

**Report of the Twenty-Third Annual Meeting  
of the Finance and Administration Committee  
5 June 2006, Hotel Riekonlinna, Saariselkä, Finland**

**Chairman:** **Dr Boris Prischepa (Russian Federation)**

**Vice-Chairman:** **Mr Arni Isaksson (Iceland)**

**Secretary:** **Dr Malcolm Windsor**

**CNL(06)5**



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## CNL(06)5

*Report of the Twenty-Third Annual Meeting of  
the Finance and Administration Committee of  
the North Atlantic Salmon Conservation Organization  
5 June, 2006  
Hotel Riekonlinna, Saariselkä, Finland*

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

- 1.1 In the absence of the Chairman, Mr Andrew Thomson (European Union), the Vice-Chairman, Dr Boris Prischepa (Russian Federation), opened the meeting and welcomed members of the Committee to Saariselkä.
- 1.2 A list of participants is contained in Annex 1.

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

- 2.1 The Committee adopted its agenda, FAC(06)6 (Annex 2).

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

- 3.1 Under the Committee's Rules of Procedure, in the event that the Chairman is permanently unable to act, the Vice-Chairman serves as Chairman until the next Committee meeting when a new Chairman is elected to serve for the remainder of his/her predecessor's term of office. The Committee unanimously elected Dr Boris Prischepa (Russian Federation) as Chairman and Mr Arni Isaksson (Iceland) as Vice-Chairman.

### **4. 2005 Audited Accounts**

- 4.1 The Secretary introduced the audited accounts for 2005, FAC(06)2. At its last Annual Meeting the Council, on a recommendation from the Finance and Administration Committee, had agreed that the Secretary be authorised to spend up to £10,000 from the Working Capital Fund on public relations-related work in 2005. The audited accounts indicate that less than half of this sum had been utilised. The Secretary thanked the Parties for their early responses to the call for contributions. Clarification was sought for the reasons for the increased expenditure in 'Meetings', 'Office Supplies' and 'Printing and Translations' compared to 2004. The Secretary indicated that this was associated with the costs of the Next Steps and stakeholder consultation meetings and the production of a biennial report in 2005. The Secretary indicated that the increase in costs in 'Sundry Expenses' was due to expenditure on public relations-related work in 2005.
- 4.2 The Committee considered the 2005 audited accounts and recommended their adoption by the Council.

## **5. Relationship with ICES**

- 5.1 The Council had previously 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 should 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. ICES had developed a new draft MoU to apply from 2007, FAC(06)3. The Secretary outlined the main changes in this MoU, which were the inclusion, in the elements for which NASCO is charged, of a share of the stipend for the Chairman of the ACFM. Its inclusion in the new MoU has no financial implications as NASCO is already paying it. The second change was the inclusion of a contribution to ICES' quality assurance programme, which results in an increase in NASCO's payment of approximately £6,000 per annum. A third important change is that the MoU will be reviewed every three years whereas the previous MoU was for a fixed three-year period. The Committee agreed that one aspect that needs to be addressed in the new MoU is the situation in which NASCO agrees multi-annual regulatory measures and decides not to request advice from ICES in a particular year. The Secretary indicated that he had written to the General Secretary of ICES to advise him that NASCO's interpretation of the MoU is that if NASCO decides not to request advice from ICES in a particular year, no payment would fall due under the MoU.
- 5.2 The Committee recognized that while quality assurance of the advice is important, some concerns were expressed about the level of the charge included in the new MoU. The Committee asked that the Secretary obtain a more detailed explanation from ICES of the basis of the cost of the quality assurance scheme and discuss with ICES, at the annual MCAP meeting, if there would be opportunities for cost savings, for example if the external reviewers were able to conduct their work electronically. The Committee accepted the inclusion of the costs of the quality assurance scheme in the MoU but agreed to review the arrangements in light of the consultations between the Secretary and ICES with respect to these costs.
- 5.3 The Committee reviewed the MoU and, following some proposed minor amendments, which the Secretary was asked to resolve with ICES, it agreed to recommend adoption of the MoU by the Council. The revised MoU, including the minor amendments, but excluding the Annexes, which were unchanged, is contained in Annex 3.

## **6. Consideration of the 2007 Draft Budget, Schedule of Contributions and 2008 Forecast Budget**

- 6.1 The Secretary introduced the draft 2007 budget, FAC(06)4, which proposed an increase of 8.3% in real terms compared to the 2006 budget. However, the main reason for this increase was the decision by the Council to include the sum of £60,000 for the Working Capital Fund in order to build towards the new ceiling level of the Fund of £200,000 over three years. There were also increases in the payment to ICES because of the introduction of the quality assurance programme, and in printing costs because a biennial report will be produced in 2007.
- 6.2 The Committee discussed the rate at which the Working Capital Fund might be built towards the target of £200,000 set by the Council. While it was noted that the Council's intention had been to reach the ceiling of £200,000 by 2008, the Committee

agreed that this period should be extended to 2010 to reduce the immediate financial burden on the Parties. The Committee, therefore, agreed that the budgeted sum of £60,000 included in the 2007 Draft Budget should be reduced to £40,000.

- 6.3 The Committee discussed the implications for the NASCO budget of agreeing multi-annual regulatory measures and multi-annual requests for advice to ICES. The Secretary referred to the Council's decision at its last Annual Meeting that NASCO should continue to budget for the payment to ICES and that in the event that there is no request for scientific advice from ICES, any sum saved would be allocated to the Working Capital Fund.
- 6.4 The Committee asked that the Secretary examine options for cost savings in relation to production of the Organization's documents and reports (e.g. use of electronic documents, preparing separate copies of the reports in English and French, etc.). The Secretary indicated that production of separate reports in English and French would probably increase the costs. It was recognised that the biennial report is the Organization's main public relations product and should continue to be produced as a high-quality brochure. The Committee agreed to continue to budget the sum of £25,000 for public relations work in 2007 but in the event that this sum is not needed, any surplus in the budget would be credited to the Working Capital Fund and could be available to fund future public relations work.
- 6.5 The representative of the US referred to the pressures on the small Secretariat staff and their outstanding performance for the Organization and the Parties. She asked if it would be desirable to include an element in the budget to allow contract staff to be employed to assist at the Annual Meetings. The Secretary thanked the representative of the US for her kind comments and indicated that he had been somewhat concerned at the workload in recent years and would consider this issue further and report back at an appropriate time. There will certainly be a need for more Secretariat staff in the event that the workload associated with the SALSEA programme increased because of the availability of significant new funding which would require proper management and control.
- 6.6 The Committee discussed the amount budgeted for other meetings and noted a reduction in the 2007 draft budget compared to 2006. It was noted that there may still be considerable inter-sessional activities. The Secretary agreed to examine this issue and report back to the Committee at, or before, its next meeting.
- 6.7 The Committee recommended to the Council the adoption of the annexed Draft Budget and Schedule of Contributions (Annex 4).
- 6.8 The Secretary reported that the IASRB had made a request for a transfer of £50,000 from NASCO to the Board in order to further develop the SALSEA programme. The Committee decided that the matter would have to be raised with Heads of Delegations.

## **7. Appointment of Auditors**

- 7.1 The Committee recommended to the Council the appointment of PricewaterhouseCoopers of Queen Street, Edinburgh, as auditors for the 2006 audited

accounts, or such other company as may be agreed by the Secretary in consultation with the Chairman of the Finance and Administration Committee.

- 7.2 The Secretary was asked to consider the pros and cons of changing auditors and to report back to the Committee at its next meeting.

**8. Any Other Business**

- 8.1 There was no other business.
- 8.2 In closing the meeting the Chairman thanked the members of the Committee for their contributions.

**9. Report of the Meeting**

- 9.1 The Committee agreed a report of its meeting.



***List of Participants***

Mr J W Bud Bird	Canada
Mr Tim Young	Canada
Ms Mira Ann Kalsi	Denmark (in respect of the Faroe Islands and Greenland)
Mr Alan Gray	European Union
Mr Atli Mar Ingolfsson	Iceland
Mr Arni Isaksson	Iceland
Mr Arne Eggereide	Norway
Dr Svetlana Krylova	Russian Federation
Dr Boris Prischepa (Chairman)	Russian Federation
Ms Elena Samoylova	Russian Federation
Dr K Alexandra Curtis	USA
Ms Kimberly Blankenbeker	USA
Dr Malcolm Windsor	Secretariat
Dr Peter Hutchinson	Secretariat



**FAC(06)7**

**Meeting of the Finance and Administration Committee  
Hotel Riekonlinna, Saariselkä, Finland  
Monday 5 June 2006**

*Agenda*

1. Opening of the Meeting
2. Adoption of the Agenda
3. Election of Officers
4. 2005 Audited Accounts
5. Relationship with ICES
6. Consideration of the 2007 Draft Budget, Schedule of Contributions and 2008 Forecast Budget
7. Appointment of Auditors
8. Any Other Business
9. Report of the Meeting



**Memorandum of Understanding  
between  
The North Atlantic Salmon Conservation Organization  
and  
The International Council for the Exploration of the Sea**

*RECOGNISING that the North Atlantic Salmon Conservation Organization ("NASCO")*

- (a) desires to promote the acquisition, analysis and dissemination of scientific information pertaining to salmon stocks in the North Atlantic Ocean;
- (b) desires to promote the conservation, restoration, enhancement and rational management of salmon stocks in the North Atlantic Ocean through international cooperation, taking into account the best scientific evidence available;
- (c) seeks to establish working arrangements with the International Council for the Exploration of the Sea and other appropriate fisheries and scientific organizations with a view to obtaining the best available scientific evidence;

*RECOGNISING that the International Council for the Exploration of the Sea ("ICES")*

- (a) exists to promote and encourage research and investigations for the study of the sea, in particular in relation to its living resources;
- (b) draws up the necessary programmes and organises such research and investigations as may appear necessary and publishes and disseminates the results of this work;
- (c) provides scientific information and advice to member countries and the regulatory commissions with which cooperative relationships have been established;
- (d) seeks to establish and maintain working arrangements with other international organisations having related objectives.

*NASCO AND ICES have therefore reached the following understanding:*

**Provision of Scientific Information and Advice**

1. 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 or subsequent Annual Meeting of NASCO. Any such request will be transmitted formally to ICES on a timely basis.
2. In response to this request, scientific information and advice, which is independent and free from political influence, and has been peer-reviewed by the relevant ICES advisory procedure, will be provided to NASCO by ICES in accordance with this Memorandum of Understanding. This scientific information and advice will comprise annual recurring or "standard" advice according to the format contained in Annex 1, and "non-recurring" advice as requested by NASCO, such categorisation of the request to be mutually agreed.
3. (a) ICES will make every effort to provide the official scientific information and advice in the report(s) of the relevant Advisory Committee(s) to NASCO as early as possible before the Annual Meeting of NASCO.  
  
(b) The information on which the advice is based, in the form of Study/Working Group Reports, will be made available prior to the full ICES review process with an annotation that the report has not been reviewed by ACFM. Any other relevant reports published by ICES will be made available to NASCO.

4. The scientific information and advice will be presented at the NASCO Annual Meeting by the Chairman of an ICES Advisory Committee or a designate and when appropriate an ICES Professional Adviser.
5. ICES and NASCO will consult on ways in which cooperation between them can be further improved and extended. Further improvements may include joint activities, e.g. seminars, symposia or other meetings.

### **Finance**

6. NASCO accepts ICES policy of achieving 100% cost recovery from Member Countries and international client commissions which request ICES to provide information, advice and services.
7. Recognising the desirability for stability in the payments made to ICES, NASCO agrees:
  - (a) to pay - following the procedure in Annex 2 - a fixed rate as agreed upon with ICES for the "standard" advice (i.e. recurring needs) as referred to in Annex 1, with an annual increase in accordance with the rate of inflation in Denmark (Danish Ministry of Finance figures), using DKK 350,647 (at 2006 prices) as the base. The components upon which the ICES costs are calculated are provided in Annex 3;
  - (b) to pay a contribution of DKK 39,253 (at 2006) prices) as NASCO's contribution towards the stipend for the ACFM Chair;
  - (c) to pay a contribution of DKK 59,962 (at 2006 prices) as NASCO's contribution towards ICES advisory quality assurance programme;
  - (d) to pay 100% of the costs for non-recurring advice on the basis of the costs agreed upon with ICES in accordance with Annexes 2 and 3.
8. When assessing the contributions to be paid by NASCO, due account shall be taken of contributions made by ICES Member Countries or other international Commissions of ICES with interests in the same stock and in the same geographical area.
9. ICES undertakes to elaborate, on an annual basis, costing-spreadsheets with details for providing standard and non-recurring advice to NASCO. The results will be reviewed jointly by ICES and NASCO during consultations as specified in Annex 2.

### **General Administrative Arrangements**

10. NASCO will be invited to be represented in an observer capacity at the Annual Statutory Meeting (Annual Science Conference) of ICES and at meetings of the ICES advisory committees. ICES will be invited to be represented in an observer capacity at the Annual Meetings and as appropriate at other NASCO meetings.
11. NASCO will provide ICES with documents and reports circulated prior to and as a result of its Annual Meetings which are relevant to the work of ICES. ICES will provide NASCO with documents and reports circulated prior to and as a result of its meetings which are relevant to the work of NASCO.
12. Either NASCO or ICES may propose changes to this Memorandum of Understanding. Any such proposal will be made before the end of May in any calendar year. Any change will come into effect at the beginning of the calendar year after the change has been agreed by both ICES and NASCO unless otherwise agreed
13. If any dispute should arise between NASCO and ICES on the operation of this Memorandum of Understanding, both sides will make their best endeavour to resolve it, if necessary by the involvement of a mutually agreeable arbiter.
14. Either NASCO or ICES may propose a withdrawal from this Memorandum of Understanding. Any such proposal will be made before the end of May in any calendar year, and, unless otherwise agreed, will come into effect not earlier than 1 January after a full 12

calendar months have elapsed following notice of the intention to withdraw having been given by either ICES or NASCO.

15. This Memorandum of Understanding will enter into force following its signature by both Parties.

16. The Parties will, every three years, carry out a full review of the terms and operation of this Memorandum of Understanding and agree any necessary amendments.

Signed on behalf of the North Atlantic Salmon Conservation Organization and the International Council for the Exploration of the Sea:

Signed:	Signed:
President	President
International Council for the Exploration of the Sea	North Atlantic Salmon Conservation Organization





**North Atlantic Salmon Conservation Organization  
2007 Budget and 2008 Forecast Budget (Pounds Sterling)**

Section	Description	Expenditure	
		Budget 2007	Forecast 2008
1	Staff-related costs	330,020	339,900
2	Travel and subsistence	44,250	41,150
3	Research and advice	45,020	46,370
4	Contribution to Working Capital Fund	40,000	40,000
5	Meetings	8,000	8,240
6	Office supplies, printing and translation	29,800	23,360
7	Communications	41,200	42,430
8	Headquarters Property	-25,300	-24,410
9	Office furniture and equipment	6,500	6,690
10	Audit and other expenses	11,250	11,580
11	Tag Return Incentive Scheme	4,200	4,500
12	International Atlantic Salmon Research Fund	0	0
	<b>Total</b>	<b>534,940</b>	<b>539,810</b>

	Description	Revenue	
		Budget 2007	Forecast 2008
13	Contributions - Contracting Parties	558,940	564,810
14	Miscellaneous Income - Interest	4,000	4,000
15	Stabilisation	-28,000	-29,000
16	Surplus or Deficit (-) from 2005	0	0
	<b>Total</b>	<b>534,940</b>	<b>539,810</b>

Section 1	<b>Staff-related costs</b>	Budget 2007	Forecast 2008
1.1	Secretariat members	213,940	220,350
1.2	Support staff	23,210	23,900
1.3	Staff Fund contributions, allowances, public liability, insurances and other staff-related costs	92,870	95,650
	<b>Total</b>	<b>330,020</b>	<b>339,900</b>

Section 2	<b>Travel and subsistence</b>	Budget 2007	Forecast 2008
2.1	Travel to post and annual meeting	10,000	6,000
2.2	Official travel and subsistence	30,250	31,150
2.3	President's travel to represent NASCO	4,000	4,000
	<b>Total</b>	<b>44,250</b>	<b>41,150</b>

Section 3	<b>Research and advice</b>	Budget 2007	Forecast 2008
3.1	Annual contribution to ICES	45,020	46,370

Section 4	<b>Contribution to Working Capital Fund</b>	Budget 2007	Forecast 2008
4.1	Working capital	40,000	40,000

Section 5	<b>Meetings</b>	Budget 2007	Forecast 2008
5.1	Costs of annual meeting	4,000	4,120
5.2	Costs of other meetings	4,000	4,120
	<b>Total</b>	<b>8,000</b>	<b>8,240</b>

Section 6	<b>Office supplies, printing and translation</b>	Budget 2007	Forecast 2008
6.1	Office supplies	17,000	17,510
6.2	Printing	11,000	4,000
6.3	Translations	1,800	1,850
	<b>Total</b>	<b>29,800</b>	<b>23,360</b>

Section 7	<b>Communications</b>	Budget 2007	Forecast 2008
7.1	Telephone charges	6,500	6,690
7.2	Other communications	3,000	3,090
7.3	Postal charges	6,700	6,900
7.4	Public Relations work	25,000	25,750
	<b>Total</b>	<b>41,200</b>	<b>42,430</b>

Section 8	<b>Headquarters Property</b>	Budget 2007	Forecast 2008
8.1	Capital and interest payments	0	0
8.2	Maintenance, services and other building-related costs	29,700	30,590
8.3	<b>LESS</b> Income from property	-55,000	-55,000
	<b>Total</b>	<b>-25,300</b>	<b>-24,410</b>

Section 9	<b>Office furniture and equipment</b>	Budget 2007	Forecast 2008
9.1	Furniture	1,500	1,540
9.2	Equipment	5,000	5,150
	<b>Total</b>	<b>6,500</b>	<b>6,690</b>

Section 10	<b>Audit and other expenses</b>	Budget 2007	Forecast 2008
10.1	Audit and accountancy fees	8,000	8,240
10.2	Bank charges and insurances	250	250
10.3	Miscellaneous	3,000	3,090
	<b>Total</b>	<b>11,250</b>	<b>11,580</b>

Section 11	<b>Tag Return Incentive Scheme</b>	Budget 2007	Forecast 2008
11.1	Prize money	4,200	4,500

Section 12	<b>Contribution to International Atlantic Salmon Research Fund</b>	Budget 2007	Forecast 2008
12.1	IASR Fund	0	0

**Adjustments to 2006 contributions (Pounds Sterling)  
to take into account confirmed 2004 Catch Statistics**

Party	2004 Provisional catch	2004 Confirmed catch	2006 Contribution based on provisional catch	2006 Contribution based on confirmed catch	Adjustment to 2006 contribution
Canada	159	161	49,898	49,556	-342
Denmark (Faroe Islands and Greenland)	16	15	25,069	24,831	-238
European Union	926	978	183,068	187,910	+4,843
Iceland	130	130	44,862	44,306	-556
Norway	784	784	158,413	155,057	-3,356
Russian Federation	82	82	36,529	36,178	-351
USA	0	0	22,291	22,291	0
<b>TOTAL</b>	<b>2,097</b>	<b>2,150</b>	<b>520,130</b>	<b>520,130</b>	<b>0</b>

Note: A positive adjustment represents an underpayment in 2006.

**NASCO Budget Contributions for 2007 and Forecast  
Budget Contributions for 2008 (Pounds Sterling)**

Party	2005 Provisional catch (tonnes)	Contribution for 2007	Adjustment from 2006	Adjusted contribution for 2007	Forecast contribution for 2008
Canada	130	47,981	-342	47,639	48,485
Denmark (Faroe Islands and Greenland)	14	26,542	-238	26,304	26,821
European Union	854	181,788	+4,843	186,631	183,698
Iceland	149	51,492	-556	50,936	52,033
Norway	888	188,072	-3,356	184,717	190,047
Russian Federation	82	39,110	-351	38,759	39,520
USA	0	23,955	0	23,955	24,206
<b>TOTAL</b>	<b>2,117</b>	<b>558,940</b>	<b>0</b>	<b>558,940</b>	<b>564,810</b>

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