

**Report of the Twenty-Second Annual Meeting
of the Finance and Administration Committee
6 June 2005, Palais des Congrès, Vichy, France**

Chairman: Mr Steinar Hermansen (Norway)

Vice-Chairman: Mr Andrew Thomson (European Union)

Secretary: Dr Malcolm Windsor

CNL(05)6

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CNL(05)6

***Report of the Twenty-Second Annual Meeting of
the Finance and Administration Committee of
the North Atlantic Salmon Conservation Organization
6 June, 2005
Palais des Congrès, Vichy, France***

1. Opening of the Meeting

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

2. Adoption of the Agenda

- 2.1 The Committee adopted its agenda, FAC(05)5 (Annex 2).

3. Election of Officers

- 3.1 The Committee unanimously elected Mr Andrew Thomson (European Union) as its Chairman and Dr Boris Prischepa (Russian Federation) as its Vice-Chairman.

4. 2004 Audited Accounts

- 4.1 The Secretary introduced the audited accounts for 2004, FAC(05)2. During the year a payment of £12,346 had been made to the Working Capital Fund. This was less than anticipated due to the continuing refurbishment of the Headquarters Property. The Committee recognized the enormous financial benefits to the Organization from the decision to purchase the Headquarters Property.
- 4.2 The Committee considered the 2004 audited accounts and recommended their adoption by the Council.

5. Relationship with ICES

- 5.1 The Secretary reported on the continuing consultations between ICES and its client Commissions (e.g. NASCO, IBSFC and NEAFC) at the meeting of the Management Committee on the Advisory Process (MCAP) held at ICES Headquarters on 4 - 5 April 2005. It had previously been agreed that NASCO's present MoU with ICES would be renewed until the end of 2006 and that during this period the price charged to NASCO by ICES for scientific advice will be adjusted only to take account of the rate of inflation in Denmark. The only exception to this had been that NASCO had agreed in 2004 to pay a share annually of the stipend to the Chairman of the ACFM. The Council had previously agreed that in negotiating a new MoU there would be a need for:

- continued stability in NASCO's payments to ICES through a fixed-rate payment adjusted only to take account of inflation in Denmark;
 - improved consultation by ICES before any additional costs are attributed by ICES to NASCO;
 - the new arrangement for providing the advice on a timely basis to be continued and made more cost-effective.
- 5.2 The Committee asked the Secretary to continue to liaise with ICES, together with the other client Commissions, so as to develop a new MoU for NASCO to apply from 2007 in accordance with the mandate above.
- 5.3 The Committee noted that one of the recommendations of the 'Next Steps for NASCO' Working Group was that advice from ICES might be requested less frequently than annually if longer-term regulatory measures were agreed by NASCO's Commissions, and that this could lead to cost savings which might be allocated to areas such as research on salmon at sea. The Committee noted that under the MoU between NASCO and ICES, it is stated that at its Annual Meeting, 'NASCO may adopt a request for scientific information and advice which may be addressed to ICES for response prior to the next NASCO Annual Meeting'. There is, therefore, no commitment that there will be an annual request for advice in each year covered by the MoU. The Secretary indicated that he had consulted the Chairman of the ACFM about the possibility that NASCO might not continue to seek advice on an annual basis. The Chairman of the ACFM had indicated that such an arrangement might offer benefits by allowing the Working Group scientists more time to develop new approaches to providing the advice.
- 5.4 During the MCAP meeting a progress report had been provided on ICES' policy of admitting observers, on a trial basis, to meetings of its Advisory Committees and selected Working Groups. There had, in fact, been little interest in observer status at the ICES advisory meetings. The need for ICES to consult NASCO before any decision is taken to allow observers at the meetings relevant to developing advice on Atlantic salmon had again been stressed to ICES. ICES had confirmed that there was no intention to extend observer status to the North Atlantic Salmon Working Group meetings. The Secretary indicated that he would continue to report back to the Committee on arrangements for observers at ICES Advisory and Working Group meetings in the light of the annual MCAP meetings.
- 5.5 At its last meeting the Committee had noted that there may be benefits from improved national coordination between each Party's delegate to ICES and its representative to NASCO. Such coordination may be important prior to the negotiation of any new Memorandum of Understanding between NASCO and ICES and the Committee members agreed to encourage such national coordination in the coming year.

6. Consideration of the 2006 Draft Budget, Schedule of Contributions and 2007 Forecast Budget

- 6.1 The Secretary introduced the draft 2006 budget, FAC(05)3, which proposed an increase of 4.9% compared to the 2005 budget. However, the reason for this increase was the inclusion of two new items, not present in the 2005 budget. The first item was to bring the level of the Working Capital Fund up to its ceiling and the second was to raise the profile of NASCO through public relations. If these two elements

were excluded the budget represents a reduction of 4.1% in real terms. Reductions in real terms were proposed in seven budget headings. The Secretary referred to the reasons for the increases in the other sections. He indicated that, at the request of the President, the sum of £7,000 had been retained in Section 1 of the draft 2006 budget in relation to the expenses incurred by the Special Advisor to NASCO, Mr Jacque Robichaud. However, the President had suggested that such budgetary provision would not be needed in any subsequent budgets.

- 6.2 The view was expressed that the present level of NASCO's Working Capital Fund was low compared with other inter-governmental organisations. Reference was made to one inter-governmental organisation where a sum of 50% of the budget had been considered appropriate. The Committee decided to increase the ceiling for the Working Capital Fund to £200,000 with a view to achieving this ceiling in three years. The Committee agreed to recommend to the Council that Financial Rule 6.3 be amended to reflect this change. It was agreed that an additional contribution of £10,000 to the Working Capital Fund should be included in the 2006 budget and that in order to build the fund a contribution to the Working Capital Fund of £60,000 should be included in the 2007 budget.
- 6.3 The Committee recognised that in the light of the decision of the Council to establish a Media Group as part of the Next Steps for NASCO, there was a need to include additional sums to support the work of the group in relation to public relations, website design, IT support and publications. An additional sum of £15,000 was therefore included in Section 7 of the 2006 budget to cover these elements. It was noted that the expenditure on public relations issues should be supportive of, and closely coordinated with, any strategy to be developed by the Media Group. The Committee noted that one of the recommendations from the 'Next Steps for NASCO' Working Group was that in the event that multi-annual advice is agreed by the Commissions of NASCO there might not be a need for an annual request for advice from ICES. The Committee agreed that it should continue to budget for the payment to ICES and that in the event that there is no request for scientific advice from ICES in 2006 or subsequent years, any sum saved should be allocated to the Working Capital Fund.
- 6.4 The Committee also recognised that there might be additional costs in 2005 in relation to public relations and authorised the Secretary to utilise the existing Working Capital Fund up to a sum of £10,000.
- 6.5 The Committee recommended to the Council the adoption of the annexed Draft Budget and Schedule of Contributions (Annex 3).

7. Appointment of Auditors

- 7.1 The Committee recommended to the Council the appointment of PricewaterhouseCoopers of Queen Street, Edinburgh, as auditors for the 2005 audited accounts, or such other company as may be agreed by the Secretary in consultation with the Chairman of the Finance and Administration Committee.

8. Any Other Business

- 8.1 The Secretary indicated that NASCO's Auditors had suggested that there was a need for minor revisions to the Staff Fund Rules so as to ensure the appropriate wording. They had advised that there would be no budgetary or other implications for the Organization from these changes. The Committee agreed that the Secretary should be authorized to make these changes in consultation with the Chairman of the Finance and Administration Committee.
- 8.2 There was no other business.
- 8.3 In closing the meeting the Chairman thanked the members of the Committee for their valuable contributions. The Committee expressed its sincere thanks to Mr Hermansen for his valuable work over the last 4 years as its Chairman.
- 8.4 A list of Finance and Administration Committee papers is given in Annex 4.

List of Participants

Mr Tim Young	Canada
Mr Andras Kristiansen	Denmark (in respect of the Faroe Islands and Greenland)
Ms Mira Ann Kalsi	Denmark (in respect of the Faroe Islands and Greenland)
Mr Andrew Thomson	European Union
Mr Arni Isaksson	Iceland
Mr Steinar Hermansen (Chairman)	Norway
Dr Svetlana Krylova	Russian Federation
Ms Elena Samoylova	Russian Federation
Mr Stetson Tinkham	USA
Ms Kimberly Blankenbeker	USA
Dr Malcolm Windsor	Secretariat
Dr Peter Hutchinson	Secretariat

FAC(05)5

**Meeting of the Finance and Administration Committee
Palais des Congrès, Vichy, France**

Monday 6 June 2005

Agenda

1. Opening of the Meeting
2. Adoption of the Agenda
3. Election of Officers
4. 2004 Audited Accounts
5. Relationship with ICES
6. Consideration of the 2006 Draft Budget, Schedule of Contributions and 2007 Forecast Budget
7. Appointment of Auditors
8. Any Other Business
9. Report of the Meeting

**North Atlantic Salmon Conservation Organization
2006 Budget and 2007 Forecast Budget (Pounds Sterling)**

Section	Description	Expenditure	
		Budget 2006	Forecast 2007
1	Staff-related costs	320,640	330,240
2	Travel and subsistence	42,750	41,150
3	Research and advice	39,520	40,700
4	Contribution to Working Capital Fund	28,000	60,000
5	Meetings	9,000	9,270
6	Office supplies, printing and translation	21,000	26,990
7	Communications	41,500	42,730
8	Headquarters Property	-26,480	-25,510
9	Office furniture and equipment	6,500	6,690
10	Audit and other expenses	10,500	10,800
11	Tag Return Incentive Scheme	4,200	4,500
12	International Atlantic Salmon Research Fund	0	0
	Total	497,130	547,560

	Description	Revenue	
		Budget 2006	Forecast 2007
13	Contributions - Contracting Parties	520,130	571,560
14	Miscellaneous Income - Interest	4,000	4,000
15	Stabilisation	-27,000	-28,000
16	Surplus or Deficit (-) from 2004	0	0
	Total	497,130	547,560

Section 1	Staff-related costs	Budget 2006	Forecast 2007
1.1	Secretariat members	207,940	214,170
1.2	Temporary and support staff	22,660	23,330
1.3	Staff Fund contributions, allowances, public liability, insurances and other staff-related costs	90,040	92,740
	Total	320,640	330,240

Section 2	Travel and subsistence	Budget 2006	Forecast 2007
2.1	Travel to post and annual meeting	8,500	6,000
2.2	Official travel and subsistence	30,250	31,150
2.3	President's travel to represent NASCO	4,000	4,000
	Total	42,750	41,150

Section 3	Research and advice	Budget 2006	Forecast 2007
3.1	Annual contribution to ICES	39,520	40,700

Section 4	Contribution to Working Capital Fund	Budget 2006	Forecast 2007
4.1	Working capital	28,000	60,000

Section 5	Meetings	Budget 2006	Forecast 2007
5.1	Costs of annual meeting	4,000	4,120
5.2	Costs of other meetings	5,000	5,150
	Total	9,000	9,270

Section 6	Office supplies, printing and translation	Budget 2006	Forecast 2007
6.1	Office supplies	15,000	15,450
6.2	Printing	4,500	10,000
6.3	Translations	1,500	1,540
	Total	21,000	26,990

Section 7	Communications	Budget 2006	Forecast 2007
7.1	Telephone charges	6,500	6,690
7.2	Other communications	4,750	4,890
7.3	Postal charges	5,250	5,400
7.4	Media and Public Relations	25,000	25,750
	Total	41,500	42,730

Section 8	Headquarters Property	Budget 2006	Forecast 2007
8.1	Capital and interest payments	0	0
8.2	Maintenance, services and other building-related costs	32,520	33,490
8.3	LESS Income from property	-59,000	-59,000
	Total	-26,480	-25,510

Section 9	Office furniture and equipment	Budget 2006	Forecast 2007
9.1	Furniture	1,500	1,540
9.2	Equipment	5,000	5,150
	Total	6,500	6,690

Section 10	Audit and other expenses	Budget 2006	Forecast 2007
10.1	Audit and accountancy fees	7,200	7,410
10.2	Bank charges and insurances	300	300
10.3	Miscellaneous	3,000	3,090
	Total	10,500	10,800

Section 11	Tag Return Incentive Scheme	Budget 2006	Forecast 2007
11.1	Prize money	4,200	4,500

Section 12	Contribution to International Atlantic Salmon Research Fund	Budget 2006	Forecast 2007
12.1	IASR Fund	0	0

**Adjustments to 2005 contributions (Pounds Sterling)
to take into account confirmed 2003 Catch Statistics**

Party	2003 Provisional catch	2003 Confirmed catch	2005 Contribution based on provisional catch	2005 Contribution based on confirmed catch	Adjustment to 2005 contribution
Canada	137	141	38,556	39,253	+697
Denmark (Faroe Islands and Greenland)	9	9	21,437	21,447	+10
European Union	1,039	1,012	159,191	156,741	-2,451
Iceland	108	110	34,677	35,071	+394
Norway	1,071	1,071	163,471	164,699	+1,228
Russian Federation	107	107	34,544	34,666	+123
USA	0	0	20,233	20,233	0
TOTAL	2,471	2,450	472,110	472,110	0

Note: A positive adjustment represents an underpayment in 2005.

**NASCO Budget Contributions for 2006 and Forecast
Budget Contributions for 2007 (Pounds Sterling)**

Party	2004 Provisional catch (tonnes)	Contribution for 2006	Adjustment from 2005	Adjusted contribution for 2006	Forecast contribution for 2007
Canada	159	49,898	+697	50,594	54,831
Denmark (Faroe Islands and Greenland)	16	25,069	+10	25,080	27,548
European Union	926	183,068	-2,451	180,617	201,169
Iceland	130	44,862	+394	45,256	49,298
Norway	784	158,413	+1,228	159,641	174,077
Russian Federation	82	36,529	+123	36,651	40,140
USA	0	22,291	0	22,291	24,495
TOTAL	2,097	520,130	0	520,130	571,560

Contributions are based on the official catch returns supplied by the Parties. Column totals can be in error by a few pounds due to rounding.

List of Finance and Administration Committee Papers

FAC(05)01	Draft Agenda
FAC(05)02	2004 Audited Accounts
FAC(05)03	2006 Draft Budget and 2007 Forecast Budget
FAC(05)4	Draft Report
FAC(05)5	Agenda