

	Finance and Administration Committee <i>Report of the Meeting of the Finance and Administration Committee of the North Atlantic Salmon Conservation Organization</i>	FAC(24)11 (Duplicated as CNL(24)04)
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***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(24)09 (Annex 2).

3. 2023 Audited Accounts

- 3.1 The Chair noted that the Audited Accounts for 2023, [FAC\(24\)02](#), were circulated to the President, Heads of Delegations and FAC members on 15 February 2024.
- 3.2 The Secretary advised that at the end of 2023 there was no surplus and therefore the NASCO Working Capital Fund, Contractual Obligation Fund and Recruitment Fund have not been replenished.
- 3.2 There were no more questions on the Audited Accounts and the FAC agreed to accept them and recommend to Council that they be adopted.

4. Reports of the Inter-Sessional Meetings of the Finance and Administration Committee

- 4.1 The Chair reminded the FAC that, in 2018, the FAC considered clarifying or amending NASCO’s rules relating to financial and administrative matters following discussions in 2017 on the lump sum fractions awarded to previously retiring staff members. Discussions on this matter have been held each year since 2018 (with the exception of 2020), with the relevant discussion points and decisions contained in the relevant FAC Annual Meeting Reports.
- 4.2 The Chair reminded Committee members that in 2022, and again in 2023, 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\(23\)71](#). It states that:

‘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.’

- 4.3 The Chair noted that legal / HR advice was sought and provided by the firm Gunnercooke LLP. During 5 – 6 February, [FAC\(24\)03](#), and 4 – 5 April 2024, [FAC\(24\)04](#), 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), taking the legal opinion into consideration, and to recommend a way forward; to agree

an inter-sessional process and timeline for the revision of the full Staff Rules and Staff Fund Rules; and to agree the revised conditions of attendance for observers at NASCO meetings.

4.4 The Chair noted that the FAC had recommended that Council:

- i. adopt the revisions as agreed by the FAC to the Staff Fund Rules, FACIS(24)13rev, and Staff Rules, FACIS(24)14rev, in relation to NASCO's Staff Fund Rule 3.2 and Staff Rule 8.2(b); and
- ii. agree to a process and timeline as recommended by the FAC for a full revision of NASCO's Staff Fund Rules and Staff Rules.

4.5 In addition, the Chair noted that Council agreed, in 2023, that the FAC would undertake a review of the condition for attendance by observers at NASCO meetings ([CNL\(06\)49](#)) as recommended by External Performance Review recommendation 32 and consider whether and how these rules could be updated to accommodate Indigenous participants in a manner that appropriately recognises their interest in the work of NASCO and the value their strengthened engagement would bring. During its inter-sessional meetings, the FAC considered the request from Council. The FAC agreed its revisions as 'Proposed Revised Terms and Conditions for Observers at NASCO Meetings', FACIS(24)15, and 'Proposed Conditions for Media at NASCO Meetings', FACIS(24)16, and recommended that Council adopt revised Terms and Conditions for Observers at NASCO Meetings' and 'Conditions for Media at NASCO Meetings based on these papers.

4.6 The Chair noted that the Council would consider these issues during its Annual Meeting.

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, in 2022, Council had asked the Secretary to approach ICES to investigate a more streamlined approach / presentation of the ICES Advice. This issue is still being dealt with in Council, which would consider a second update, 'Update on the Streamlining of the ICES Advice', [CNL\(24\)07](#), at its 2024 Annual 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\(24\)07](#).

6.2 The Secretary raised that she had attended a joint NEAFC / OSPAR meeting in which OSPAR noted, as part of its Quality Status Assessment published in 2023, that pollution from the aquaculture sector is an issue and that this would be an area of interest for future work in OSPAR, which could be of interest for NASCO.

6.3 The UK raised that it is a member of both Organizations and would look to join up work across both, to better understand how OSPAR's work could contribute to NASCO's intended work as outlined in its Draft Strategy and Draft Action Plan.

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 2025 draft budget, the schedule of contributions and the Five-Year Budgeting Plan. The Secretary referred the Committee to document [FAC\(24\)05rev](#).
- 7.2 The Secretary informed the FAC that the 2025 budgeted expenditure (£713,220) represents a 4.3% increase compared to that in the 2024 Budget (£661,550) and is slightly higher (1.5%) in real terms than that anticipated in the 2024 – 2028 Budgeting Plan for 2024 (£685,844).
- 7.3 The 2023 Audited Accounts indicate that the Working Capital Fund, the Contractual Obligation Fund and the Recruitment Fund are all below their respective ceilings of £200,000, £250,000 and £60,000, at £180,000, £220,953 and £45,000 respectively. Despite this, the Organization’s financial position remains sound.
- 7.4 The contributions for each Party have been calculated in accordance with Article 16, paragraph 2 of the Convention. The 2024 contributions have been recalculated to take account of the difference in the provisional and confirmed 2022 catch statistics and the appropriate adjustments have been made to the 2025 contributions. Changes in the contributions can occur even with stable budgets when a Party’s proportion of the total catch changes. Additionally, a second adjustment has been added, to account for the fact that Iceland paid a full year’s contribution for 2024 when it should, in line with Article 16, paragraph 5 of the Convention, have paid only 11 months given that it acceded to the Convention on 23 January 2024. The 2025 contributions are 1.7% higher in real terms than those anticipated in the 2024 – 2028 Budgeting Plan (£627,844); this is, to a large extent, related to the increase in costs in ‘Audit and other expenses’.
- 7.5 The Secretary raised that Annex 1 of the Draft Budget related to potential costs of allowances that might need to be made available for the next Secretary of NASCO. All NASCO Secretaries to date have been UK citizens. The Secretary informed the FAC that she consulted an OECD official on allowances and developed a number of illustrative financial scenarios, based on an applicant having three children in full-time education. There may be a financial implication for NASCO depending on who is employed as the new Secretary.
- 7.6 The Secretary raised that Annex 2 of the Draft Budget related to potential costs for engaging outreach. However, funds are available in the budget for agency staff or consultant work, which are used occasionally. Therefore, £8,000 would be available that could be used to produce an outreach plan. Future implementation of a plan would incur more costs.
- 7.7 Denmark (in respect of Faroe Islands and Greenland) asked if the estimated cost of producing an outreach plan would be £8,000 and whether this was necessary to determine how NASCO conducts its outreach. The Assistant Secretary confirmed that this would be the case, and that a consultant or agency would work with the Secretariat to do a stakeholder analysis and communications audit to inform an outreach plan. Implementing the plan would then require additional resources in terms of staff time, which may require a new member of staff or the use of a consultant or agency on a retained or *ad hoc* basis.
- 7.8 With regards to the proposed allocation of £5,000 to the Recruitment Fund, Canada raised that this would still be £10,000 below the Fund’s ceiling of £60,000. Canada felt that contributions to the Recruitment Fund should be maximised given that NASCO could engage a recruitment professional to recruit the new Secretary.

- 7.9 The Secretary raised that in the past a recruitment professional has not been used for the recruitment of the Secretary, but it was for the role of Assistant Secretary, in order to expedite the recruitment process. Recruitment consultant costs could be considerable. The Recruitment Fund would normally be brought back up with budget surplus so it would only be £10,000 which would require to be built back up and money can be transferred between funds by up to 20 %. The Secretary confirmed that money could be drawn from other funds if the FAC recommended that to Council.
- 7.10 In relation to minimising operational costs, the UK asked what the level of uptake has been for hybrid meetings as these had been stated as being a significant cost. The UK also asked whether NASCO should still be printing and posting documents, or if NASCO could look at going paperless. The Secretary responded that for the current Annual Meeting there were around 100 in-person and 29 virtual participants, and that for hybrid meetings there are additional costs; however the AV costs in themselves are quite high. For the last few years the hybrid component of the meeting has cost around £9,000. Budget decisions in 2022 resulted in monies being available to pay for the hybrid component of the Annual Meeting costs in 2023, 2024 and 2025. After this date any hybrid meeting costs would need to be met by the host. In terms of inter-sessional meetings the Secretary advised that holding hybrid meetings in NASCO HQ in Edinburgh would minimise costs. On the costs of printing and posting documents, the Secretary advised that she would be happy not to have reports printed.
- 7.11 The UK asked for clarification that the Contractual Obligation Fund would be used to pay the Secretary's lump sum at the end of her contract in 2025. The Secretary confirmed that would be the case.
- 7.12 The UK asked if the Periodic Projects Special Fund (PPSF) could be used for outreach, particularly noting that the IYS Fund had been transferred and the IYS was all about outreach. The Secretary responded that the current budget did not have any allocation for outreach. The Secretary confirmed that the final balance of the IYS Fund was ~£18,000, the PPSF has a ceiling of £100,000, with £10,000 allocated to the Wild Atlantic Salmon Atlas, of which approximately £5,000 has been spent. The 'State of Knowledge' paper is also being part-funded from the PPSF (~ £75,000) leaving some £15,000. There will therefore be approximately £30,000 available.
- 7.13 In relation to the provision of printed reports, Denmark (in respect of the Faroe Islands and Greenland) stated that it had a preference for all documents to be online. It further raised that online meetings were very important for Denmark (in respect of the Faroe Islands and Greenland) to be able to participate in NASCO, and that having agreement to have meetings at HQ would make sense and be due diligence. It also stated that it would be good to have an information table on the PPSF and its allocations.
- 7.14 The EU, Iceland and Russian Federation agreed that keeping a hybrid element to meetings was important. Iceland and the Russian Federation also supported a stop to printing documents.
- 7.15 Iceland asked if the discrepancy in costs for an expat versus non-expat Secretary could be changed. The Secretary responded that this would require a change to the Staff Rules, that it is standard in RFMOs across the world to have differences in allowances for expats and non-expats and that if that changed, the recruitment pool for the NASCO Secretary would likely be limited.
- 7.16 The United States asked what the translation costs of approximately £3,000 related to. The Secretary responded that costs were related to translation of the Annual Meeting Reports and agendas into French, which is required by the Convention.

- 7.17 Denmark (in respect of the Faroe Islands and Greenland) asked if interns had been considered for outreach. The Secretary responded that she understood NASCO could not have interns in the Secretariat due to the Staff Rules, to which Denmark (in respect of the Faroe Islands and Greenland) suggested the FAC sub-group modernising the Staff Rules could incorporate language to include interns, in line with many International Organizations. The United States supported this suggestion.
- 7.18 A discussion followed on re-allocating printing costs to the budget section on communications and reducing postage costs. The Secretary raised that the £6,200 in the draft budget allocated to printing was also for design of reports so it could not all be transferred, and that the budget allocated to postage costs could be reduced.
- 7.19 The FAC agreed to
- no longer print TBSS and other reports, including the 2023 TBSS on climate change and the 2024 TBSS on pink salmon; and
 - to move the costs for printing, postage and translation into ‘Communications’ from the 2026 budget.
- 7.9 The FAC agreed to recommend to the Council the adoption of the 2025 Draft Budget and the 2026 Forecast Budget, [FAC\(24\)05rev](#).

8. Tag Return Incentive Scheme

- 8.1 The Chair noted that in the 2023 Annual Meeting of the Finance and Administration Committee (FAC), [CNL\(23\)05](#), 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 to consider this at its 2024 Annual Meeting. During the 2023 Annual Meeting of the Council, it was noted that ICES provides information on tag releases by country in its annual advice to NASCO. This was included in the paper ‘Status and Extent of External Tagging in NASCO Parties’, [FAC\(24\)06](#).
- 8.2 In a discussion on the value of the programme, the UK stated that in UK delegation discussions it was felt there was some value in the scheme. Canada, Denmark (in respect of the Faroe Islands and Greenland), the EU, Iceland and Norway indicated that the programme seemed to be of little value today. The United States noted that there had been discussions about changing to a different programme such as a citizen science lottery, and suggested the FAC consider this. The Secretary raised that it had been difficult to pay the prize recently.
- 8.3 The FAC agreed to
- recommend to Council to discontinue the Tag Return Incentive Scheme.

9. Appointment of Auditors

- 9.1 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 need to be appointed for 2024, 2025 and 2026 accounts.
- 9.2 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 (now Saffery LLP) 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).

9.3 The Secretary had approached three accountancy firms in Edinburgh of which one, Johnston Carmichael, was not taking on new clients. She raised that it had been highlighted that one firm felt NASCO might not need an audit because, if it was a charity, as its income is less than £1 million, it could have a ‘review engagement and accounts preparation’ instead. The Convention requires that NASCO’s accounts be audited annually. The United States, however, raised that the Convention requires an audit and, therefore, NASCO must continue with an audit. In addition, the United States requires an audit and stated a preference to retain Saffery LLP. Canada agreed with retaining the current auditors.

9.4 The FAC agreed to recommend to Council:

- that the accountancy firm Saffery LLP, Edinburgh, be appointed for the auditing of NASCO’s 2024 – 2026 accounts.

10. Election of Officers

10.1 The FAC re-elected Seamus Connor (UK) as its Chair (proposed by the United States, seconded by Canada) for a period of two years, to commence from the close of the 2024 Annual Meeting.

10.2 The FAC elected Rebecca Wintering (USA) as its Vice-Chair (proposed by the UK, seconded by Norway) for a period of two years, to commence from the close of the 2024 Annual Meeting.

11. Other Business

11.1 The Chair reminded the FAC that it had previously agreed that a small working group composed of the Chair, the UK and the United States would look at a general revision of the Staff Rules and Staff Fund Rules, to be agreed by correspondence.

11.2 There was no other business.

12. Report of the Meeting

12.1 The FAC agreed the Report of the Meeting.

13. Close of the Meeting

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

2024 List of Participants

Canada

*Doug Bliss
Dale Marsden
Isabelle Morisset

Denmark (In respect of the Faroe Islands and Greenland)

*Julius Kristiansen
Ólavur Steinar Johnsson Dalsgarð
Katrine Kærgaard

European Union

*Ignacio Granell

Iceland

*Guðni Magnús Eiríksson
Áslaug Eir Hólmgeirsdóttir

Norway

*Heidi Hansen (Vice-Chair)
Raoul Bierach

Russian Federation

*Anna Shulaeva (virtual participant)

UK

*Ruth Allin
Charlotte Beardwell
Seamus Connor (Chair)

USA

*Rebecca Wintering
Shannon Dionne
Mahvish Madad

Secretariat

Emma Hatfield
Clare Cavers

*FAC Member

FAC(24)09

Meeting of the Finance and Administration Committee

Knockranny House Hotel, Westport, Ireland

2 June 2023

Agenda

1. Opening of the Meeting
2. Adoption of the Agenda
3. 2023 Audited Accounts
4. Reports of the Inter-Sessional Meetings 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. Tag Return Incentive Scheme
9. Appointment of Auditors
10. Election of Officers
11. Other Business
12. Report of the Meeting
13. Close of the Meeting