



**The North Atlantic Salmon  
Conservation Organization**

**Report of the Thirty-First Annual Meeting of the  
Finance and Administration Committee  
3 - 6 June 2014, Saint-Malo, France**

**Chairman:** Mr Raoul Bierach (Norway)

**Vice-Chairman:** Mr Doug Twining (Canada)

**Secretary:** Dr Peter Hutchinson

**CNL(14)5**



## **CNL(14)5**

***Report of the Thirty-First Annual Meeting of the Finance and Administration  
Committee of the North Atlantic Salmon Conservation Organization  
Le Nouveau Monde Hotel, Saint-Malo, France  
3 - 6 June 2014***

### **1. Opening of the Meeting**

- 1.1 The Chairman, Mr Raoul Bierach (Norway), opened the meeting and welcomed members of the Committee to Saint-Malo.
- 1.2 A list of participants is contained in Annex 1.

### **2. Adoption of the Agenda**

- 2.1 The Committee adopted its agenda, FAC(14)8 (Annex 2).

### **3. Election of Officers**

- 3.1 The Committee re-elected Mr Raoul Bierach (Norway) as its Chairman and Mr Doug Twining (Canada) as its Vice-Chairman.

### **4. 2013 Audited Accounts**

- 4.1 The Secretary introduced the audited accounts for 2013, FAC(14)2. He indicated that Chiene + Tait had completed the audit effectively and, as required, the accounts had been issued to the Parties by 15 February. In 2012, the Organization's Working Capital reserves were utilized (~£147,000) and a loan of £25,000 had been made to the Council by the International Atlantic Salmon Research Board. The 2013 audited accounts confirm that the Working Capital Fund (originally due to be repaid by 2016) had been rebuilt to its ceiling of £200,000 and an unbudgeted sum of approximately £30,000 was credited to the Contractual Obligation Fund, giving confidence that the short-term obligations to staff can be met. Additionally, the loan from the IASRB was repaid in full in January 2014. The Committee noted that the Organization's financial position is much more favourable than it had been at the start of 2013.
- 4.2 The Committee recommended to the Council the adoption of the 2013 audited accounts.

### **5. Relationship with ICES**

- 5.1 In 2007, the Council had entered into a Memorandum of Understanding (MoU) with ICES that is subject to review every three years. In 2013, on the recommendation of the Finance and Administration Committee, the Council had agreed to continue with the MoU with ICES on the understanding that there would no increase in costs during this period above the rate of inflation in Denmark. The Secretary had raised with ICES the possibility of receiving the ACOM advice a little earlier than the date specified in the MoU (10 May) and in 2014 the advice was made available to NASCO on 6 May. Early receipt of the advice is particularly important in years when there are negotiations for regulatory measures and this

will be the case in 2015 for both the West Greenland and North-East Atlantic Commissions. The Secretary indicated that he would again take this matter up with the General Secretary of ICES.

- 5.2 The Committee noted that one of the Council's aims in moving to multi-annual advice had been that in years when catch advice was not needed broader questions of relevance to salmon conservation might be included in the request to ICES. The President indicated that she understood that because of the need to maintain time-series of data limited additional time is actually available in years when there is no request for catch advice from ICES. The Secretary indicated that he would seek clarification on this matter.

## **6. MoU with the OSPAR Commission**

- 6.1 The Secretary introduced document FAC(14)3. The MoU between NASCO and OSPAR, as agreed at the Committee's 2013 Annual Meeting, was adopted by both NASCO and OSPAR and, following its signature by the Presidents of both Organizations, came into effect on 5 August 2013. In accordance with the MoU, the NASCO Secretariat had sent the Secretary of the OSPAR Commission copies of recent NASCO and IASRB reports and had invited a representative of the OSPAR Commission to attend NASCO's Thirty-First Annual Meeting. The Secretary noted that similar information had not yet been provided by OSPAR but that he hoped to meet the OSPAR Secretary soon to discuss cooperation under the MoU. The Committee underscored that relevant information should flow to and from both Organizations.

## **7. Review of the NASCO Staff Fund**

- 7.1 At the Committee's 2013 Annual Meeting, the President had referred to a management letter that had been received from NASCO's auditors, Chiene + Tait, concerning the NASCO Staff Fund and retention of Secretariat member status for some former employees. An approach had been agreed by the Council to obtain further advice on this matter which involved the development, following the Annual Meeting, of questions for Chiene + Tait regarding the scope of the analysis of the Staff Fund and retention of Secretariat member status for former employees. As the response to some of these questions would require legal input, the Parties had subsequently engaged Chiene + Tait and an Edinburgh-based legal firm with expertise in employment law, Davidson Chalmers, to develop responses to the seven questions. The report arising from this review was issued to Heads of Delegation by the President on 7 February 2014. The President introduced paper FAC(14)4 that summarised the findings of the review by Chiene + Tait and Davidson Chalmers.
- 7.2 The President reported that the review had stated that while it could be argued that NASCO operates a taxation system under which a zero percentage rate is applied to Staff Fund contributions (as is the case for pension contributions in the UK) it had recommended that, if this approach continues, these tax rates should be made explicit. However, the review had concluded that it would be more risk averse to demonstrably impose a rate of tax on all contributions to the Staff Fund and, so as not to disadvantage the Secretariat members, this would involve 'grossing up' the contributions prior to deducting tax. In accordance with this recommendation, Heads of Delegations had agreed to this 'grossing up' approach and Chiene + Tait and Davidson Chalmers had subsequently developed revisions needed to the Staff Fund Rules and Staff Rules to implement this approach. The revised rules are contained in document FAC(14)5.

7.3 With regard to continuing Secretariat member status, the review had concluded that Dr Windsor is no longer either an employee of NASCO or a worker as defined in UK legislation and, as such, was no longer a Secretariat member. Under the Headquarters Agreement, the exemption from income tax applies only to Secretariat members who are required to be in full-time employment with NASCO. The report recommended that, unless reappointed as a full-time employee, Dr Windsor's Secretariat member status should cease with immediate effect. Heads of Delegations had agreed and accordingly, the President had written to advise Dr Windsor that his Secretariat member status would cease on 18 April 2014.

7.4 In light of the advice from Chiene + Tait and Davidson Chalmers, the Committee recommends to the Council that:

- it should adopt the revised Staff Rules and Staff Fund Rules proposed by Chiene + Tait and Davidson Chalmers as contained in document FAC(14)5 subject to the following clarification:
  - that the wording in the Staff Fund Rules is reviewed to ensure that references to taxation are clear including, in particular, whether rule 4.3 should refer to 'UK taxation' rather than 'taxation';
  - the wording in Staff Rule 8.1 should refer to Rule 5 and not Rule 8;

The Secretary agreed to seek confirmation in writing that these changes were appropriate and that other references to taxation in the Staff Fund Rules be similarly clarified wherever appropriate. Once that input is provided then the Staff Fund Rules and Staff Rules will be revised accordingly and will be annexed to the Council Report.

- the financial statements should include a note in the audited accounts, commencing with the 2014 accounts, to disclose the total value of the Staff Fund and the associated obligation to Staff Fund members as of 31 December each year;
- the financial statements should include a note in the audited accounts, commencing with the 2014 accounts, to confirm that tax has been deducted from all remuneration paid to Secretariat members and retained by NASCO in accordance with the Staff Rules;
- the revised format for the payslips proposed by Chiene + Tait and Davidson Chalmers be used from 1 July 2014 for all Secretariat members;
- the Secretary should be asked to develop revised offers of appointment to Secretariat members to reflect the findings of the review by Chiene + Tait and Davidson Chalmers incorporating wording to reflect the changes made to the Staff Fund and Staff Fund Rules and to address the issue identified concerning temporary/part-time contracts.

7.5 The Committee developed a Draft Decision of the Council with regard to the recommendations arising from the review of the Staff Fund, CNL(14)18, (Annex 3).

## **8. Consideration of the 2015 Draft Budget, Schedule of Contributions and five-year Budgeting Plan**

8.1 The Secretary introduced the Draft 2015 budget, FAC(14)6. He indicated that the budget expenditure proposed is 5.1% lower in real terms than that in the 2014 Budget and lower, but broadly in-line with, the 2014 - 2018 Budgeted Expenditure and Income Projections. Reduced costs compared to the spending plan are proposed in five budget headings. There is, however, considerable uncertainty in the budget because the income from the property in 2015 will depend on whether new tenants can be found when the current tenants, Hitachi

Data Systems, vacate the property on 25 August 2014 and the rental achieved. The proposed budget assumes that in 2015 there will be income of £50,000 from the property but use of the Working Capital Fund will be necessary if this is not the case. He indicated that the five-year budgeting plan had assumed that all annual meetings other than the 2017 Annual Meeting would be hosted by a NASCO Party/jurisdiction but as no invitation had been received for 2015 it would be necessary to increase the budget to cover the additional costs.

- 8.2 The representative of Canada thanked the Secretary for the transparent presentation of the budget documents. He referred to the budgetary provision made in order to allow for the recruitment of a further locally recruited Secretariat member and the Secretary indicated that it was his intention to recruit for this post in the coming year.
- 8.3 The representative of the European Union asked for details of the number of tags entered into the Tag Return Incentive Scheme and the prizes disbursed. The Secretary indicated that between 350-1,000 tags are entered into the draw annually and that there are four prizes (a Grand Prize of \$2,500 and prizes in each of the three Commissions of \$1,500). In 2014, only two tags had been returned in the West Greenland Commission and one of these had been recaptured some years ago. The Committee recognised that the Tag Return Incentive Scheme had brought benefits in terms of publicity for the work of the Organization and the need to return tags but recommended that the Secretary be asked to prepare a brief review of the operation of the scheme for consideration at the 2015 Annual Meeting.
- 8.4 The Committee agreed to recommend to the Council the adoption of the 2015 Draft Budget and 2016 Forecast Budget, FAC(14)7, after including an additional sum to cover the cost of the Annual Meeting being held in Edinburgh or elsewhere in the UK. The budget as adopted by the Council, CNL(14)20, is included in Annex 4. A five-year budgeting plan (2015 – 2019) was also provided for information. The Committee also recommends that in the event that there is a shortfall in the income received from the property that the Secretary be authorised to utilise the Working Capital Fund.

## **9. Appointment of Auditors**

- 9.1 The Committee noted that the Council had agreed to appoint Chiene + Tait of Dublin Street, Edinburgh, as auditors for the 2012, 2013 and 2014 audited accounts.

## **10. Any Other Business**

- 10.1 At its 2013 Annual Meeting, the Committee had asked that the Secretariat obtain a quotation for reprinting the Handbook of Basic Texts and consult with the Parties so that a decision can be taken on whether or not to proceed. Following consultations with Heads of Delegations, the Handbook had been reprinted and will be distributed during the Council's Thirty-First Annual Meeting.

## **11. Report of the Meeting**

- 11.1 The Committee agreed a report of its meeting.
- 11.2 The Chairman thanked the members of the Committee for their contributions and closed the meeting.

11.3 A list of Finance and Administration Committee papers is given in Annex 5.





***List of Participants***

**Canada**

Richard Nadeau  
Doug Twining

**Denmark (in respect of the Faroe Islands and Greenland)**

Anna Hofgaard  
Jóannes Hansen  
Katrine Kærgaard

**European Union**

Francesca Arena  
Stamatis Varsamos

**Norway**

Raoul Bierach (Chairman)  
Arne Eggereide

**Russian Federation**

Elena Samoylova

**US**

Kim Blankenbeker  
Mary Colligan  
Patrick Pearsall

**Secretariat**

Peter Hutchinson



**FAC(14)8**

*Agenda*

1. Opening of the Meeting
2. Adoption of the Agenda
3. Election of Officers
4. 2013 Audited Accounts
5. Relationship with ICES
6. MoU with the OSPAR Commission
7. Review of the NASCO Staff Fund
8. Consideration of the 2015 Draft Budget, Schedule of Contributions and five-year budgeting plan
9. Appointment of Auditors
10. Any Other Business
11. Report of the Meeting



**CNL(14)18**

***Draft Decision of the Council concerning the NASCO Deferred Salary Scheme and Staff Fund***

Having regard to the recommendations from Chiene + Tait and Davidson Chalmers concerning the NASCO Deferred Salary Scheme and the Staff Fund, established as a Special Fund in 2001 (Council documents CNL(01)49, CNL(02)42, CNL(04)52 and CNL(12)17), the Council has decided as follows:

- it should adopt the revised Staff Rules and Staff Fund Rules proposed by Chiene + Tait and Davidson Chalmers as contained in document FAC(14)5 subject to the following clarification:
  - that the wording in the Staff Fund Rules is reviewed to ensure that references to taxation are clear including, in particular, whether rule 4.3 should refer to ‘UK taxation’ rather than ‘taxation’;
  - the wording in Staff Rule 8.1 should refer to Rule 5 and not Rule 8;The Secretary agreed to seek confirmation in writing that these changes were appropriate and that other references to taxation in the Staff Fund Rules be similarly clarified wherever appropriate. Once that input is provided then the Staff Fund Rules and Staff Rules will be revised accordingly and will be annexed to the Council Report.
- the financial statements should include a note in the audited accounts, commencing with the 2014 accounts, to disclose the total value of the Staff Fund and the associated obligation to Staff Fund members as of 31 December each year;
- the financial statements should include a note in the audited accounts, commencing with the 2014 accounts, to confirm that tax has been deducted from all remuneration paid to Secretariat members and retained by NASCO in accordance with the Staff Rules;
- the revised format for the payslips proposed by Chiene + Tait and Davidson Chalmers be used from 1 July 2014 for all Secretariat members;
- the Secretary should be asked to develop revised offers of appointment to Secretariat members to reflect the findings of the review by Chiene + Tait and Davidson Chalmers incorporating wording to reflect the changes made to the Staff Fund and Staff Fund Rules and to address the issue identified concerning temporary/part-time contracts.



**CNL(14)20*****North Atlantic Salmon Conservation Organization  
2015 Budget and 2016 Forecast Budget (Pounds Sterling)***

		<b>Budget 2015</b>	<b>Forecast 2016</b>
<b>Expenditure</b>			
1.	Staff-related costs	307,750	316,940
2.	Travel and subsistence	20,000	28,000
3.	Research and advice	63,250	65,000
4.	Contribution to Working Capital Fund	0	0
5.	Meetings	36,000	9,000
6.	Office supplies, printing and translation	23,000	25,000
7.	Communications	15,000	17,000
8.	Headquarters Property	37,700	40,000
9.	Office furniture and equipment	6,500	6,500
10.	Audit and other expenses	8,000	9,500
11.	Tag Return Incentive Scheme	4,800	4,800
12.	International Atlantic Salmon Research Fund	0	0
13.	Contribution to Contractual Obligation Fund	66,500	94,000
14.	Contribution to Recruitment Fund	15,000	15,000
<b>Total Expenditure</b>		<b>603,500</b>	<b>630,740</b>
<b>Income</b>			
15.	Contributions - Contracting Parties	549,500	576,740
16.	General Fund – Interest	4,000	4,000
17.	Income from Headquarters Property	50,000	50,000
18.	Surplus or Deficit (-) from 2013	0	0
<b>Total Income</b>		<b>603,500</b>	<b>630,740</b>

**2015 Budget & 2016 Forecast Budget (Pounds Sterling) - Expenditure by Sub-section**

	<b>Budget 2015</b>	<b>Forecast 2016</b>
<b>1. Staff-related costs</b>		
1.1 Secretariat members	223,200	229,900
1.2 Support staff	1,500	1,540
1.3 Staff Fund contributions, allowances, & other staff costs	83,050	85,500
<b>Total</b>	<b>307,750</b>	<b>316,940</b>
<b>2. Travel and subsistence</b>		
2.1 Travel to post and Annual Meeting	0	7,000
2.2 Official travel and subsistence	20,000	21,000
<b>Total</b>	<b>20,000</b>	<b>28,000</b>
<b>3. Research and advice</b>		
3.1 Annual contribution to ICES	63,250	65,000
3.2 Other research and advice	0	0
<b>Total</b>	<b>63,250</b>	<b>65,000</b>
<b>4. Contribution to Working Capital Fund</b>	<b>0</b>	<b>0</b>
<b>5. Meetings</b>		
5.1 Costs of Annual Meeting	32,000	4,000
5.2 Costs of other meetings	4,000	5,000
<b>Total</b>	<b>36,000</b>	<b>9,000</b>
<b>6. Office supplies, printing and translation</b>		
6.1 Office supplies	17,000	18,000
6.2 Printing	4,000	4,500
6.3 Translations	2,000	2,500
<b>Total</b>	<b>23,000</b>	<b>25,000</b>
<b>7. Communications</b>		
7.1 Telecommunications	5,000	6,000
7.2 Postage and courier services	3,000	3,000
7.3 Website	7,000	8,000
7.4 Communications, professional support and design	0	0
<b>Total</b>	<b>15,000</b>	<b>17,000</b>
<b>8. Headquarters Property</b>		
8.1 Capital and interest payments	0	0
8.2 Maintenance, services and other building-related costs	37,700	40,000
<b>Total</b>	<b>37,700</b>	<b>40,000</b>
<b>9. Office furniture and equipment</b>		
9.1 Furniture	0	1,500
9.2 Equipment	6,500	5,000
<b>Total</b>	<b>6,500</b>	<b>6,500</b>
<b>10. Audit and other expenses</b>		
10.1 Audit and accountancy fees	4,500	5,000
10.2 Bank charges and insurances	1,000	1,000
10.3 Miscellaneous	2,500	3,500
<b>Total</b>	<b>8,000</b>	<b>9,500</b>
<b>11. Tag Return Incentive Scheme</b>	<b>4,800</b>	<b>4,800</b>
<b>12. Contribution to IASRF</b>	<b>0</b>	<b>0</b>
<b>13. Contribution to Contractual Obligation Fund</b>	<b>66,500</b>	<b>94,000</b>
<b>14. Contribution to Recruitment Fund</b>	<b>15,000</b>	<b>15,000</b>
<b>Total Expenditure</b>	<b>603,500</b>	<b>630,740</b>



**2014 Budget Contributions (Pounds Sterling) Adjusted for Confirmed rather than Provisional 2012 Catches (tonnes)**

<b>Party</b>	<b>2012 catch (provisional)</b>	<b>2012 catch (confirmed)</b>	<b>2014 contribution (provisional)</b>	<b>2014 contribution (confirmed)</b>	<b>Adjustment</b>
Canada	135	126	63,918	61,905	-2,014
Denmark (Faroe Islands and Greenland)	34	33	36,083	35,930	-153
European Union	410	403	139,707	139,271	-436
Norway	696	695	218,527	220,826	2,299
Russian Federation	82	82	49,312	49,616	304
USA	0	0	26,713	26,713	0
<b>Total</b>	<b>1,357</b>	<b>1,339</b>	<b>534,260</b>	<b>534,260</b>	<b>0</b>

*Note: A positive adjustment represents an underpayment in 2014.*

**NASCO Budget Contributions for 2015 and Forecast Budget Contributions for 2016 (Pounds Sterling)**

<b>Party</b>	<b>2013 catch (provisional)</b>	<b>2015 contribution</b>	<b>Adjustment from 2014</b>	<b>2015 adjusted contribution</b>	<b>2016 forecast contribution</b>
Canada	136	73,363	-2,014	71,350	77,000
Denmark (Faroe Islands and Greenland)	47	43,333	-153	43,180	45,481
European Union	404	163,790	-436	163,353	171,909
Norway	475	187,746	2,299	190,045	197,053
Russian Federation	78	53,793	304	54,097	56,460
USA	0	27,475	0	27,475	28,837
<b>Total</b>	<b>1,140</b>	<b>549,500</b>	<b>0</b>	<b>549,500</b>	<b>576,740</b>

*Contributions are based on the catch data available to date.*

*Column totals in both tables can be in error by a few pounds due to rounding.*

## Five-year NASCO Budgeted Expenditure and Income Projections 2015 – 2019

		2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019
<b>Expenditure</b>						
1	Staff related costs	307,750	316,940	327,000	338,000	352,000
2	Travel & Subsistence	20,000	28,000	28,000	29,000	30,000
3	Research & advice	63,250	65,000	68,000	70,000	74,000
4	Contribution to Working Capital	0	0	0	0	0
5	Meetings	36,000	9,000	30,000	9,000	9,000
6	Office supplies, printing and translations	23,000	25,000	27,000	28,000	29,000
7	Communications	15,000	17,000	17,500	18,500	19,000
8	Headquarters Property	37,700	40,000	43,000	45,000	45,000
9	Office furniture & equipment	6,500	6,500	6,500	6,500	6,500
10	Audit & other expenses	8,000	9,500	11,000	12,000	12,000
11	Tag return incentive scheme	4,800	4,800	4,800	4,800	4,800
12	International Cooperative Research	0	0	0	0	0
13	Contribution to Contractual Obligation Fund	66,500	94,000	103,000	110,000	90,000
14	Contribution to Recruitment Fund	15,000	15,000	15,000	15,000	15,000
<b>Total</b>		<b>603,500</b>	<b>630,740</b>	<b>680,800</b>	<b>685,800</b>	<b>686,300</b>
<b>Income</b>						
15	Contributions of Contracting Parties	549,500	576,740	626,800	631,800	632,300
16	Interest Received on General Fund	4,000	4,000	4,000	4,000	4,000
17	Income from HQ property	50,000	50,000	50,000	50,000	50,000
<b>Total</b>		<b>603,500</b>	<b>630,740</b>	<b>680,800</b>	<b>685,800</b>	<b>686,300</b>

## **FAC(14)0**

### ***List of Papers***

FAC(14)0	List of papers
FAC(14)1	Draft Agenda
FAC(14)2	2013 Audited Accounts
FAC(14)3	MoU with the OSPAR Commission
FAC(14)4	Review of the NASCO Staff Fund
FAC(14)5	Revised Staff Rules and Staff Fund Rules
FAC(14)6	2015 Draft Budget, 2016 Forecast Budget
FAC(14)7	2015 Draft Budget and 2016 Forecast Budget and Five-Year (2015 - 2019) Spending Plan (Revised)
FAC(14)8	Agenda
FAC(14)9	Draft Report of the Meeting of the Finance and Administration Committee
FAC(14)10	Report of the Meeting of the Finance and Administration Committee