



**The North Atlantic Salmon
Conservation Organization**

**Report of the Thirty-Third Annual Meeting of the
Finance and Administration Committee
6 June 2016, Bad Neuenahr-Ahrweiler, Germany**

Chairman: Mr Raoul Bierach (Norway)

Vice-Chairman: Mr Calvyn Wenghofer (Canada)

Secretary: Dr Peter Hutchinson

CNL(16)5

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Report of the Meeting of the Finance and Administration Committee of the North Atlantic Salmon Conservation Organization

Steigenberger Hotel, Bad Neuenahr-Ahrweiler, Germany

Monday 6 June 2016

1. Opening of the Meeting

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

2. Adoption of the Agenda

- 2.1 The Committee adopted its Agenda, FAC(16)6 (Annex 2).

3. Election of Officers

- 3.1 The Committee elected Ms Kimberly Blankenkemper (USA) as its Chair and re-elected Mr Cal Wenghofer (Canada) as its Vice-Chair.

4. 2015 Audited Accounts

- 4.1 Last year, the Committee had agreed to recommend to the Council the appointment of Chiene + Tait for the 2015, 2016 and 2017 audits, or such other company as may be agreed by the Secretary in consultation with the President and Chairman of the Finance and Administration Committee (FAC). The Secretary had been requested to obtain three quotes for the audit work for a three-year period covering the 2015, 2016 and 2017 accounts. He indicated that this had been done and, following consultations with the President and Chairman of the FAC, Saffery Champness (Edinburgh) had been appointed to undertake the 2015, 2016 and 2017 audits. The 2015 audit had been conducted effectively and within the time specified in the Financial Rules.
- 4.2 The Secretary introduced the Audited Accounts for 2015, FAC(16)2. In 2014, the Committee had recognised that the Organization's financial position was much more favourable than it had been at the start of 2013, and the Secretary indicated that this improvement had continued in 2015. The Working Capital Fund remains at its ceiling of £200,000 and the Contractual Obligation Fund continues to be rebuilt and is now close to its ceiling of £250,000 which it should reach in 2017. As a consequence, the sum budgeted for the Contractual Obligation Fund in the 2017 Draft Budget had been substantially reduced (from £103,000 to £35,000) compared to the five-year Budgeting Plan (2016 - 2020).
- 4.3 The Recruitment Fund also continues to be built and the Audited Accounts indicate that it had reached £30,000 by the end of 2015, with an additional £15,000 included in the 2016 Budget. The Secretary indicated that he had consulted the North East Atlantic Fisheries Commission (NEAFC) and they do not have a Recruitment Fund, but appropriate budgetary

provision is made for the year in which recruitment occurs. The Committee agreed to retain the sum of £15,000 in the 2017 Draft Budget which would build the fund to £60,000. The Committee considered that this was an appropriate level for the Fund, but, in a case of special need, the Working Capital Fund might also be utilised. The Committee agreed to review this decision at its next Annual Meeting.

4.4 The Secretary informed the Committee that a contribution of £10,000 had been made to Castletown Productions in 2015 towards the cost of the film 'Atlantic Salmon - Lost at Sea' following confirmation that the remaining funding required to complete the film had been raised. It is expected that the film will be completed in July 2016. The Council had recognised that this film will be an excellent way of raising awareness of the challenges facing the salmon around the North Atlantic, the research programmes being undertaken and the wide range of measures that have been taken to conserve and restore stocks, including the international work of NASCO. It could also be a valuable contribution to the proposed International Year of the Salmon (see item 7 below).

4.5 The Committee recommended to the Council the adoption of the 2015 Audited Accounts.

5. Relationship with ICES

5.1 In 2007, the Council had entered into a Memorandum of Understanding (MoU) with ICES which is subject to review every three years. In both 2010 and 2013, on the recommendation of the Finance and Administration Committee, the Council had agreed to continue the MoU on the understanding that there would be no increase in the cost of providing the advice, other than to reflect the rate of inflation in Denmark. Last year, the Council had recognised that the relationship with ICES was working well and agreed that the MoU should continue, without amendment, for a further three years from 2016.

5.2 The Secretary indicated that the MoU with ICES continued to work well, with stability in payments and the advice being made available in a timely fashion. In 2015, ICES had asked NASCO for feedback on the format of the advice. No substantive changes were proposed. However, the Council had requested that in future ACOM reports, the responses to questions from NASCO be presented in the same format as that in which the request is made, i.e. responses to questions relating to a specific Commission area should be presented in that section of the ACOM report, rather than in the section relating to the North Atlantic area. The Council had also asked that some of the more general information which does not form part of the request for advice, but which applies to all three Commission areas (Management Plans, Biology, Environmental Influences on Stocks, Effects of Fisheries on the Ecosystem and Quality Considerations) be included in a single annex to the ACOM report. Some additional minor comments on the format had also been made by the Council. The Committee noted that while most of these changes had been made in the 2016 ACOM Report, the general information had been removed from the main report but had not been annexed. The Committee asked that the Secretary convey NASCO's appreciation to ICES for the changes made and that he liaise with ICES on the remaining issues relating to the format of the ACOM report. It was noted that at the inter-sessional meeting of the West Greenland Commission, the representative of the European Union had asked that the recommendations in the report of the Working Group on North Atlantic Salmon be included in the ACOM report and ICES would be asked if this could be done in future.

6. MoU with the OSPAR Commission

- 6.1 The Secretary reported on the operation of the MoU between NASCO and the OSPAR Commission which came into effect on 5 August 2013. It requires, *inter alia*, that:
- the OSPAR Commission and NASCO are invited to attend each other's meetings of mutual interest;
 - there is an exchange of information and coordination on matters relating to salmon conservation and protection of the marine environment in the North-East Atlantic; and
 - the Secretariats will report to their organisations on actions taken pursuant to the MoU.
- 6.2 There had been improved exchange of information under the MoU. Last year, a Draft Recommendation relating to salmon developed by the OSPAR Commission's Biodiversity Committee had been considered by the FAC. The Committee had noted that the Draft Recommendation failed to recognise the measures, agreements and practices developed and implemented by NASCO. The Council had, therefore, requested that the Acting President write to the Chairman of the OSPAR Commission indicating that NASCO, as the RFMO charged with conserving, managing and restoring salmon in the North Atlantic, would welcome support for its work but would appreciate an opportunity for proper consultation and comment before the Draft Recommendation is adopted. This letter had also highlighted the scope for considerable duplication of effort.
- 6.3 The Secretary introduced document FAC(16)3 which summarised the consultations that had taken place with the OSPAR Commission's Secretariat since NASCO's 2015 Annual Meeting. This document included the latest revision of the Draft Recommendation. The OSPAR Commission Secretariat had indicated that it would welcome further comments on the Draft Recommendation before its Annual Meeting to be held during 20 - 24 June. While not endorsing the Draft Recommendation, or taking any policy position on it, the Committee recommends to the Council that the President of NASCO be requested to write to the Chairman of the OSPAR Commission to (1) express appreciation for the opportunity to comment further on the Draft Recommendation, (2) note the primary interest of the Council is that the Draft Recommendation clearly articulate the demarcation between the roles of NASCO and the OSPAR Commission and factually reflect relevant information about NASCO and its work, and (3) propose limited additional changes to the Draft Recommendation text to reflect these interests.

7. Proposed International Year of the Salmon

- 7.1 The Chairman referred to the International Year of the Salmon which will be considered by the Council (see CNL(16)7). Inter-sessional consultations indicated that NASCO Parties favour a clearly defined one year initiative to raise awareness of the challenges and opportunities facing salmon and in support of fund-raising for new research. Presentations on the IYS had been made to the International Atlantic Salmon Research Board and its Scientific Advisory Group and a presentation will be made to the Council. The Draft Budget, to be considered under Agenda item 8, included a sum of £60,000 for the IYS in 2017 in accordance with the Outline Proposal (annex 3 of paper CNL(16)7), but the Committee recognised that appropriate budgetary provision would need to be resolved by the Council once it had agreed on the nature and scope of its involvement and the timing.

8. Consideration of the 2017 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan

8.1 The Secretary introduced document FAC(16)4. He indicated that expenditure in the 2017 Draft Budget represented an increase of 1.6% in real terms compared to the 2016 Budget, but that this was due to the inclusion of a sum of £60,000 in relation to the proposed International Year of the Salmon. However, the proposed Budget represented a reduction of almost 6% in real terms from that anticipated in the 2016 – 2020 Budgeting Plan agreed by the Council last year. This reduction was mainly possible because the Contractual Obligation Fund had been rebuilt earlier than anticipated. He indicated that two budget sections had been set at zero, five were lower than in the five-year Budgeting Plan (2016 – 2020) and five budget heads were in accordance with that Budgeting Plan. He explained the reasons for the increases in the other three budget heads (Staff-related costs; Meetings and Audit and other expenses).

8.2 The Committee agreed to recommend to the Council the adoption of the 2017 Draft Budget and 2018 Forecast Budget, FAC(16)5. The Budget as adopted by the Council, CNL(16)62, is included as Annex 3. A Five-year Budgeting Plan (2017 - 2021) was also provided for information.

9. Appointment of Auditors

9.1 The Committee noted that Saffery Champness, Edinburgh Quay, Edinburgh had been appointed to conduct the 2015, 2016 and 2017 audits.

10. Any Other Business

10.1 There was no other business.

11. Report of the Meeting

11.1 The Committee agreed a report of its meeting.

11.2 The Committee thanked the Chairman for his excellent work over the previous four years. The Chairman wished the incoming Office Bearers well in their posts and closed the meeting.

11.3 A list of Finance and Administration Committee papers is given in Annex 4.

List of Participants

Canada

Doug Bliss
Brett Gilchrist

Denmark (in respect of the Faroe Islands and Greenland)

Esben Ehlers
Hanna í Horni

European Union

Francesca Arena
Stamatis Varsamos

Norway

Raoul Bierach (Chairman)
Arne Eggereide
Helge Lorentzen

Russian Federation

Konstantin Drevetnyak
Alina Nikolaeva

United States

Kimberly Blankenbeker
Rebecca Dorsey
Dan Morris
Julie Williams

Secretariat

Peter Hutchinson

FAC(16)6

Agenda

1. Opening of the Meeting
2. Adoption of the Agenda
3. Election of Officers
4. 2015 Audited Accounts
5. Relationship with ICES
6. MoU with the OSPAR Commission
7. Proposed International Year of the Salmon
8. Consideration of the 2017 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan
9. Appointment of Auditors
10. Any Other Business
11. Report of the Meeting

CNL(16)62

North Atlantic Salmon Conservation Organization
2017 Budget, 2018 Forecast Budget and Five-Year (2017 - 2021)
Budgeting Plan

		Budget 2017	Forecast 2018
Expenditure			
1.	Staff-related costs	339,600	352,000
2.	Travel and subsistence	28,000	30,000
3.	Research and advice	61,000	62,000
4.	Contribution to Working Capital Fund	0	0
5.	Meetings	11,000	11,000
6.	Office supplies, printing and translation	26,000	27,000
7.	Communications	16,500	17,500
8.	Headquarters Property	40,000	42,000
9.	Office furniture and equipment	6,500	6,500
10.	Audit and other expenses	10,000	10,000
11.	Tag Return Incentive Scheme	4,800	4,800
12.	International Atlantic Salmon Research Fund	0	0
13.	Contribution to Contractual Obligation Fund	35,000	35,000
14.	Contribution to Recruitment Fund	15,000	15,000
15.	Contribution to IYS Fund	60,000	60,000
Total Expenditure		653,400	672,800
Income			
16.	Contributions - Contracting Parties	601,400	620,800
17.	General Fund – Interest	2,000	2,000
18.	Income from Headquarters Property	50,000	50,000
19.	Surplus or Deficit (-) from 2015	0	0
Total Income		653,400	672,800

2017 Budget & 2018 Forecast Budget (Pounds Sterling) - Expenditure by Sub-section

	Budget 2017	Forecast 2018
1. Staff-related costs		
1.1 Secretariat members	227,300	235,000
1.2 Support staff	28,300	30,000
1.3 Staff Fund contributions, allowances, & other costs	84,000	87,000
Total	339,600	352,000
2. Travel and subsistence		
2.1 Travel to post and Annual Meeting	8,000	9,000
2.2 Official travel and subsistence	20,000	21,000
Total	28,000	30,000
3. Research and advice		
3.1 Annual contribution to ICES	61,000	62,000
3.2 Other research and advice	0	0
Total	61,000	62,000
4. Contribution to Working Capital Fund	0	0
5. Meetings		
5.1 Costs of Annual Meeting	4,000	4,000
5.2 Costs of other meetings	7,000	7,000
Total	11,000	11,000
6. Office supplies, printing and translation		
6.1 Office supplies	17,000	18,000
6.2 Printing	7,000	7,000
6.3 Translations	2,000	2,000
Total	26,000	27,000
7. Communications		
7.1 Telecommunications	5,000	6,000
7.2 Postage and courier services	3,000	3,000
7.3 IT support & website	8,500	8,500
7.4 Communications, professional support and design	0	0
Total	16,500	17,500
8. Headquarters Property		
8.1 Capital and interest payments	0	0
8.2 Maintenance, services and other building-related costs	40,000	42,000
Total	40,000	42,000
9. Office furniture and equipment		
9.1 Furniture	1,500	1,500
9.2 Equipment	6,000	5,000
Total	6,500	6,500
10. Audit and other expenses		
10.1 Audit and accountancy fees	5,000	5,000
10.2 Bank charges and insurances	1,000	1,000
10.3 Miscellaneous	4,000	4,000
Total	10,000	10,000
11. Tag Return Incentive Scheme	4,800	4,800
12. Contribution to IASRF	0	0
13. Contribution to Contractual Obligation Fund	35,000	35,000
14. Contribution to Recruitment Fund	15,000	15,000
15. Contribution to IYS Fund	60,000	60,000
Total Expenditure	653,400	672,800

2016 Budget Contributions (Pounds Sterling) Adjusted for Confirmed rather than Provisional 2014 Catches (tonnes)

Party	2014 catch (provisional)	2014 catch (confirmed)	2016 contribution (provisional)	2016 contribution (confirmed)	Adjustment
Canada	106	118	69,196	73,070	3,875
Denmark (Faroe Islands and Greenland)	58	58	50,795	50,438	-357
European Union	308	313	146,634	146,626	-8
Norway	490	490	216,404	213,392	-3,013
Russian Federation	81	81	59,612	59,114	-498
USA	0	0	28,560	28,560	0
Total	1,043	1,060	571,200	571,200	0

Note: A positive adjustment represents an underpayment in 2016.

11

NASCO Budget Contributions for 2017 and Forecast Budget Contributions for 2018 (Pounds Sterling)

Party	2015 catch (provisional)	2017 contribution	Adjustment from 2016	2017 adjusted contribution	2018 forecast contribution
Canada	134	78,953	3,875	82,828	81,500
Denmark (Faroe Islands and Greenland)	58	51,228	-357	50,872	52,881
European Union	299	139,145	-8	139,138	143,634
Norway	583	242,749	-3,013	239,736	250,759
Russian Federation	80	59,254	-498	58,756	61,165
USA	0	30,070	0	30,070	31,040
Total	1,155	601,400	0	601,400	620,800

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

Five-year NASCO Budgeted Expenditure and Income Projections 2017 - 2021

	2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021
Expenditure					
1. Staff related costs	339,600	352,000	360,000	365,000	372,000
2. Travel & Subsistence	28,000	30,000	21,000	30,000	30,000
3. Research & advice	61,000	62,000	65,000	68,000	70,000
4. Contribution to Working Capital	0	0	0	0	0
5. Meetings	11,000	11,000	35,000	11,000	11,000
6. Office supplies, printing and translations	26,000	27,000	28,000	29,000	30,000
7. Communications	16,500	17,500	18,500	19,000	19,000
8. Headquarters Property	40,000	42,000	42,000	42,000	45,000
9. Office furniture & equipment	6,500	6,500	6,500	6,500	6,500
10. Audit & other expenses	10,000	10,000	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	35,000	35,000	20,000	20,000	20,000
14. Contribution to Recruitment Fund	15,000	15,000	15,000	15,000	15,000
15. Contribution to IYS Fund	60,000	60,000	0	0	0
Total	653,400	672,800	626,800	622,300	635,300
Income					
16. Contributions of Contracting Parties	601,400	620,800	574,800	570,300	583,300
17. Interest Received on General Fund	2,000	2,000	2,000	2,000	2,000
18. Income from HQ property	50,000	50,000	50,000	50,000	50,000
Total	653,400	672,800	626,800	622,300	635,300

List of Papers

FAC(16)1	Draft Agenda
FAC(16)2	2015 Audited Accounts
FAC(16)3	MoU with the OSPAR Commission
FAC(16)4	2017 Draft Budget, 2018 Forecast Budget and Five-Year (2017-2021) Spending Plan (Budget Commentary)
FAC(16)5	2017 Draft Budget, 2018 Forecast Budget and Five-Year (2017-2021) Spending Plan
FAC(16)6	Agenda
FAC(16)7	Draft Report of the Meeting of the Finance and Administration Committee of the North Atlantic Salmon Conservation Organization
FAC(16)8	Report of the Meeting of the Finance and Administration Committee of the North Atlantic Salmon Conservation Organization