



Meeting of the Finance and Administration Committee

Dalmahoy Hotel & Country Club, Edinburgh, Scotland

5 June 2022

Annotated Agenda

The purpose of this paper is to provide the background, decisions and links to papers for each item on the Agenda for the Meeting of the Finance and Administration Committee (FAC).

Papers for the meeting are on the [website](#).

This Annotated Agenda references papers that the Secretariat is aware of, at the time of writing. If additional papers are issued, they will be posted on the website and delegates will be informed by email.

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

Timings of the Meeting (UK local time)

The FAC will meet on:

- Sunday 5 June: 14:00 – 17:00 hrs

Order of Business

Business will be taken in the order on the Draft Agenda, except for the Election of Officers. This will be taken as the last item of substantive business before consideration of the Report of the Meeting.

1. Opening of the Meeting

The Chair, Clemens Fieseler (EU) is unable to attend the meeting. The Vice-Chair (Heidi Hansen) is not able to Chair the meeting. The Secretary will therefore open the meeting and oversee the election of a Chair to serve out the remainder of Mr Fieseler's term.

- *the FAC may wish to elect a Chair to serve out the remainder of Mr Fieseler's term.*

The Chair will open the meeting and set out the procedures.

2. Adoption of the Agenda

A Draft Agenda, [FAC\(22\)01](#), was made available on 6 April 2022.

- *the FAC will be asked to adopt its Agenda.*

3. Election of Officers

Clemens Fieseler's (EU) first term as FAC Chair will conclude at the end of this Meeting. He does not wish to stand for re-election. A new FAC Chair, will, therefore, need to be elected. Heidi Hansen's (Norway) first term in office as Vice-Chair also concludes at the end of the Meeting. Therefore, an election will take place for both roles.

No background papers are produced for this item. Work to seek candidates and support

has been conducted by the Secretary.

- *the Committee may wish to elect a new Chair and elect / re-elect a Vice-Chair.*

4. 2021 Audited Accounts

[Financial Rule 12](#) states ‘The Council shall, following consideration of the audited annual financial statements and audit report submitted to its members under Rule 11.5, signify its acceptance of the audited annual financial statements or take such other action as it may consider appropriate.’

The Audited Accounts for 2021 were circulated to the President, Heads of Delegations and FAC members on 14 February 2022.

- *the FAC may wish to accept the Audited Accounts for 2021 and to refer them to the Council for adoption.*

The following paper is available:

- Audited Accounts, [FAC\(22\)02](#).

5. Report of the Inter-Sessional Meeting of the Finance and Administration Committee

In 2017, the FAC considered and advised the Council on several issues related to providing lump sum payments required under Staff Fund Rule 3.2 and Staff Rule 8.2(b) to two retiring staff members, [CNL\(17\)5](#). In its meeting in 2019, the FAC asked the Secretary to liaise with other relevant Regional Fisheries Management Organizations (RFMOs) to seek information on their approaches to retirement benefits for their staff and prepare a paper comparing those approaches to NASCO’s staff benefits package.

The intention was that this matter would be discussed during the 2020 FAC meeting. However, the move to a virtual format due to Covid-19 for both 2020 and 2021, meant that discussion was postponed. It was raised again in 2021 when the Committee agreed that:

- *the Secretary would finalise the background paper on these issues and circulate it to the FAC by mid-December 2021;*
- *all FAC members would be invited to a virtual inter-sessional meeting in late January or early February 2022 to discuss and progress the issue; and*
- *discussions from the 2022 intersessional meeting would be taken forward for further consideration and decision at the FAC Meeting in 2022.*

Additionally, Norway submitted a statement for the record regarding the payment of lump sums to retiring Secretariat staff, (Annex 5), [FAC\(21\)12](#).

The Committee met on 25 and 26 January 2022 to continue discussion of the current Staff Fund Rules and Staff Rules as they relate to staff members leaving NASCO’s employment. The Chair of the FAC will present the Report of the Inter-Sessional Meeting.

- *no decision is required.*

The following paper is available:

- Report of the Inter-Sessional Meeting of the Finance and Administration Committee, [FAC\(22\)03](#).

6. Consideration of Whether to Update / Clarify the Staff Rules / Staff Fund Rules

At its 2021 Annual Meeting, the FAC agreed that ‘discussions from the 2022 inter-sessional meeting would be taken forward for further consideration and decision at the FAC Meeting in 2022’, [FAC\(21\)12](#).

At its Inter-Sessional Meeting in January, [FAC\(22\)03](#), the FAC discussed a number of elements that could be recommended to Council, including clarifying the rules around the term ‘retirement’.

Since then the Secretary has produced a paper reviewing the changes to NASCO’s Staff and Staff Fund Rules since their inception to support the FAC’s discussions.

- *the FAC may wish to recommend updates / clarifications to Council.*

The following papers are available:

- Report of the Inter-Sessional Meeting of the Finance and Administration Committee, [FAC\(22\)03](#); and
- A Review of Changes to NASCO’s Staff and Staff Fund Rules Since Their Inception, [FAC\(22\)06](#).

7. Relationship with ICES

In 2021 the FAC considered a Proposed Revised Memorandum of Understanding (MoU) between ICES and NASCO, [FAC\(21\)05](#). The FAC agreed to recommend the Proposed Revised MoU to the Council, conditional upon a number of revisions being made. The Council agreed to the FAC’s recommendations that:

- the Secretary liaise with ICES to request revision of the proposed revised MoU;
- the resulting document be considered by the FAC by correspondence, inter-sessionally; and
- the Council adopt the finalised MoU, inter-sessionally, by correspondence.

The Council agreed to adopt the final MoU in January 2022. It was signed by the Presidents of ICES and NASCO in February 2022.

- *no decision is required.*

The following paper is available:

- [Memorandum of Understanding](#) between the North Atlantic Salmon Conservation Organization and the International Council for the Exploration of the Sea, 2022.

8. MoU with the OSPAR Commission

The [MoU between NASCO and the OSPAR Commission](#) 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. The following issues may be of interest, with more information provided in the paper:

1. OSPAR status assessment of salmon;
2. Designation of a new Marine Protected Area in the North-East Atlantic;
3. Action to model and identify areas that could constitute possible critical habitats for

listed species;

4. OSPAR Recommendation 2016/3 on salmon; and
5. The possible OSPAR request to ICES for advice on salmon.

- *no decisions are required.*

The following paper is available:

- MoU with the OSPAR Commission, [FAC\(22\)04](#).

9. Consideration of the 2023 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan

Article 16.1 of the [Convention](#) states ‘the Council shall adopt an annual budget’. The Secretary will present the 2023 Draft Budget, Schedule of Contributions and Five-Year Budgeting Plan for consideration by the FAC.

The 2023 budgeted expenditure (£663,180) represents an increase compared to that in the 2022 Budget (£638,090) and is 4.4% higher in real terms than that anticipated in the 2022 – 2026 Budgeting Plan for 2020 (£620,900). This is solely related to the inclusion of funds to hold the Annual Meeting in Edinburgh in 2023.

The 2021 Audited Accounts indicate that the Working Capital Fund, the Contractual Obligation Fund and the Recruitment Fund are all at their respective ceilings of £200,000, £250,000 and £60,000. The Organization’s financial position is sound, given that some budgeted expenditure in 2020 and 2021, mostly related to the lack of travel and in-person meetings, has not been made. However, financial planning remains uncertain given that decisions need to be made about the future of NASCO’s working practices.

The contributions for each Party have been calculated in accordance with Article 16, paragraph 2 of the [Convention](#). The 2022 contributions have been recalculated to take account of the difference in the provisional and confirmed 2020 catch statistics and the appropriate adjustments have been made to the 2023 contributions. Changes in the contributions can occur even with stable budgets when a Party’s proportion of the total catch changes. The 2023 contributions are higher than anticipated in the 2022 – 2026 Budgeting Plan (£568,400); this is mostly a reflection of the costs added to hold the Annual Meeting in Edinburgh in 2023. In 2017, the FAC requested the Secretary to include the 30% share of the contribution for each Party in this section. In the draft 2023 budget as proposed, this equates to £28,086 per Party.

- *the FAC may wish to approve the draft budget for 2023 and forecast budget for 2024 and refer them to the Council for adoption.*

The following paper is available:

- 2023 Draft Budget, 2024 Forecast Budget and Five-Year (2023 - 2027) Budgeting Plan, [FAC\(22\)05](#).

10. Appointment of Auditors

In 2021, the FAC considered the auditors for 2021 onwards. In order to demonstrate due diligence, the Committee agreed to recommend to the Council that the Secretary continue efforts to establish whether an alternative suitable accountancy firm in Edinburgh was interested in tendering a bid for NASCO’s audit work for 2021, 2022 and 2023, consulting with the President and FAC Chair on relevant developments. If

no appropriate firm was available, the Committee agreed to recommend to the Council the appointment of Saffery Champness for the audits for 2021, 2022 and 2023, [FAC\(21\)12](#).

This process was followed and in late July 2021 Saffery Champness was appointed for the audits for the accounts for 2021, 2022 and 2023.

- *no decisions are required.*

11. Other Business

No other business is expected.

12. 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.

- *the FAC may wish to adopt the Report of the Meeting.*

13. Close of the Meeting

The Chair will close the Meeting.

Secretary
Edinburgh
27 May 2022

Summary of FAC Decisions

Agenda Item	Decision	Paper No.
1. Opening of the Meeting	Elect a Chair for the duration of the 2022 Annual Meeting	
2. Adoption of the Agenda	Adopt the Agenda	FAC(22)01
3. Election of Officers	Elect a new Chair and elect / re-elect a Vice-Chair	
4. 2021 Audited Accounts	Accept the Audited Accounts for 2021 and to refer them to the Council for adoption.	FAC(22)02
6. Consideration of Whether to Update / Clarify the Staff Rules / Staff Fund Rules	Recommend updates / clarifications to Council.	FAC(22)03
9. Consideration of the 2023 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan	Approve the draft budget for 2023 and forecast budget for 2024 and refer them to the Council for adoption.	FAC(22)05
12. Report of the Meeting	Adopt the Report of the Meeting	Issued at meeting