



**The North Atlantic Salmon
Conservation Organization**

**Report of the Fortieth Annual Meeting of the
Finance and Administration Committee**

Delta Beausejour Hotel, Moncton, New Brunswick, Canada

5 June 2023

Chair: Seamus Connor (United Kingdom)

Vice-Chair: Heidi Hansen (Norway)

Secretary: Emma Hatfield

CNL(23)05

CNL(23)05

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

1. Opening of the Meeting

- 1.1 The Chair, Seamus Connor (UK), opened the meeting.
- 1.2 A list of participants is contained in Annex 1.

2. Adoption of the Agenda

- 2.1 The Finance and Administration Committee (FAC) adopted its Agenda, [FAC\(23\)06](#) (Annex 2).

3. 2022 Audited Accounts

- 3.1 The Chair noted that the Audited Accounts for 2022, [FAC\(23\)02](#), were circulated to the President, Heads of Delegations and FAC members on 14 February 2023.
- 3.2 There were no questions on the Audited Accounts and the FAC agreed to accept them and recommend to the Council that they be adopted.

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

- 4.1 The Chair reminded Committee members that, in 2022, the Council had 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](#). The Policy required that in order to develop a longer-term solution to the issues the FAC would undertake an inter-sessional process and recommend a way forward no later than at the 2023 NASCO Annual Meeting.
- 4.2 The Chair noted that during 21-23 March 2023, the FAC met to consider a long-term solution and to recommend a way forward. He referred the Committee to the Report of the Inter-Sessional Meeting of the Finance and Administration Committee, [FAC\(23\)03](#). The FAC made three recommendations to Council during that meeting:
 - i. that the Council consider 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](#);
 - ii. '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
 - iii. 'that the Staff Rules and Staff Fund Rules are reviewed in a timely way to ensure they are fit for purpose and commensurate with a modern working environment and good management practices.' A process for the review (if agreed to) was proposed in the Report of the Inter-Sessional Meeting.
- 4.3 The Chair noted that the Council would consider these issues during its Annual Meeting. However, he acknowledged that there had been concerns raised regarding the Draft Policy, [CNL\(23\)06](#), which he would ask the FAC to address under 'Other business'.

5. Relationship with ICES

- 5.1 The Chair noted that NASCO's relationship with ICES was a standing item on the

FAC's Agenda. However, unusually, this year the Council would consider the issue during its meeting. He informed the FAC that, in 2022, the Council had asked the Secretary to approach ICES to investigate a more streamlined approach / presentation of the ICES Advice. He noted that the Council would consider paper [CNL\(23\)09](#) 'Update on the Streamlining of the ICES Advice' in its meeting.

5.2 No other issues concerning NASCO's relationship with ICES were raised.

6. MoU with the OSPAR Commission

6.1 The Chair noted that the MoU between NASCO and the OSPAR Commission came into effect in 2013. The Chair reported on the main issues of interest to NASCO currently, as set out in [FAC\(23\)04](#).

6.2 The FAC took note of these activities and made no specific comments.

7. Consideration of the 2024 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan

7.1 The Chair noted that Article 16.1 of the Convention states 'the Council shall adopt an annual budget'. He asked the Secretary to present information on the 2024 draft budget, the schedule of contributions and the five-year budgeting plan. The Secretary referred the Committee to document [FAC\(23\)05](#).

7.2 The Secretary informed the FAC that 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).

7.3 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.

7.4 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.

7.5 Norway questioned whether NASCO's Tag Return Incentive Scheme should be brought to an end. The FAC was informed that in Norway, external tags were (generally) no longer allowed to be used. The FAC agreed that Parties / jurisdictions would be asked to provide information about the status and extent of external tagging in their countries. This would be included in a paper for the 2024 FAC Annual Meeting, when the FAC would consider whether the scheme should continue.

7.6 Norway also asked about the office furniture and equipment budget line. It noted that the Secretariat's policy is to replace laptops every three years given that was the depreciation time for laptops. Norway stated that laptops often function well for more than three years and suggested that replacement after five years might be more appropriate, as well as more environmentally sustainable. The Secretary responded that this followed the advice of the IT consultant to NASCO to ensure that the Secretariat worked with modern and effective equipment. The FAC agreed that this issue should be considered under recommendation 41 of the External Performance Review Panel

Report, [CNL\(23\)17rev](#), which states:

'The Panel recommends that NASCO develops a NASCO Carbon Policy to ensure that NASCO's carbon emissions are in line with best practices on achieving carbon neutrality.'

- 7.7 The Secretary informed the FAC that the '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 (some £17,000) 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.
- 7.8 The United States noted that some of the funds in the IYS account came from voluntary contributions and that there may be rules around underspend of such funds. The Secretary replied that most of the remaining funds were from an EU project and the underspend on the IYS Synthesis Symposium. She informed the FAC that the Parties who had made the original voluntary contributions to the Fund were asked about transferring the final IYS Fund balance to the 'Periodic Projects Special Fund' and raised no objection.
- 7.9 The FAC agreed to recommend to the Council the adoption of the 2024 draft budget and the 2025 forecast budget, FAC(23)08 (Annex 3).

8. Appointment of Auditors

- 8.1 The Chair reminded the FAC that following the 2021 Annual Meeting, Saffery Champness was appointed as Auditors of the accounts for 2021, 2022 and 2023 – a three-year cycle. He noted that in 2024, Auditors would need to be appointed for 2024 onwards.
- 8.2 The Secretary reminded the FAC that, in 2021, several FAC members were keen to change the auditors as the senior auditor had been involved in NASCO's audits for a long time (since 2012), both through Saffery Champness and his previous company Chiene + Tait. In seeking bids, there was very little interest in auditing NASCO's accounts, so Saffery Champness was retained. For the auditing cycle, the FAC normally prefers three years. The FAC was informed that previous investigations had shown that there appeared to be no cost saving in choosing a three-year audit cycle over a five-year cycle (or vice versa).
- 8.3 The FAC agreed 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
 - a three-year auditing cycle.

9. Other Business

- 9.1 The United States noted that Iceland intended to re-join NASCO and asked the Secretary about the financial implications of this. The Secretary shared a simple illustrative budget which included Iceland as a Contracting Party, joining on 1 January 2024, with Iceland's catch taken from the 2023 Report of the Working Group on North Atlantic Salmon.

Report of the Third NASCO Performance Review

- 9.2 The Chair informed the FAC that the Report of the Third NASCO Performance Review, [CNL\(23\)17rev](#), was published in March. The Contracting Parties and the NGO Co-

Chairs met in April to consider their initial response to the 46 recommendations. At that meeting the Contracting Parties agreed to ask the FAC to consider Recommendation 39, which states:

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

9.3 The FAC agreed that a generic training budget could be agreed in the annual budget each year, with any budgetary adjustment carried out retrospectively, and reported on annually as with any other spend against budget.

9.4 The United States also highlighted two recommendations in the Report of the Third NASCO Performance Review. It recognised the importance of Recommendation 40 and thanked the Secretariat for its continued work on documenting the Secretariat’s Standard Operating Procedures. Recommendation 40 states:

The Panel recommends that the Secretariat complete documenting its standard operating procedures at an accelerated pace

9.5 The United States also highlighted Recommendation 32, which states:

The Panel recommends that NASCO should consider revising CNL(06)49 to, among other things, codify NASCO’s existing practices on participation by NGOs, take account of best practices by other international organizations, align the sequence of the paragraphs relating to NGOs more with the sequence of the procedure for applying for observer status, and group related issues better together.

9.6 The United States supported this Recommendation and, as it was an administrative issue, suggested that the FAC review document [CNL\(06\)49](#) against the best practice of other International Organizations. Denmark (in respect of the Faroe Islands and Greenland) noted that the North-East Atlantic Fisheries Commission (NEAFC) had recently conducted a similar review, and NASCO might benefit from its experience on this.

9.7 In line with Recommendation 32 of the Report of the Third NASCO Performance Review, the FAC agreed to review document [CNL\(06\)49](#) inter-sessionally and consider the results of the review during the 2024 Annual Meeting.

Staff Rules and Staff Fund Rules

9.8 The Chair noted that some members of the FAC had raised concerns regarding Draft Policy, [CNL\(23\)06](#). The FAC considered the matter and decided that it would no longer recommend the Draft Policy, [CNL\(23\)06](#), to Council given the concerns expressed by one Party that required additional consideration of possible longer-term solutions. The FAC agreed instead to recommend an extension of the interim policy originally adopted in 2022, with minor updates to correct references and revise dates, as well as the percentage to be used. This would allow more time for the FAC to develop a longer-term staff benefits package, based on expert advice. The interim policy would apply until 8 June 2024, unless otherwise decided by the Council.

9.9 The FAC discussed the information required to inform a longer-term solution for existing and new staff. Norway suggested considering systems in other similar international organizations such as OSPAR and the United Nations. The United States supported seeking legal and human resource advice from experts with knowledge of International Organizations and Scottish employment law. The advice to be sought is detailed in Annex 4.

- 9.10 The timing of the work involved in the development of a longer-term solution, and in reviewing the Staff Rules and Staff Fund Rules, was discussed, and would be as follows:
- the Secretariat would seek to receive advice, as set out in Annex 4, by the end of November 2023;
 - the Chair and the Secretary would consider the legal and human resource advice and draft an options paper and circulate this to the FAC by early January 2024, along with the legal advice received;
 - an inter-sessional meeting would take place in early 2024 to discuss the advice received, the options paper and develop a longer-term solution;
 - the longer-term solution would be recommended to Council for adoption at the 2024 Annual Meeting.
- 9.11 The Chair reminded the FAC that the following two issues, agreed during the inter-sessional meeting, also needed to be agreed by Council, with some elements taking place in parallel.
- professional advice would be sought to ensure there would be no detriment to part-time staff in relation to the lump sum entitlement (see paragraph 4.2 ii); and
 - the Staff Rules and Staff Fund Rules would be reviewed to ensure they were fit for purpose and commensurate with a modern working environment and good management practices (see paragraph 4.2 iii).
- 9.12 Therefore, under this part of the meeting, the FAC agreed to:
- recommend interim policy, [CNL\(23\)65](#) (Annex 5) to Council for adoption; and
 - to request that the Secretariat ask legal and human resource experts the questions contained in Annex 4 by the end of 2023, and to provide that information to the FAC by early 2024 to inform the formulation of a longer-term competitive staff benefits package.

10. Report of the Meeting

- 10.1 The FAC agreed the Report of the Meeting.

11. Close of the Meeting

- 11.1 The Chair thanked participants for their contributions and closed the meeting.

List of Participants – FAC 2023

Canada

*Doug Bliss
Dale Marsden

Denmark (In respect of the Faroe Islands and Greenland)

*Rebekka Jensen
Katrine Kærgaard

European Union

*Seamus Howard

Norway

*Heidi Hansen (Vice-Chair)
Raoul Bierach
Heidi Ekstrøm (Virtual Participant)

Russian Federation

**Ekaterina Kazantseva (Virtual Participant)

UK

*Ruth Allin
Seamus Connor (Chair)

USA

*Rebecca Wintering
Kim Blankenbeker
Mahvish Madad (Virtual Participant)
Callan Yanoff

Secretariat

Emma Hatfield
Wendy Kenyon

*Member

**Acting member

FAC(23)06

Meeting of the Finance and Administration Committee

Delta Beausejour Hotel, Moncton, New Brunswick, Canada

4 June 2023

Agenda

1. Opening of the Meeting
2. Adoption of the Agenda
3. 2022 Audited Accounts
4. Report of the Inter-Sessional Meeting of the Finance and Administration Committee
5. Relationship with ICES
6. MoU with the OSPAR Commission
7. Consideration of the 2024 Draft Budget, Schedule of Contributions and Five-year Budgeting Plan
8. Appointment of Auditors
9. Other Business
10. Report of the Meeting
11. Close of the Meeting

FAC(23)08

**North Atlantic Salmon Conservation Organization
2024 Budget and 2025 Forecast Budget (Pounds Sterling)**

	Budget 2024	Forecast 2025
Expenditure		
1. Staff-related costs	437,500	453,700
2. Travel and subsistence	27,500	27,500
3. Research and advice	70,800	74,694
4. Contribution to Working Capital Fund	0	0
5. Meetings	10,000	10,400
6. Office supplies, printing and translation	22,000	22,800
7. Communications	20,000	20,800
8. Headquarters Property	52,850	54,800
9. Office furniture and equipment	1,600	1,600
10. Audit and other expenses	14,800	15,050
11. Tag Return Incentive Scheme	4,500	4,500
12. International Atlantic Salmon Research Fund	0	0
13. Contribution to Contractual Obligation Fund	0	0
14. Contribution to Recruitment Fund	0	0
15. Contribution to IYS Fund	0	0
16. Contribution to Periodic Projects Special Fund	0	0
Total Expenditure	661,550	685,844
Income		
17. Contributions - Contracting Parties	603,550	627,844
18. General Fund – Interest	1000	1000
19. Income from Headquarters Property	57,000	57,000
20. Surplus or Deficit (-) from 2021	0	0
Total Income	661,550	685,844

2024 Draft Budget & 2025 Forecast Budget (Pounds Sterling) - Expenditure by Sub-Section

	Draft 2024	Forecast 2025
1. Staff related costs		
1.1 Secretariat members	279,230	289,600
1.2 Temporary and part-time staff costs	62,900	65,200
1.3 Staff Fund, allowances, insurances and other costs	95,370	98,900
Total	437,500	453,700
2. Travel & subsistence		
2.1 Travel to Annual Meeting	7,000	7,000
2.2 Official travel and subsistence	20,500	20,500
Total	27,500	27,500
3. Research and advice		
3.1 Contribution to ICES	70,800	74,694
3.2 Other research & advice	0	0
Total	70,800	74,694
4. Contribution to Working Capital Fund	0	0
5. Meetings		
5.1 Costs of annual meeting	3,000	3,100
5.2 Costs of other meetings	7,000	7,300
Total	10,000	10,400
6. Office supplies, printing and translation		
6.1 Office supplies	12,500	13,000
6.2 Printing	6,500	6,700
6.3 Translations	3,000	3,100
Total	22,000	22,800
7. Communications		
7.1 Telecommunications	5,000	5,200
7.2 Postage and courier services	2,500	2,600
7.3 IT Support & Website	12,500	13,000
7.4 Communications, professional support and design	0	0
Total	20,000	20,800
8. Headquarters Property		
8.1 Capital and interest payments	0	0
8.2 Maintenance, services and other building related costs	52,850	54,800
Total	52,850	54,800
9. Office furniture and equipment		
9.1 Furniture	0	0
9.2 Equipment	1,600	1,600
Total	1,600	1,600
10. Audit and other expenses		
10.1 Audit and accountancy fees	11,600	11,750
10.2 Bank charges and insurances	500	500
10.3 Miscellaneous	2,700	2,800
Total	14,800	15,050
11. Tag Return Incentive Scheme	4,500	4,500
12. Contribution to IASRF	0	0
13. Contribution to Contractual Obligation Fund	0	0
14. Contribution to Recruitment Fund	0	0
15. Contribution to IYS Fund	0	0
16. Contribution to Periodic Projects Special Fund	0	0
Total Expenditure	661,550	685,844

2023 Budget Contributions (Pounds Sterling) Adjusted for Confirmed rather than Provisional 2021 Catches (tonnes)

Party	2021 catch (provisional)	2021 catch (confirmed)	2023 contribution (provisional)	2023 contribution (confirmed)	Adjustment
Canada	103	98	98,986	98,831	-155
Denmark (Faroe Islands and Greenland)	40	40	54,397	55,778	1,381
European Union	99	83	96,155	87,697	-8,459
Norway	295	295	234,878	245,063	10,185
Russian Federation	49	49	60,767	62,459	1,692
United Kingdom	16	9	37,411	32,767	-4,644
USA	0	0	26,086	26,086	0
Total	602	574	608,680	608,680	0

Note. A positive adjustment represents an underpayment in 2022.

NASCO Budget Contributions for 2024 and Forecast Budget Contributions for 2025 (Pounds Sterling)

Party	2022 catch (provisional)	2024 contribution	Adjustment from 2023	2024 adjusted contribution	2025 forecast contribution
Canada	100	90,764	-155	90,609	94,418
Denmark (Faroe Islands and Greenland)	29	44,687	1381	46,068	46,486
European Union	69	70,646	-8459	62,187	73,490
Norway	390	278,968	10185	289,153	290,197
Russian Federation	55	61,560	1692	63,252	64,038
United Kingdom	8	31,058	-4644	26,415	32,308
USA	0	25,866	0	25,866	26,908
Total	651	603,550	0	603,550	627,844

Contributions are based on the official returns.

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

Five-year NASCO Budgeted Expenditure and Income Projections 2024 – 2028

		Draft 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028
Expenditure						
1.	Staff related costs	437,500	453,700	470,487	487,895	505,947
2.	Travel & Subsistence	27,500	27,500	27,500	27,500	27,500
3.	Research & advice	70,800	74,694	76,188	77,712	79,266
4.	Contribution to Working Capital	0	0	0	0	0
5.	Meetings	10,000	10,400	10,750	11,100	11,500
6.	Office supplies, printing and translations	22,000	22,800	23,500	24,350	25,250
7.	Communications	20,000	20,800	21,500	22,000	22,500
8.	Headquarters Property	52,850	54,800	55,000	55,000	55,000
9.	Office furniture & equipment	1,600	1,600	13,600	1,600	1,600
10.	Audit & other expenses	14,800	15,050	15,300	15,500	15,700
11.	Tag return incentive scheme	4,500	4,500	4,500	4,500	4,500
12.	International Co-operative Research	0	0	0	0	0
13.	Contribution to Contractual Obligation Fund	0	0	30,000	25,000	25,000
14.	Contribution to Recruitment Fund	0	0	0	0	0
15.	Contribution to IYS Fund	0	0	0	0	0
16.	Contribution to Periodic Projects Special Fund	0	0	0	0	0
Total		661,550	685,844	748,325	752,157	773,763
Income						
17.	Contributions of Contracting Parties	603,550	627,844	690,325	694,157	715,763
18.	Interest Received on General Fund	1,000	1,000	1,000	1,000	1,000
19.	Income from HQ property	57,000	57,000	57,000	57,000	57,000
Total		661,550	685,844	748,325	752,157	773,763

Questions to inform the formulation of a longer-term solution to the issues related to the lump sum and other staff benefit issues

Existing staff

1. What are NASCO's legal obligations regarding existing staff that leave full-time employment, taking into consideration past practice associated with the awarding of the lump sum as outlined in NASCO Staff Rule 8.2(b) and in relation to existing employment contracts.

New Staff

2. Can NASCO change its Staff Rules to remove the lump sum element for new staff joining should they leave full-time employment and / or decide that it only applies after a certain period of full-time employment?
3. Would an arrangement be legally acceptable if only staff at a specific age were entitled to a lump sum?
4. If NASCO were to change its Deferred Salary Scheme, are there, and if so, what are the legal limitations of options based on the Staff Rules, Staff Fund Rules, Headquarters Agreement, and other relevant NASCO instruments?
5. If NASCO were to change its Deferred Salary Scheme, what would be the minimum requirements or elements, if any, of such a scheme to ensure compatibility with UK law?

CNL(23)65

Proposed Revised Interim Policy on the Interpretation and Application of NASCO Staff Fund Rule 3.2 and Staff Rule 8.2(b) Concerning the Lump Sum Entitlement

Considering previous discussions by the Finance and Administration Committee (FAC) on the need to clarify NASCO's Staff Rules and Staff Fund Rules regarding the lump sum issue to remove ambiguity and, if needed and appropriate, to consider if any adjustment to its level might be needed or if some other type of adjustment to NASCO's financial benefits for its staff should be considered;

Recognising the limited time available to fully address this important issue during the 2023 NASCO Annual Meeting and the need for additional discussions to resolve outstanding issues; and

Desiring to balance the need to proceed carefully and deliberately on possible revisions to NASCO's Staff Rules and Staff Fund Rules while providing, without prejudice to future FAC discussions on this matter, near-term certainty to Secretariat staff on an important financial aspect of their employment;

The NASCO Council adopts the following interim policy regarding the interpretation and application of NASCO Staff Fund Rule 3.2 and Staff Rule 8.2(b):

- a) Any member of the Secretariat staff who voluntarily leaves full-time employment with NASCO after completing their probationary employment period is considered to be '*retiring from full-time employment with NASCO*' as that phrase is used in Staff Rule 8.2(b) and Staff Fund Rule 3.2 and is eligible to receive a lump sum payment pursuant to those rules.
- b) The level of lump sum payment to be provided will be one tenth after tax of the final year's gross salary and allowances for each year of service with NASCO, fractions of a year to count pro-rata, consistent with the Staff Rule 8.2(b) and Staff Fund Rule 3.2.

This interim policy applies until June 8, 2024, 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 ask the Secretary to seek appropriate legal and / or Human Resource advice in its consideration of these issues for both existing and any new staff and recommend a way forward no later than at the 2024 NASCO Annual Meeting.

Secretariat
Edinburgh
4 June 2023