



### *Explanatory Memorandum on the Draft Agenda*

The 2021 Annual Meeting will be held virtually due to the ongoing restrictions and uncertainty related to the Covid-19 pandemic.

The Meetings of the Finance and Administration Committee (FAC) will be held on 26 May and 28 May.

All papers for the FAC will be posted on the website.

A summary of the decisions before the FAC is contained in Annex 1.

#### **Adoption of the Agenda**

A Draft Agenda, FAC(21)02 is available. The FAC will adopt its Agenda on 30 April, by correspondence. The period of inter-sessional correspondence will take place from Monday 3 May until Friday 14 May. All FAC inter-sessional correspondence will be included in the Annotated Agenda posted on the NASCO website before the start of the first video conference meeting (VC).

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

The Chair, Clemens Fieseler (European Union) will open the meeting.

- no decision is required.

*No correspondence is expected.*

#### **2. 2020 Audited Accounts**

This is essential under Financial Rule 12. The Audited Accounts are available, FAC(21)03.

- a decision to accept the audited financial statements and to refer them to the Council for adoption is required.

*Discussion by inter-sessional correspondence is encouraged. The formal decision will be taken during the VC.*

#### **3. Relationship with ICES**

NASCO signed a [Memorandum of Understanding \(MoU\) with ICES](#) on 8 June 2007, which outlines the provision of Scientific and Advisory information by ICES to NASCO. The MoU specifies recurrent requests for advice and procedures for ad hoc requests for advice, as well as key administrative procedures and financial aspects. The MoU has been extended three times since adoption and the current extension ended in 2019.

The Secretary has liaised with ICES inter-sessionally since the 2018 FAC meeting. In 2019, ICES requested that the revision of the NASCO-ICES MoU be initiated in 2020 to enable it to be aligned with the new and revised agreements and MoUs that ICES has concluded with its other advice requesters. In 2019, Council agreed to this request, and after the Annual Meeting, ICES confirmed that the current MoU would be extended for one year to ensure the provision of scientific advice in 2020.

In 2020, this item of business was postponed when the Agenda was streamlined due to the Covid-19 pandemic.

A proposed revised MoU is now available, FAC(21)05.

- a decision to recommend to Council to adopt the proposed revised MoU is required.

*Discussion by inter-sessional correspondence is encouraged. The formal decision will be taken during the VC.*

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

This is not essential business in 2021 but was postponed from 2020 when the Agenda was streamlined due to the Covid-19 pandemic.

In 2019, the FAC Chair reported on the operation of the MoU between NASCO and the OSPAR Commission which came into effect on 5 August 2013. The FAC agreed that the Secretary should continue to liaise with OSPAR on issues of mutual interest and bring relevant information and developments to its attention. There are two main issue of relevance:

*OSPAR Recommendation on Salmon:* NASCO has requested, as per the terms of the MoU, any relevant information from OSPAR on this item.

*Possible designation of a new Marine Protected Area in the North-East Atlantic:* updates on this proposed MPA were provided in 2018 and 2019. A further update has been requested from OSPAR.

An update on these matters of interest to the FAC may be available from OSPAR as paper FAC(21)06.

- no decision is anticipated.

*Discussion may be conducted by inter-sessional correspondence. No discussion is expected during the VC.*

#### **5. Consideration of the 2022 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan**

This is required business under Article 16.1 of the Convention which states ‘*the Council shall adopt an annual budget*’.

FAC(21)07 will present the 2022 Draft Budget and the 2023 Forecast Budget for consideration by the FAC. An updated five-year (2022 – 2026) Expenditure and Income Projection or ‘Budgeting Plan’ will be included for information. Details of the fixed component of Parties contributions will also be included.

- a decision to approve the draft budget for 2022 and forecast budget for 2023 and refer them to the Council for adoption is required.

*Discussion by inter-sessional correspondence is encouraged. The formal decision will be taken during the VC.*

#### **6. Appointment of Auditors**

This is essential business. Saffery Champness, Edinburgh, Scotland, was appointed to conduct the 2018, 2019 and 2020 audits. Auditors for 2021 onwards must be appointed.

In 2019, the FAC discussed the pros and cons of extending the auditing cycle from three years to five years. The FAC asked the Secretary to liaise with Saffery Champness on the question of costs, if possible before its 2020 meeting, and report back. The Committee agreed that this would help inform future discussions on whether or not to change from the current three-year auditing cycle to something longer. This item was postponed in 2020 when the Agenda was streamlined due to the Covid-19 pandemic. Agreement needs to be reached in 2021.

Four accountancy firms of a similar size to, or larger than, Saffery Champness have been approached to tender for the auditing of NASCO's accounts, for both a three- and a five-year cycle. A paper, Appointment of Auditors, FAC(21)08, will be available once the tenders are received.

- a decision to appoint the auditors for the 2021 accounts onwards, for either a three- or five-year cycle, is required.

*Discussion may be conducted by inter-sessional correspondence. The decision will be taken during the VC.*

## **7. Other Business**

Any other business may be raised via inter-sessional correspondence or during the VC. Any decisions required with respect to these matters may be approved formally by VC or postponed until 2022.

## **8. Report of the Meeting**

Rule 29 of the Rules of Procedure of the Council, which apply to the FAC per Rule 28, requires that 'A draft report shall be considered by the Council before the end of the meeting.'

A Draft Report of the Meeting will be circulated for review.

- a decision to adopt a Report of the Meeting is required.

*Any proposed changes to the Draft Report will be discussed, agreed revisions incorporated, and a final Report of the Meeting adopted during the VC.*

## **9. Close of the Meeting**

The Chair will close the Meeting.

Secretary  
Edinburgh  
3 March 2021

*Summary of Finance and Administration Committee Decisions*

<b>Agenda Item</b>	<b>Decision</b>	<b>Paper No.</b>
Adoption of the Agenda	The Agenda will be adopted via correspondence by 30 April	FAC(21)09
2. 2020 Audited Accounts	To accept the audited financial statements and to refer them to the Council for adoption	FAC(21)03
3. Relationship with ICES	To recommend to Council to adopt the proposed revised MoU	FAC(21)05
5. Consideration of the 2022 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan	To adopt the draft budget for 2022 and forecast budget for 2023 and refer them to the Council for adoption	FAC(21)07
6. Appointment of Auditors	To appoint the auditors for the 2021 accounts	FAC(21)08
8. Report of the Meeting	To adopt the Report	Issued at meeting