AGREEMENT ON THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

1st Meeting of the Ad Hoc Working Group on Financial Strengthening of the AIDCP

January 21–23, 2026
(*virtual meeting*)

CHAIR'S REPORT

AGENDA

1. Opening of the meeting
2. Adoption of the agenda
3. Presentation of the results of the consultancy for the evaluation of budgetary and financial instruments, rules, tools and practices in use in the AIDCP
4. Analysis and discussion
5. Recommendations
6. Other business
7. Adjournment

APPENDICES

1. List of attendees.
2. Recommendations of the Working Group.

The 1st Meeting of the Ad Hoc Working Group on the Financial Strengthening of the Agreement on the International Dolphin Conservation Program (AIDCP) was held virtually from January 21 to 23, 2026.

1. Opening of the meeting

The meeting was opened by the chair of the AIDCP, Ms. Yarkelia Vergara of Panama. Colombia, Costa Rica, Ecuador, El Salvador, the United States, Guatemala, Mexico, Nicaragua, Panama, the European Union, and Venezuela participated in the meeting. This constituted the necessary quorum.

2. Adoption of the agenda

The agenda was approved with the inclusion of an item requested by the United States regarding the impact of cyberattacks on the AIDCP's operations.

3. Presentation of the results of the consultancy for the evaluation of budgetary and financial instruments, rules, tools and practices in use in the AIDCP.

a) Presentation by the consultant.

Ms. Ruth Loaiza, the consultant responsible for reviewing the AIDCP's instruments, rules, and tools, gave a presentation on the results of the work. She reported that the consultancy evaluated the relevance, efficiency, and reasonableness of the AIDCP's accounting, financial, and budgetary, through document review, interviews, and comparison with US GAAP, IFRS, and IPSAS, clarifying that it was not an audit but procedures agreed upon under ISRS 4400.

Accounting is managed as a single entity, broken down by cost centres (300 for AIDCP and 100 for IATTC); they found that cash-based accounting is used, recording income and expenditure when cash flows occur, an accounting system that is segmented by project, but without automated budgetary control, inadequately managed access rights, financial statements that provide little explanation and assets carried at cost, as well as a high operational burden due to manually-based processes and new staff undergoing training.

They recommend maintaining separate accounting for resources, adopting a hybrid accounting approach based on international frameworks to improve transparency, recognising accounts receivable and other assets, establishing monthly closings and automating reports, as well as developing accounting policies and manuals, strengthening staff training and periodically rotating the external auditor.

Several delegations highlighted the need for the Secretariat to present a structured, point-by-point response to the consultancy's recommendations, including the status of implementation and any budgetary or human resource constraints. It was agreed that such information should be aligned with the Working Group's functions as set out in paragraph 2 of Res. A-23-01.

Likewise, the importance of having English translations of presentations and materials to facilitate the participation of all delegations was highlighted.

It was recognised that the cost-sharing of the Observer Programme constitutes a central component of the accounting separation process. The consultants presented a proposal focused on the expenses of the Observer Programme, although there is as yet no agreed definition of each entity's share of these costs. The Parties agreed that the discussion on the cost-sharing ratio (e.g. 70/30 or 50/50) should be addressed within the technical framework of the Working Group and the IATTC's Committee on Administration and Finance, using the consultancy report as a technical input.

4. Analysis and discussion.

Following this presentation, Guatemala asked for technical details on how to implement the hybrid approach and whether this covers accounting risk management; the consultancy confirmed that it does and explained the selection of applicable principles. Colombia and other delegations asked for clarification on which recommendations require decisions by the Parties and which can be implemented directly by the Secretariat; for its part, the Secretariat indicated that progress had already been made on some of the observations raised by the consultancy (for example, the separation of IATTC-AIDCP accounts) and that others require policy decisions to be taken by the Parties.

Numerous delegations (Venezuela, Guatemala, Colombia, Nicaragua, Ecuador, the United States, the European Union, Costa Rica) supported the complete separation of the IATTC and AIDCP accounts and bank accounts for greater transparency and efficiency, as well as the issuance of individual financial statements with periodic balance sheets (monthly or quarterly); practical experiences regarding separation in other organizations were shared. The Secretariat reported that the process is already underway, moving from sub-accounts to separate accounts, although it emphasized that additional staff and operational adjustments will be necessary for a complete separation. There was agreement on the need to draw up an implementation plan with cost estimates (training, software, staff, manuals). There was a consensus on the need to draw up an implementation plan that includes a cost estimate (training, software, staff and manuals). The European Union requested a specific assessment of the implications of implementing the separation and the system change, whilst other delegations supported the preparation of cost estimates and a roadmap to enable informed decisions to be taken.

Furthermore, at the request of the working group, the Secretariat gave a presentation on the recommendations arising from the consultancy and its views and considerations regarding them. It highlighted the following in particular:

- It expressed full willingness to embrace the change and explained that its comments are technical contributions based on experience in accounting and finance; it noted that some recommendations could entail additional costs and that its observations aim to highlight cost-benefit considerations.
- It explained that *a* "*modified cash* method" is currently applied in accordance with the Financial Regulations and the Antigua Convention (2003). It clarified that this method prioritizes cash control, allows certain obligations to be recorded prior to payment, but does not recognize long-term assets or depreciation.
- A practical example (double-entry bookkeeping) was used to explain how accounting entries could be separated between IATTC and AP/PCD, noting that this requires duplicate records and additional staff, but that it is technically feasible
- It was emphasized that progress has been made in separating IATTC-AIDCP accounts (two chief accountants: one for IATTC and another for the AIDCP) and that monthly reports can be produced using the information available through July, but that there are operational and staffing implications for implementing the separation into independent accounts (not just subaccounts).
- It was acknowledged that there were no comprehensive accounting and operational manuals; however, it was explained that there is a wealth of scattered material and documents (memos, instructions) and that progress has already been made in compiling them, but they have not been finalized due to staffing constraints and the impact of the cyberattack. In this regard, some delegations (U.S., Colombia, Venezuela) suggested that internal staff develop the manuals with external guidance, while the auditors recommended hiring independent third parties for greater transparency; the Secretariat and delegations agreed that technical guidance and possibly external support are required to produce robust manuals. Guatemala emphasized the need for the manuals to include process improvements and efficiency analyses, which may require specialists (human resources/process engineering) C:\markdown-citation\5919\5942.
- The Secretariat stated that the roles of accounting staff are now defined (accountants and assistants for IATTC and the AIDCP), although written manuals documenting responsibilities and procedures to ensure operational continuity in the absence of key personnel are still lacking.
- It was argued that implementing a hybrid accounting system or switching systems would require hiring approximately two additional staff members and contracting third parties to draft manuals; these would be the most significant operational costs.
- Regarding the consultant's observation on the absence of explanatory notes in the financial statements, the Secretariat noted that it applies certain guidelines (e.g., FAS 958) and that the recognition criteria used are consistent and reasonable within a modified cash-based accounting framework. Guatemala requested that, to ensure consistency between these criteria and the consulting firm's recommendations, the firm prepare an equivalence analysis of the different accounting approaches to clarify the risks and the adequacy of the information presented.

- It was reported that the Sage Mip Cloud system will be adopted starting in 2025, with an automated budget control module, for which training costs approximately USD 5,000.

5. Recommendations

The Working Group compiled, reviewed, and approved a series of recommendations to be presented at the next meeting of the Parties, which are included in Annex 2.

6. Other business.

- **Information on the cyberattacks faced by the Secretariat.**

In light of comments that the consultants' work encountered difficulties stemming from a cyberattack that limited access to the accounting system (Sage) during the consultants' visit to the La Jolla office, the Secretariat confirmed the incident and explained that access was restored via remote connections. Likewise, at the request of the Working Group, it presented information on the actions taken and costs incurred in response to these attacks.

It was reported that two cyberattacks occurred: a major one in October 2025, which required recovery efforts until January 2026, and a second, less severe incident in 2026. Although no critical information was lost, access to the systems was compromised, and a general slowdown in their operation has been observed.

Among the measures taken were a partial migration of data to the cloud, the temporary use of physical servers for storage, the implementation of secure communications via Fortinet, the hiring of IT consulting services for $12,000 USD, and a plan to replace obsolete equipment. However, it is still necessary to modernize the database language and structure so that it can be efficiently hosted in the cloud.

Regarding the operational impact, several processes have slowed down (for example, programs that previously took one hour now require up to ten hours), and the assignment of trip numbers and some other services were temporarily affected. The Secretariat is currently working to restore the website on a separate hosting service, which is expected to occur in the near future.

Several delegations (El Salvador, Nicaragua, Guatemala) requested a written report on the attacks, measures taken, and mitigation and contingency plans. The Secretariat agreed to prepare and provide additional information, as well as to seek advice from the Commission and working groups to improve cybersecurity.

7. Adjournment

The meeting was adjourned on January 23, 2026, at 3:41 p.m. San Diego time.

Annex 1 – Participants list

Full name	E-mail
Alvin Delgado Martinez	adelgadopnov@gmail.com
Rafael Daza	rafael.daza@cancilleria.gov.co
Javier Garcia	jgarciap@mincit.gov.co
Rafael Trujillo	rtrujillo@camaradepesqueria.ec
Luigi Benincasa	luigibenincasa@gmail.com
Cristopher Avalos	cristopheravalosdipesca@gmail.com
Rubí Rivas	rubirivasdipesca@gmail.com
Lucy Bulkeley	lucille.bulkeley@noaa.gov
Leonel Bohorquez	leonel.bohorquez@cancilleria.gov.co
Diana Álvarez	diana.alvarez@aunap.gov.co
William Stahnke	william.stahnke@noaa.gov
Germán Fonseca	german.fonseca@pescalimpia.org
sandra emilia muñoz	sandra.munoz@minagricultura.gov.co
Julio Guevara	juliocgq@hotmail.com
Abilio Orellana	jose.orellana@mag.gob.sv
Carmen Lopez	calopezanaya@minambiente.gov.co
Ana Salazar Salazar	asalazar@incopesca.go.cr
Derek Campbell	derek.campbell@noaa.gov
Henry Mero	hmero@mag.gob.ec
Bertha Alicia Soler Benitez	bertha.soler@conapesca.gob.mx
Enrique Urena	eurena@iattc.org
Ignacio Granell	ignacio.granell@ec.europa.eu
Jorge Villavicencio	abjorgevillavicenciomendoza@gmail.com
Diego Mojica	dmojica@iattc.org
Antonino Moreno	AMORENOM@PRODUCE.GOB.PE
Mauricio Gómez	mgomez@incopesca.go.cr
Jimmy Olaya Reyes	jolaya@iattc.org
Paulina Roman	proman@iattc.org
Marisol Aguilar	maguilar@iattc.org
Claudia Hernandez	chernandez@iattc.org
Abelardo Riera	fundatuncofa@gmail.com
Jorge Blacio Game	jblacio@mag.gob.ec
Jessica Mestas	jessica.mestas@conapesca.gob.mx
Jorge Parraga	jparraga@iattc.org
Ariadna Sosa	asosa@iattc.org
Marlon Roman	mroman@iattc.org
Ricardo Belmontes	rbelmontes@iattc.org

Annex 2.

1st meeting of the *Ad Hoc* Working Group on Financial Strengthening of the AIDCP

RECOMMENDATIONS

(a) *Having received* the consulting report titled *"Report on Agreed-Upon* Procedures" regarding the relevance and efficiency of the instruments, rules, tools, and practices that make up the AIDCP's accounting, financial, and budgetary management system, prepared by Prime Accountants LLC and dated February 2025;

b) *Recognizing that* the recommendations set forth in said report constitute a valuable input for guiding the AIDCP's improvement processes in the areas of accounting, finance, and budgetary control;

c) *Emphasizing that*, while several of the proposed improvement activities involve changes to the practices carried out by the Secretariat and, therefore, their implementation depends on guidance to be considered by the IATTC as the provider of the AIDCP's Secretariat services, some recommendations can be implemented immediately within the Secretariat's scope of action, as part of good administrative practices;

d) *Having received* the documents *"Comments from the Administration regarding the PRIME Consultants'* Report" and *"Observations and* Comments" submitted by the Secretariat, in which it is acknowledged that the recommendations are implementable and, in some cases, involve actions or modifications that could require investment;

e) *Recognizing that* the financial resources administered by the Secretariat, by virtue of the intergovernmental nature of the AIDCP, constitute public funds administered by a subject of public international law and are therefore subject to the principles of transparency, accountability, efficiency, and sound financial management;

f) *Appreciating* the effort to modernize budgetary, financial, and accounting practices, as well as the Secretariat's willingness to advance their development and implementation;

g) *Noting* the desirability that the results of the analyses conducted by this group be promptly communicated to the competent bodies of the IATTC, in particular the Committee on Administration and Finance;

In accordance with subsection "j)" of Resolution A-23-01, **AGREES TO:**

1. Recommend that the IATTC Staff consolidate the observations and recommendations from the consultant and prepare a single Action Plan that includes, for each item: priority (high/medium/low), associated risk, corrective actions, responsible parties, timeline, estimated resources or costs required, and whether there would be implications for the IATTC as well as the AIDCP. These recommendations should include, at minimum:

- Fully separate AIDCP and IATTC accounting systems (per recommendation "a" on page 8 of the report), including an explicit definition of the level of separation between IATTC–AIDCP (e.g., accounting and operational separation, or separation as fully independent entities) and its implications, without prejudice to the fact that complete AIDCP reports and financial statements must continue to be provided, with full independence from the IATTC.
- Re-structure the finance and accounting unit (beginning at the bottom of page 32 and continuing through page 36 of the consultant's report)

- Automate additional reports and/or activities (per paragraph 2 of page 11 of the consultant's report), including a potential pivot to a fully automated reporting ecosystem.
- Implement a mixed accounting framework (US GAAP + IFRS + FASB ASC 958), including an equivalence analysis between the proposed mixed framework and the current system referred to as the "modified cash" model, identification of gaps and modifications required for a possible transition between both systems, and a roadmap for gradual implementation should its adoption be decided.
- Conduct a robust risk assessment to evaluate current digital vulnerabilities. Compare the effectiveness of retrofitting existing infrastructure versus implementing a modernized, high-security architecture, including all associated capital expenditures.
- Pivot from manual accounting workflows to a fully automated reporting ecosystem. This transition should leverage existing IT infrastructure and modern software tools to maximize operational efficiency and data integrity.

2. Recommend to the Meeting of the Parties to consider that the IATTC Staff prepare accounting manuals detailing policies and procedures necessary to standardize its financial management, in accordance with the provisions of Article XIV, paragraph 3, of the Antigua Convention, in order to ensure consistency, traceability and internal control.

These instruments should include, inter alia:

- A chart of accounts manual to facilitate the intelligibility of accounting information;
- Quality control policies; and
- Financial and accounting risk management policies.

3. Recommend to the Meeting of the Parties to consider encouraging the Secretariat to use, to the greatest extent possible, its internal human and technological resources in the development of manuals, policies and procedures, resorting to external services for support, review or guidance only when necessary and subject to appropriate justification and approval by the competent bodies.

4. Recommend to the Meeting of the Parties to consider that the IATTC Staff establish a projected annual schedule, fine-tuned on a monthly basis as outlined in the four recommendations on page 19 of the consultant's report and present this to the next Meeting of the Parties. Ensure that these periodic statements of financial position are based on comprehensive account reconciliations, in particular of accounts receivable balances and accounts between the IATTC and the AIDCP, and include relevant comprehensive charts and annexes. Furthermore, such information must be made available in advance in accordance with the rules of procedure, in order to facilitate its review by the Meeting of the Parties or subsidiary bodies.

5. Considering that cyber incidents have affected the continuity of reporting and processes, recommend that the IATTC Staff immediately prepare a written explanation on the most recent cyber-attack and circulate it in advance of the Informal Consultation meeting between the CAF and AIDCP WG January 27-28, 2026. The report should include what happened, what steps have been taken to address it, ongoing impacts on Secretariat functions, and steps being taken to prevent another attack. The report should also explain the near-term impacts, such as on the SAC meeting preparations, the time period for this to be resolved, and associated costs, as well as specific continuity and recovery measures currently implemented for finance (backups, access/role controls, audit logs, segregation of duties, and contingency procedures).

6. Recommend to the Meeting of Parties the adoption of a policy of periodic recruitment of independent auditing firms, based on a mandatory rotation every three fiscal years.

7. Ask the Secretariat to provide a brief, quarterly progress report to the Parties on the implementation of the recommendations adopted by the Meeting of Parties.