1. Article 19 of the Convention provides for an annual independent audit of the Commission’s records, books and accounts. The Financial Regulations (Regulation 12) elaborate on the appointment of an external auditor and the scope of audits.

2. The Secretariat managed no funds on behalf of the Commission during the 2004 financial year. The first independent audit of the Commission's records, books and accounts will be for the 2005 financial year. This is expected to take place early in 2006. The result will be available to the Third Annual Session of the Commission.

3. The Summary Record of the First Annual Session of the Commission, in December 2004, noted that, as recommended by the Preparatory Conference, the Preparatory Conference Organizational Fund (PCOF) would be wound up by 31 January 2005. Further, a final report of the Fund, including an auditor’s statement, would be circulated to all Participatory Conference participants.

4. In accordance with the decision of the First Session of the Commission the Pacific Islands Forum Fisheries Agency, as administrator of the Fund, commissioned an audit of the POCF. A copy of the resulting audit report for the POCF is appended.