



Meeting of the Finance and Administration Committee

Delta Beausejour Hotel, Moncton, New Brunswick, Canada

4 June 2023

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.

As agreed in 2022, Parties / NGOs were invited to submit questions on Agenda items, in advance to the relevant Party. The Secretariat requested that it be copied into any questions asked, to allow the questions to be included in the Annotated Agenda. No questions were received.

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

Timings of the Meeting (New Brunswick local time)

The FAC will meet on:

- Sunday 4 June: 14:00 – 17:00 hrs

Order of Business

Business will be taken in the order on the Draft Agenda.

1. Opening of the Meeting

The Chair, Seamus Connor (UK), will open the meeting.

2. Adoption of the Agenda

A Draft Agenda, [FAC\(23\)01](#), was made available on 3 April 2022.

- *the FAC may wish to adopt its Agenda.*

3. 2022 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 2022 were circulated to the President, Heads of Delegations and FAC members on 14 February 2023.

- *the FAC may wish to accept the Audited Accounts for 2022 and to refer them to the Council for adoption.*

The following paper is available:

- Audited Accounts, [FAC\(23\)02](#).

4. Report of the Inter-Sessional Process of the Finance and Administration Committee

In 2022, the Council agreed to the FAC's recommendation of an interim policy regarding the interpretation and application of NASCO's Staff Fund Rule 3.2 and Staff Rule 8.2(b) for adoption, CNL(22)44. It states that:

'This interim policy applies through June 9, 2023, unless otherwise decided by the Council. In order to develop a longer term solution to the issues related to the lump sum and other staff benefit issues, the FAC will undertake an inter-sessional process to continue its consideration of these issues and recommend a way forward no later than at the 2023 NASCO Annual Meeting.'

During 21-23 March 2023, the FAC met inter-sessionally to consider a long-term solution to the interpretation and application of NASCO's Staff Fund Rule 3.2 and Staff Rule 8.2(b) and to recommend a way forward. The FAC recommended that the Council considers a Draft Policy regarding the interpretation and application of NASCO's Staff Fund Rule 3.2 and Staff Rule 8.2(b), [CNL\(23\)06](#). The FAC also recommended that professional advice be sought immediately to ensure there would be no detriment to part-time staff in relation to the lump sum entitlement, and that the Staff Rules and Staff Fund Rules be reviewed. These recommendations will, therefore, be considered by the Council during its Annual Meeting.

The Chair will present a summary of the outcome of the inter-sessional FAC process.

- *no decision is required.*

The following papers are available:

- Report of the Inter-Sessional Meeting of the Finance and Administration Committee, [FAC\(23\)03](#); and
- Proposed Guidance for the Secretary on the Interpretation and Application of NASCO Staff Fund Rule 3.2 and Staff Rule 8.2(b) Concerning the Lump Sum Entitlement, [CNL\(23\)06](#).

5. Relationship with ICES

The revised [Memorandum of Understanding](#) between NASCO and ICES was signed on 22 February 2022.

During the Annual Meeting in 2022, the Council asked the Secretary to approach ICES to investigate a more streamlined approach / presentation of the ICES Advice, and agreed that full ICES Advice should be presented in Council only in future, [CNL\(22\)53rev](#), paragraph 4.35. The Council will consider an update on streamlining of the ICES advice during its Annual Meeting.

- *no decision is required.*

The following paper is available:

Update on the Streamlining of the ICES Advice, [CNL\(23\)09](#).

6. 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. Issues of interest may be raised under this Agenda item.

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. The 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, [FAC\(23\)04](#).

7. Consideration of the 2024 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 2024 Draft Budget, Schedule of Contributions and Five-Year Budgeting Plan for consideration by the FAC.

The 2024 budgeted expenditure (£661,550) represents a slight decrease compared to that in the 2023 Budget (£663,180) and is slightly higher (2.4%) in real terms than that anticipated in the 2023 – 2027 Budgeting Plan for 2024 (£630,550).

The 2022 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.

The contributions for each Party have been calculated in accordance with Article 16, paragraph 2 of the Convention. The 2023 contributions have been recalculated to take account of the difference in the provisional and confirmed 2021 catch statistics and the appropriate adjustments have been made to the 2024 contributions. Changes in the contributions can occur even with stable budgets when a Party’s proportion of the total catch changes. The 2024 contributions are 2.3% higher in real terms than those anticipated in the 2023 – 2027 Budgeting Plan (£576,050); this is mainly related to the higher inflation rates than those used in last year’s budget forecast for 2024.

For information only, the FAC may wish to note that ‘International Year of the Salmon Legacy Activities’ is on the Council’s Annual Meeting Agenda. The IYS has now ended. The Council will be asked if it wishes the Secretary to transfer the final IYS Fund balance to the ‘Periodic Projects Special Fund’ and close the IYS Fund account once the final amount has been established after the audit of the 2023 accounts.

- *the FAC may wish to approve the draft budget for 2024 and forecast budget for 2025 and refer them to the Council for adoption.*

The following papers are available:

- 2024 Draft Budget, 2025 Forecast Budget and Five-Year (2024 - 2028) Budgeting Plan, [FAC\(23\)05](#).
- Reflections on the Key Messages from the IYS Synthesis Symposium, [CNL\(23\)25](#).

8. Appointment of Auditors

Following the 2021 Annual Meeting, Saffery Champness was appointed as Auditors of the accounts for 2021, 2022 and 2023 – a three year cycle. In 2024, Auditors will need to be appointed for 2024 onwards.

In 2019, the FAC had discussed extending the auditing cycle from three to five years.

The FAC may wish to:

- *request that the Secretary seeks bids from accountancy firms for the auditing of NASCO's accounts for 2024 onwards, such that Auditors may be appointed during the 2024 FAC Annual Meeting; and*
- *agree the length of the auditing cycle.*

9. Other Business

Report from the Performance Review Panel

The Report of the Third NASCO Performance Review, [CNL\(23\)17rev](#), was published in March 2023. The Contracting Parties and the NGO Co-Chairs met on 27 April 2023 to consider their initial response to the 46 recommendations. Further consideration will take place during the Council Annual Meeting.

Recommendations 39 states ‘The Panel recommends that the NASCO Secretary should assess the needs for training and that training should be provided where considered necessary.’

The FAC may wish to give its view on whether:

- *training plans with budgets should be completed by the Secretariat and submitted to the FAC for approval, annually; or*
- *a generic training budget should be agreed, with any budgetary adjustment carried out retrospectively, and reported on annually as with any other spend against budget.*

10. 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.*

11. Close of the Meeting

The Chair will close the Meeting.

Secretary
Edinburgh
29 May 2023

Summary of FAC Decisions

Agenda Item	Decision	Paper No.
2. Adoption of the Agenda	Adopt the Agenda	FAC(23)01
3. 2022 Audited Accounts	Accept the Audited Accounts for 2021 and to refer them to the Council for adoption.	FAC(23)02
7. Consideration of the 2024 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan	Approve the draft budget for 2024 and forecast budget for 2025 and refer them to the Council for adoption	FAC(23)05
8. Appointment of Auditors	<ul style="list-style-type: none"> • request that the Secretary seeks bids from accountancy firms for the auditing of NASCO's accounts for 2024 onwards, such that Auditors may be appointed during the 2024 FAC Annual Meeting; and • agree the length of the auditing cycle. 	
9. Other Business	<p>The FAC may wish to give its view on whether:</p> <ul style="list-style-type: none"> • training plans with budgets should be completed by the Secretariat and submitted to the FAC for approval, annually; or • a generic training budget should be agreed, with any budgetary adjustment carried out retrospectively, and reported on annually as with any other spend against budget. 	
10. Report of the Meeting	Adopt the Report of the Meeting	Issued at meeting