the total amount identified in paragraph (a) mentioned above will be divided between the parties based upon the relative size of their Gross Domestic Product (GDP) as calculated by the most recent year for which GDP figures are available for all parties.
4. The unpaid country contribution is stated in Note 4.

**12. Grants**

**CTI-CFF Regional Secretariat Regional Plan for CT6 NPOA Development.**

On 21 September 2022, the Secretariat entered into Annex 2 Memorandum of Understanding with the United States Department of Interior (US DOI) under USAID award number AID-486-T-13-00002 (Modification 18). The total project grant amounted to USD50,850 with the duration of 21 September 2022-30 September 2023, amended for the new proposed use of funds on 22 December 2023.

The US DOI funding support will assist the CT6 member countries in the development and finalization of their respective National Plans of Action (NPOAs) in alignment with the Regional Plan of Action (RPOA) 2.0. This directly links to Objective 3 of RPOA 2.0, which outlines a target outcome (C1.1) that emphasizes the strengthening of the CTI-CFF Regional Secretariat's role in coordinating the implementation and monitoring of RPOA 2.0., in this case through the strengthening of the CT6 member countries' NPOA.

For the year ended 31 December 2024, the Secretariat has utilized USD28,248 from this grant (as detailed in the **Attachment II**).

**Recruitment of the CEO for the CTCF**

On 24 August 2023, the Secretariat entered into Annex 3 Memorandum of Understanding with the US DOI under USAID award number AID-486-T-13-00002 (Modification 21). The total project grant

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amounted to USD170,000 with the duration of 24 August 2023-30 September 2025. Total revenue recognized for the year ended 31 December 2023 amounting to USD220,850. There is no expenditure recognized for the year ended 31 December 2023.

The US DOI provided a grant to the CTI-CFF for the recruitment of the Chief Executive Officer (CEO) for the Coral Triangle Conservation Fund (CTCF). The CTCF, committed to resilient oceans and communities, is a private and legally independent entity designed to benefit the six CT6 countries by supporting the implementation of the RPOA 2.0. In collaboration, the DOI and CTI-CFF worked to facilitate the design and development of the CTCF by supporting the hiring of a CEO for a maximum of two years. The CEO of the CTCF will play a crucial role in developing the fund, coordinating with a range of stakeholders, and enhancing funding and operational strategies to support marine conservation and climate adaptation efforts. This role aligns with the broader objectives of the SuFiA project, aimed at strengthening regional cooperation for sustainable marine resource management and environmental protection.

For the year ended 31 December 2024, the Secretariat has utilized USD104,429 from this grant (as detailed in the **Attachment II**).

The total revenue for grants from US-DOI amounting USD220,850 was recognized in 2023. The Secretariat has complied with all significant grant conditions and restrictions during the reporting periods.

**The USAID Sustainable Coral Triangle Project**

The USAID Sustainable Coral Triangle Project is a five-year initiative funded by the United States Agency for International Development (USAID) to support the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF). The project aims to enhance marine biodiversity management, fisheries sustainability, and climate resilience across the six Coral Triangle (CT6) member countries: Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor-Leste.

The Project implemented through the CTI-CFF Regional Secretariat and designed to strengthen regional cooperation and policy implementation, ensuring the effective management of marine and coastal resources in the Coral Triangle region.

The agreement is set for a period from December 1, 2023, to November 30, 2028, with a total budget of USD2,000,000, including an initial obligation of USD400,000. Funding under this agreement supports direct costs related to program implementation, as well as indirect costs associated with administration and operations. The project plays a crucial role in reinforcing the commitments of CT6 countries under the Regional Plan of Action (RPOA) 2.0, focusing on sustainable fisheries management, marine protected areas, climate adaptation measures, and governance improvements.

For the year ended 31 December, 2024, the Secretariat has utilized USD310,887 from this grant, consisting of USD275,121 for direct costs and USD35,766 for indirect costs (as detailed in the **Attachment III**).

**13. Expenditures**

Net assets released from restrictions which are recorded as expenditures are as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Expenditures</b>		
Program services	194,643	29,384
Communication information	50,079	27,106
General administration	855,487	821,601
Governance and others	209,331	54,172
Recruitment	131	17,296
Others (depreciation and exchange rate)	20,956	23,944

**CTI-CFF Regional Secretariat**  
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	31 December 2024	31 December 2023
USAID Sustainable Coral Triangle Project	275,121	-
US Department of Interior	132,677	
CT Day	30,390	
<b>Total expenditures</b>	<b>1,768,815</b>	<b>973,503</b>

**14. Program services**

	31 December 2024	31 December 2023
<b>Program services</b>		
Technical Working Groups	111,859	15,444
Cross Cutting Initiatives & Others	39,496	8,478
CT ATLAS	22,187	1,898
Programs Governing	21,101	3,564
<b>Total</b>	<b>194,643</b>	<b>29,384</b>

The increase in program services expenditure in 2024 compared to 2023 is due to the implementation of face-to-face meetings in 2024, in accordance with SOM decisions. In 2023, the Working Group meetings were conducted virtually, under a Virtual Meeting Participation (VMP) arrangement, following the SOM-17 decisions.

**15. Communication and information**

Communication and information for the years ended 31 December 2024 and 2023 amounting to USD50,079 and USD27,106 respectively.

**16. General administration**

	31 December 2024	31 December 2023
Staff salaries	390,310	374,264
Staff benefits	100,739	110,759
Medical insurance	28,594	28,041
Social security/BPJS	13,634	16,066
Resettlement allowance	26,467	40,658
Staff development, official travel & meeting	121,525	119,935
Completion of contract allowance	18,866	57,018
Professionals/consultants	33,455	22,038
Services of the premises	37,213	20,695
Employee benefits expense	42,082	-
General operating expense (office service)	42,602	32,127
<b>Total</b>	<b>855,487</b>	<b>821,601</b>

**17. Governance & others**

	31 December 2024	31 December 2023
<b>Governance and others</b>		
Senior Official Meetings & Ministerial Meeting	140,543	32,021
Financial Resource Working Group	29,384	3,773
Internal Resources Committee	29,253	2,924

**CTI-CFF Regional Secretariat**  
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	31 December 2024	31 December 2023
Ad-hoc meetings (HCA, Trust Fund)	10,151	15,454
<b>Total</b>	<b>209,331</b>	<b>54,172</b>

The increase in expenditure for the above meetings such as the Senior Officials' Meeting, Financial Resources Working Group Meeting, and Internal Resource Committee Meeting in 2024 is due to the implementation of face-to-face meeting, as well as the convening of the 9th Ministerial Meeting.

In 2023, these meetings, including the Senior Officials' Meeting, were conducted virtually under Virtual Meeting Participation (VMP) arrangement following the decision of SOM-17, and no Ministerial Meeting was held.

**18. Recruitment**

Recruitment for the years ended 31 December 2024 and 2023 are amounting to USD131 and USD17,296, respectively.

**19. Others (depreciation and exchange rate)**

	31 December 2024	31 December 2023
<b>Other (depreciation and exchange rate)</b>		
Depreciation	14,325	22,312
Amortization	1,565	1,444
Gain (loss) on exchange rate	1,912	(910)
Others	3,154	1,098
<b>Total</b>	<b>20,956</b>	<b>23,944</b>

**20. Related parties**

Key management personnel are the Executive Director and the two Deputy Executive Directors, as they have authority for planning, directing and controlling the activities of the Secretariat (or significant parts thereof).

The aggregate remuneration paid to key management personnel includes net salaries, entitlements such as allowances and grants and post-employment benefits and health insurance contributions. Key management personnel remuneration incorporates housing allowances.

Year	Number of Individuals	Compensation	Entitlements	Post-Employment and Health Plans	Total Remunerations
2024	3	201,476	46,996	49,756	298,228

In November 2023, the Executive Director and Deputy Executive Director for Corporate Services concluded their terms. In accordance with the CTI-CFF Rules and Procedures, the Deputy Executive Director for Program Services was approved to assume the role of Acting Executive Director. This interim arrangement was effective from November 8, 2023, ensuring leadership continuity during the transition.

On 11 March 2024, a new Executive Director from Papua New Guinea officially took office, marking the completion of the transition and providing stable governance for the organization.

The Secretariat employed no close family member of the key management personnel during the year.

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**21. Subsequent Event After Reporting Date**

On 20 January 2025, the President of the United States issued an Executive Order titled "Re-evaluating and Realigning United States Foreign Aid," mandating a 90-day pause on U.S. foreign development assistance to assess programmatic efficiencies and alignment with U.S. foreign policy.

In response to this directive, USAID issued a suspension notice on 26 January 2025, affecting the USAID Sustainable Coral Triangle (USAID-SCT) Project and related grants from the United States Department of Interior (US-DOI). The suspension notice, categorized as a stop-work order, required an immediate halt to program implementation and prohibited incurring any new expenditures chargeable to the agreement unless mandated by local law.

Subsequently, on 26 February 2025, USAID formally terminated Award No. 72048624IO00001, which included funding for the USAID Sustainable Coral Triangle Project. The termination was issued under the authority of U.S. Secretary of State Marco Rubio and Peter W. Marocco (Acting Deputy Administrator, USAID), citing realignment with U.S. foreign policy priorities and national interests.

This event is classified as a non-adjusting subsequent event in accordance with IFAS 210 'Events After the Reporting Period', as it occurred after 31 December 2024. While it does not require adjustments to the financial statements for the reporting period, it has material financial and operational implications for CTI-CFF and is therefore disclosed to ensure transparency and compliance with financial reporting standards.

**Supplementary Information**  
**CTI-CFF Regional Secretariat**  
**For CTI-CFF Members' Contributions**  
Fund Accountability Statement  
For the year ended 31 December 2023

**Attachment I**

*(Expressed in United State Dollar, unless otherwise stated)*

	<b>2024</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Under (over)</b>
<b>Revenues</b>			
Country contributions	1,057,590	1,057,589	1
Surplus	669,283	669,282	1
CT Day Donor Funding	-	31,121	(31,121)
Interest income	-	2,171	(2,171)
<b>Total revenues</b>	<b>1,726,873</b>	<b>1,760,163</b>	<b>(33,290)</b>
<b>Expenditures</b>			
A. Program services	270,000	194,643	75,357
B. Communication information	68,556	50,079	18,477
C. General administrations	1,157,273	855,487	296,938
D. Governance & others	208,500	209,331	(831)
E. Recruitment	5,000	131	4,869
F. Capital Expenditure	7,544	7,258	285
G. Appropriation	10,000	-	10,000
H. Others (depreciation and exchange rate)	-	20,956	(20,956)
<b>Total</b>	<b>1,726,873</b>	<b>1,337,885</b>	<b>384,139</b>
<b>CT Day</b>		<b>30,390</b>	
<b>Total Payment</b>		<b>1,368,275</b>	
Purchase of fixed assets	7,544	7,258	
<b>Total expenditures</b>		<b>1,361,017</b>	
<b>Excess of receipts over expenditures</b>		<b>399,146</b>	

**Supplementary Information**  
**CTI-CFF Regional Secretariat**  
*A Project Administered By CTI-CFF Regional Secretariat*  
**SUFIA SOAC IFM Activity**  
**Under USAID Award Number AID-486-T-13-00002**  
Fund Accountability Statement  
For the year ended 31 December 2023

**Attachment II**

*(Expressed in United State Dollar, unless otherwise stated)*

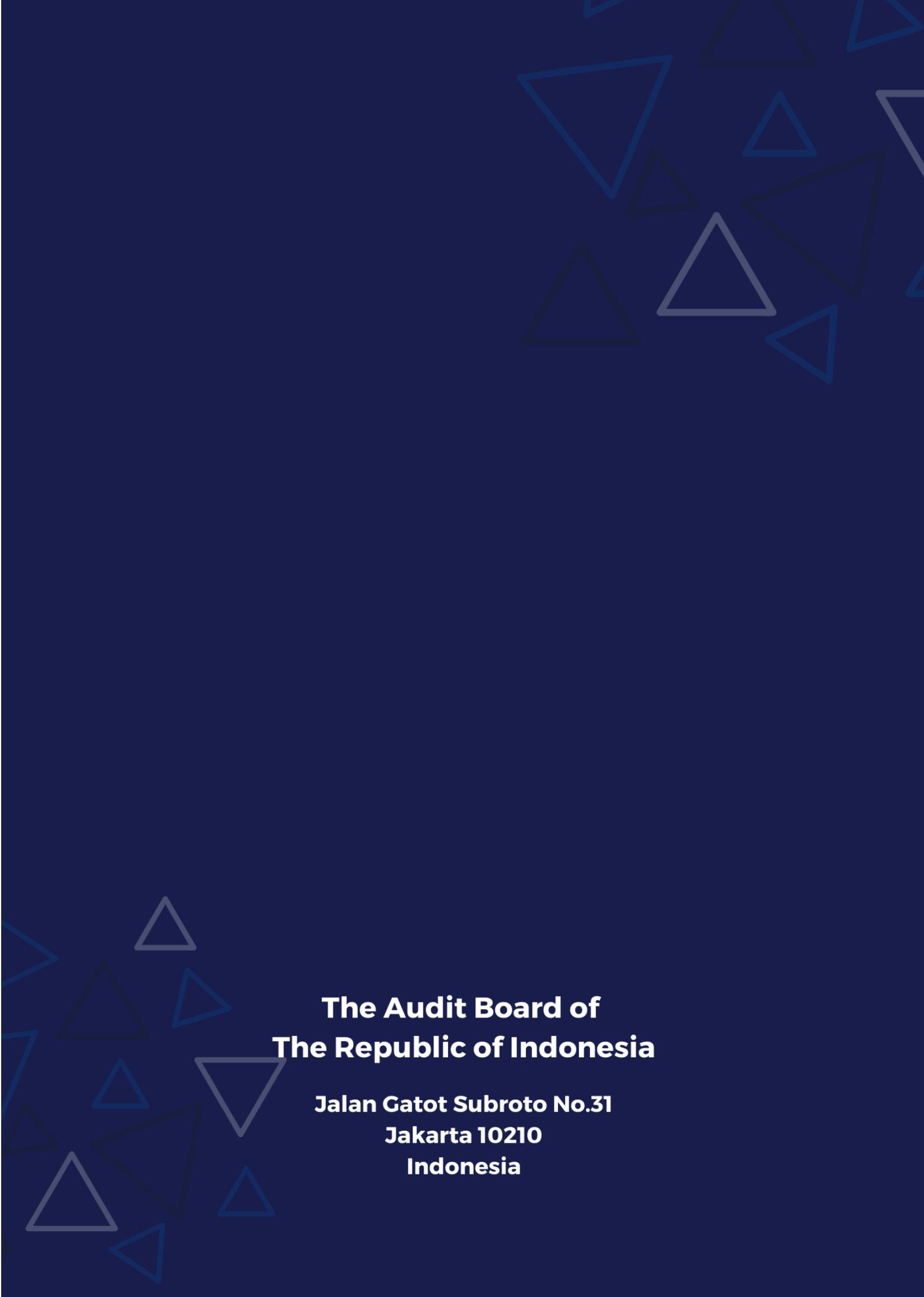
	<b>2024</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Under (over)</b>
<b>Revenues</b>			
Grants	220,850	220,850	-
<b>Total revenues</b>	<b>220,850</b>	<b>220,850</b>	<b>-</b>
<b>Expenditures</b>			
a. CT6 National Plan of Action Development	170,000	104,429	65,571
b. Coral Triangle Conservation Fund (CTCF) CEO Compensation Package	50,850	28,248	22,602
<b>Total Expenditure</b>	<b>220,850</b>	<b>132,677</b>	<b>88,173</b>

**Supplementary Information**  
**CTI-CFF Regional Secretariat**  
*USAID Sustainable Coral Triangle Project*  
*Agreement No 720486241O00001*  
**Fund Accountability Statement**  
**For the year ended 31 December 2024**

**Attachment III**

*(Expressed in United States Dollar)*

	<b>2024</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Under (over)</b>
<b>Revenues</b>			
Grant	1,057,590	1,057,589	1
<b>Total revenues</b>	<b>1,057,590</b>	<b>1,057,589</b>	<b>1</b>
<b>Expenditures</b>			
I. Labor	330,222	54,331	275,891
II. Fringe Benefit	40,230	3,134	37,096
III. Allowances	135,667	12,482	123,185
IV. Travel	159,219	26,251	132,968
V. Equipment	4,419	-	4,419
VI. Supplies	6,689	4,725	1,964
VII. Other Direct Cost	1,093,465	174,198	919,267
<b>Total Cost Before Indirect Cost</b>	<b>1,769,911</b>	<b>275,121</b>	<b>1,494,790</b>
Indirect Cost (13%)	<b>230,089</b>	<b>35,766</b>	<b>194,323</b>
<b>Total Expenditure</b>	<b>2,000,000</b>	<b>310,887</b>	



**The Audit Board of  
The Republic of Indonesia**

**Jalan Gatot Subroto No.31  
Jakarta 10210  
Indonesia**