

**REPORT OF THE STANDING COMMITTEE
ON ADMINISTRATION AND FINANCE (SCAF)**

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REPORT OF THE STANDING COMMITTEE ON ADMINISTRATION AND FINANCE (SCAF)

The Commission had deferred Item 3 (Finance and Administration) of its Agenda (CCAMLR-XXV/1, Appendix A) to SCAF. The Committee's Agenda was adopted (Appendix I).

EXAMINATION OF AUDITED FINANCIAL STATEMENTS FOR 2005

2. The Committee noted that a review audit had been carried out on the 2005 Financial Statements. The report had identified no incidents of non-compliance with Financial Regulations or International Accounting Standards. The Committee **recommended that the Commission accept the Financial Statements as presented in CCAMLR-XXV/3.**

AUDIT REQUIREMENT FOR 2006 FINANCIAL STATEMENTS

3. The Committee noted that the Commission had decided in 1994 that a full audit should be performed on average once every two years, and in 1995 that this would be required at least once every three years. Full audits were carried out in 2003 and 2004 and a review audit in 2005. The Committee **recommended that the Commission require a review audit to be performed on the 2006 Financial Statements and, unless otherwise decided, a full audit would be required on the 2007 Financial Statements.**

APPOINTMENT OF AUDITOR

4. The Australian National Audit Office has been the Commission's auditor since the Commission was established. As the Office's latest two-year appointment expired after completion of the audit of the 2005 Financial Statements, the Committee **recommended that the Commission appoint the Australian National Audit Office as its auditor for the 2006 and 2007 Financial Statements.**

SECRETARIAT STRATEGIC PLAN

5. The Executive Secretary presented his report (summarised in CCAMLR-XXV/8). The Committee noted that this report forms a key element in annually assessing the Executive Secretary's performance. The report made specific reference to the Secretariat's Strategic Plan and Secretariat Staff matters. The Executive Secretary advised that key Secretariat activities are executed under the Strategic Plan to address diverse, complex and extensive tasks identified by the Commission and the Scientific Committee. The Executive Secretary referred the Committee to the summary details of specific tasks and outcomes for 2005/06, included as Appendices I and II of his report.

6. The Committee received advice from the Executive Secretary on the likely retirement of the current Science/Compliance Officer (CCAMLR-XXV/9) and endorsed the merit of separating the Science and Compliance functions, which may also result in the creation of a part-time Compliance Administrator post. The Committee understood that the ramifications of separating these functions would be addressed in accordance with the principles outlined in CCAMLR-XXV/9, which includes the possible creation of a part-time post and re-assignment of functional tasks to the Science and Compliance functions as presented in Appendix IV. After also receiving advice from SCIC and the Scientific Committee, SCAF **recommended that the Executive Secretary take appropriate steps to recruit a new Science Officer in a timely fashion to enable the current Science/Compliance Officer to retire at the beginning of 2008 in conformity with the stipulated retirement age set out in the CCAMLR Staff Contract. It also noted that there would be a need to fund the salaries of both the incumbent Science/Compliance Officer and the newly appointed Science Officer during a handover period of approximately one month.** The Committee also noted that the procedure for recruiting the new Science Officer would follow those agreed in 2003 (CCAMLR-XXII, Annex 4, paragraph 12).

7. The Committee considered Secretariat paper CCAMLR-XXV/30 noting an impending visit by NAFO's Commission Fisheries Coordinator as part of NAFO's Professional Development Internship Program. The Committee requested the Secretariat to prepare a paper to be submitted to its next meeting on the implications of a Professional Development Program for CCAMLR Staff similar to that of the NAFO program. In doing so, it should take into consideration common experiences gained during the visit of the NAFO Officer to CCAMLR and also any budgetary implications.

8. The Committee received Secretariat paper CCAMLR-XXV/12, relating to the Executive Secretary's authority in respect of representing the Commission in correspondence and at meetings of other organisations. The committee **recommended that the following words should be added to the Executive Secretary's authority, outlined in CCAMLR-XXI, Annex 4, paragraphs 11 and 12, to specifically address requests from organisations outside CCAMLR for representatives from such organisations to visit the Secretariat:**

The Executive Secretary's authority in respect of requests to visit the Secretariat should be in accordance with the principles agreed by the Commission in CCAMLR-XXI, Annex 4, paragraphs 11 and 12, in respect of the Executive Secretary:

- **determining whether such a visit is appropriate;**
- **representing the Commission;**
- **supplying information that is publicly available, or pre-determined by the Commission, and in compliance with the Rules for Access and Use of CCAMLR Data.**

The Executive Secretary undertook to report on such visits as part of his annual report to the Commission and the Committee.

REPORTS OF MEMBERS' ACTIVITIES

9. The Committee noted the Scientific Committee's views outlined in the Commission's report last year (CCAMLR-XXIV, paragraph. 3.7) as well as the issues raised by COMM CIRC 06/90 and SC CIRC 06/31. The Committee **recommended that Members' Activities Reports should continue to be provided since the information contained in such reports had distinct benefits in monitoring compliance with conservation measures.** Accordingly, some Members also suggested that a standardised format for such reports be developed.

EDUCATION PACKAGE

10. The Committee noted that the Education Package was to be launched on the website during CCAMLR-XXV.

REVIEW OF 2006 BUDGET

11. The Committee noted the expected outcome of the 2006 budget as presented in CCAMLR-XXV/4 Rev. 1. It received advice from the Secretariat that additional funding of A\$35 000 had been allocated to the Communications budget subitem to cover additional costs of translating the longer-than-expected 2005 WG-FSA and associated reports (CCAMLR-XXIV, Annex 4, paragraph 24). The funds concerned had been transferred to the Salaries and Allowances subitem. The Committee also received advice from the Secretariat on revised income amounts in respect of Interest and the Staff Assessment Levy, in respect of an increase in the former and decline in the latter (CCAMLR-XXV/4 Rev. 1, Part III, paragraph 5).

12. The Committee noted that a saving of some A\$30 000 will be achieved in the Travel subitem.

13. Following the establishment of the Asset Replacement Fund (CCAMLR-XXIV, Annex 4, paragraph 20) in 2005 to provide for maintenance, upkeep and structural replacement of the Commission's meeting facilities, the Committee noted that the Fund will exhibit a positive balance of approximately A\$24 000 by the end of 2006.

14. Having discussed SCAF paper 06/1 regarding the future use of special funds, the Committee specifically noted that the balance of the Ukrainian Special Fund is currently small and the fund has not been used for many years. The Committee **recommended that the fund be closed and that the outstanding balance (approximately A\$5 000) be transferred to the General Fund.**

15. The Committee noted that, with the above transfer from the Ukrainian Special Fund to the General Fund, the projected surplus for 2006 to be carried forward to 2007 would be A\$93 000.

16. The Committee **recommended that the revised Budget for 2006 be adopted by the Commission.**

INTERPRETER SERVICES FOR SCIC

17. The Committee noted the Secretariat paper (CCAMLR-XXV/15) on costs attached to providing interpreter services for SCIC. Some Members recognised the merit of interpreter services for SCIC. This would facilitate debate on very technical matters so that fewer Members were disadvantaged. Conversely, it was pointed out that those Members whose native language was not one of the four official CCAMLR languages would continue to be disadvantaged during such technical discussions. Other Members were also concerned with the projected one-off (A\$50 000) and recurrent (A\$66 000) costs of such a service.

18. Noting that the Commission's current budget is already under considerable pressure, in particular the higher-than-expected request from the Scientific Committee (see paragraph 29) the Committee was not able to recommend the introduction of SCIC interpretation services in 2007 as outlined in CCAMLR-XXV/15. However, it agreed that the Secretariat should commence renovating the rooms identified in CCAMLR-XXV/15 using any savings which may be found in 2007. Such renovation should not be seen as pre-empting any future decision on SCIC interpretation as it would enhance space availability in its own right within the CCAMLR Headquarters.

WIRELESS COMPUTER NETWORK

19. The Committee noted the proposal for a wireless computer network to improve delegate access to meeting documents and other information (CCAMLR-XXV/13). Most delegates recognised the benefits of such a network, but also noted that some Members may still require paper documentation. The Committee **recommended installation of a wireless network in the CCAMLR Headquarters building. It suggested that the funds for this project could be sourced from funds transferred to the General Fund due to the closure of the Ukrainian Special Fund (paragraph 14) and by not spending funds provisionally allocated to promotional activities associated with the Convention's 25th Anniversary (CCAMLR-XXV/4 Rev. 1, Part IV, paragraph 42).**

CONTINGENCY FUND

20. The Committee noted that no expenditure from the Contingency Fund had been incurred in 2006. The Committee **recommended that the balance of the fund in excess of A\$110 000, following the annual transfer of forfeited funds from new and exploratory fisheries applications, should be transferred to the General Fund.**

PROFESSIONAL STAFF SALARIES

21. As in past years (e.g. CCAMLR-XXIV, paragraph 3.16), no proposals on specific alternative salary structures for Professional Staff were tabled. The Committee agreed to keep this item on its agenda and defer further consideration of the matter to its next meeting.

BUDGET FOR 2007

Operation of the C-VMS

22. The Committee agreed that, in keeping with past practice (CCAMLR-XXIV, Annex 4, paragraph 21), funding of the C-VMS can continue to be met from savings achieved in the General Fund as a result of cost substitution of expenditure relating to new and exploratory fisheries applications for 2007. It also agreed that the matter should be further reviewed thereafter.

Advice from other committees

23. The Chair of SCIC advised that SCIC had supported the Secretariat's request for funding to modify the E-CDS (CCAMLR-XXV/34). Noting that this request had also been endorsed by the CDS Review Panel, the Committee **recommended that the sum of A\$29 260 should be provided from the CDS Special Fund to allow the modifications to be made in 2007.**

24. The Committee noted SCIC's request that the Secretariat be tasked with undertaking a feasibility study of acquiring access to a Lloyd's product, 'SeaSearcher', with a view to making a comparison with a vessel information package currently being used by the Secretariat and particularly to determine whether a discount on the annual subscription fee of approximately US\$7 500 is possible.

25. The Committee also noted that SCIC had requested the Secretariat to prepare a paper on C-VMS data verification for its next meeting.

26. SCAF received the advice of the Chair of the Scientific Committee on the Scientific Committee's budget for 2007 as well as its 2008 forecast budget for specific items relevant to its activities.

27. The Committee noted the importance of the Scientific Committee's work, but expressed serious concerns about the growth in its budget requirements and the consequential cost implications for the Commission. In particular, it highlighted the significant growth in the Scientific Committee's forecast budget for 2008, which is largely attributable to the planned joint CCAMLR-IWC Workshop in that year. The Committee recommended that the Commission seek resources, financial or in kind, from Members for the workshop's organisation. It also requested that every effort should be made to reduce the workshop's forecast costs and that the Scientific Committee should endeavour to prioritise its budget requests in future. In making this request, the Committee strongly agreed that cost increases of the kind encountered for the 2008 forecast budget should not be seen as a precedent for the future.

28. The Committee noted the Scientific Committee's proposal for the Secretariat to coordinate the purchase and resale of tags to be used in mark-recapture programs to facilitate assessment of toothfish productivity, particularly in the Ross Sea. The Scientific Committee proposed that such a program should be implemented on a cost-recovery basis. However, an initial outlay of A\$100 000 would be required to purchase the tags. Thereafter, managing the tag issue, monitoring, archiving and analysis would incur administrative costs to the

Secretariat which would also be recovered from the sale of the tags. The Secretariat noted that there may be some risk attached to this proposal if tags remain unsold. However, it should be possible to implement the proposal relying on existing cash flow.

29. It was noted that overall, the funding requested by the Scientific Committee was covered by provisions made in the draft budget presented in CCAMLR-XXV/4 Rev. 1. However, an increase of some A\$25 000 above the initial budget estimate provided in CCAMLR-XXV/4 Rev. 1, Part IV, paragraph 45, will be funded from 2007 unbudgeted cash inflows from additional interest and forfeited fees from new and exploratory fisheries notifications. In the event of insufficient new cash inflows, the Contingency Fund will be utilised. **SCAF recommended that the Commission approve the Scientific Committee budget of A\$311 500 for inclusion in the Commission's budget for 2007.**

30. The Committee noted that, as a result of its deliberations, it was able to present a budget for 2007 which restricts Members' contributions increase to 2.6%, which is below Australia's current inflation rate of 4%. The Committee **recommended that the Commission adopt the budget for 2007 as presented in Appendix II to this report.**

MULTI-YEAR FUNDING OF SCIENTIFIC COMMITTEE TASKS

31. In presenting its budget for 2007, the Scientific Committee advised that no expenditure related to the already deferred review of the Generalised Yield Model or the *Scientific Observers Manual* will occur in 2007. The Committee noted that, following the procedures adopted in 2004 (CCAMLR-XXIII, Annex 4, paragraph 26) for such monies in respect of implementing the Science Special Fund, the deferred Generalised Yield Model funds (plus interest accrued) should be transferred to the General Fund at the end of 2007 if unspent. The same would apply to the funds allocated to rewriting the *Scientific Observers Manual* at the end of 2008.

MEMBERS' CONTRIBUTIONS

Timing of Members' contributions

32. The Committee **recommended that, in accordance with Financial Regulation 5.6, the Commission grant to Argentina, Belgium, Republic of Korea, Spain and Uruguay an extension to the deadline for payment of 2007 contributions to 31 May 2007.**

Treatment of late contribution payments

33. The Committee noted information provided by the Secretariat on how similar organisations treat late payment of member contributions (CCAMLR-XXV/14). The Committee **recommended that from 2007 Members are given an incentive to pay their annual contribution by the due date by applying a 10% additional charge on any amount outstanding of the total required contribution, to take effect on 1 September in**

the year the payment is due. In the case of prolonged non-payment, the Commission will consider some additional course of action to be taken.

34. The Committee also **recommended that the Secretariat send out reminder notices to those Members whose contributions remain outstanding on 1 June in the year the payment is due.**

FORECAST BUDGET FOR 2008

35. The Committee presented a forecast budget for 2008 to the Commission, noting that a 6.8% increase was anticipated in Members' contributions. The growth attributable to the 2008 budget refers to the proposed CCAMLR-IWC Workshop referred to in paragraph 27. However, SCAF recalled its advice of previous years that the figures are indicative only and care should be taken when they are used as a basis for financial budgeting by individual Members. The Committee noted the importance of maintaining the budget with no real growth.

CDS FUND

36. The Committee approved expenditure of A\$29 260 from the CDS Special Fund, following advice from the CDS Fund Review Panel (see paragraph 23).

ADOPTION OF THE REPORT

37. The report of the meeting was adopted.

CLOSE OF MEETING

38. The Chair, Dr H. Pott (Germany), closed the meeting.

AGENDA

Standing Committee on Administration and Finance (SCAF)
(Hobart, Australia, 23 to 27 October 2006)

1. Organisation of the meeting
2. Examination of audited Financial Statements for 2005
3. Audit requirement for the 2006 Financial Statements
4. Appointment of Auditor
5. Secretariat Strategic Plan
6. Reports of Members' Activities
7. Education package
8. Review of 2006 budget
9. Interpreter services for SCIC
10. Wireless computer network
11. Contingency Fund
12. Professional Staff salaries
13. Budget for 2007
 - (i) Scientific Committee budget
 - (ii) Advice from SCIC
14. Multi-year funding of Scientific Committee tasks
15. Members' contributions
 - (i) Timing of Members' contributions
 - (ii) Treatment of late contribution payments
16. Forecast budget for 2008
17. CDS Fund
18. Any other business
19. Adoption of the report
20. Close of the meeting.

REVIEW OF 2006 BUDGET, BUDGET FOR 2007 AND FORECAST FOR 2008
(all amounts in Australian dollars)

Budget for 2006				2007	2008
Adopted in 2005	Revised	Variance		Budget	Forecast
INCOME					
2 657 400	2 657 400	0	Members' Annual Contributions	2 726 700	2 914 500
0	0	0	New Members' Contributions	0	113 000
50 000	69 098	19 098	From (to) Special Funds	150 000	65 000
66 000	78 026	12 026	Interest	86 000	84 000
506 400	450 000	(56 400)	Staff Assessment Levy	480 000	520 000
24 400	112 976	88 576	Surplus from Prior Year	93 300	0
<u>3 304 200</u>	<u>3 367 500</u>	<u>63 300</u>		<u>3 536 000</u>	<u>3 696 500</u>
EXPENDITURE					
548 400	548 400	0	Data Management	600 500	718 000
651 900	651 900	0	Compliance	702 500	696 000
741 700	741 700	0	Communications	812 900	827 300
286 600	286 600	0	Information Services	304 500	319 700
306 000	306 000	0	Information Technology	325 000	341 300
769 600	739 600	(30 000)	Administration	790 600	794 200
<u>3 304 200</u>	<u>3 274 200</u>	<u>(30 000)</u>		<u>3 536 000</u>	<u>3 696 500</u>
Expenditure allocated by subitem					
2 384 000	2 419 000	35 000	Salaries and Allowances	2 595 000	2 695 000
160 000	160 000	0	Equipment	163 000	165 000
95 000	95 000	0	Insurance and Maintenance	97 000	100 000
39 000	39 000	0	Training	39 000	39 000
233 000	233 000	0	Meeting Facilities	250 000	246 000
150 000	120 000	(30 000)	Travel	178 000	118 000
54 700	54 700	0	Printing and Copying	57 000	64 000
117 000	82 000	(35 000)	Communication	83 000	85 000
71 500	71 500	0	Sundry	74 000	184 500
<u>3 304 200</u>	<u>3 274 200</u>	<u>(30 000)</u>		<u>3 536 000</u>	<u>3 696 500</u>
Surplus for the year		93 300			

MEMBERS' CONTRIBUTIONS 2007
 General Fund Contributions – Payable by 1 March 2007
 (all amounts in Australian dollars)

Member	Basic	Fishing	Total
Argentina*	109 596	1 000	110 596
Australia	109 596	11 271	120 867
Belgium*	109 596	-	109 596
Brazil	109 596	-	109 596
Chile	109 596	7 182	116 778
European Community	109 596	-	109 596
France	109 596	21 205	130 801
Germany	109 596	-	109 596
India	109 596	-	109 596
Italy	109 596	-	109 596
Japan	109 596	14 083	123 679
Korea, Republic of *	109 596	10 158	119 754
Namibia	109 596	-	109 596
New Zealand	109 596	3 237	112 833
Norway	109 596	1 000	110 596
Poland	109 596	2 624	112 220
Russia	109 596	2 747	112 343
South Africa	109 596	2 233	111 829
Spain*	109 596	2 990	112 586
Sweden	109 596	-	109 596
Ukraine	109 596	6 387	115 983
UK	109 596	6 070	115 666
USA	109 596	2 704	112 300
Uruguay*	109 596	1 505	111 101
	2 630 304	96 396	2 726 700

* Extension of deadline approved by Commission

CORE DUTIES FOR SCIENCE OFFICER AND COMPLIANCE OFFICER

CORE DUTIES FOR NEW SCIENCE OFFICER POST

- Coordinate functional links between Commission and Scientific Committee
- Supervise scientific aspects of Scientific Observer Data Analyst's functions
- Supervise Analytical Support Officer
- Support WG-IMAF and coordinate marine debris monitoring
- Serve as Editor-in-Chief of *CCAMLR Science*
- Support Subgroup on Protected Areas and related activities
- Facilitate implementation of Commission/Scientific Committee decisions on scientific matters
- Liaise with Data Manager to develop/implement technical and scientific Secretariat tasks
- Coordinate marine debris monitoring on WG-EMM/Scientific Committee direction
- Contribute to planning of Scientific Committee intersessional work
- Contribute scientific expertise/initiative/input in support of Scientific Committee activities
- Support relevant Scientific Committee and working group meetings

CORE DUTIES FOR NEW COMPLIANCE OFFICER POST

- Supervise Compliance Administrator, CDS Support Officer
- Supervise compliance elements of Scientific Data Analyst's Duties
- Support Standing Committee on Implementation and Compliance (SCIC)
- Support/supervise technical aspects of compliance and enforcement