

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

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The Committee noted that the Commission had deferred to it Item 3 of the Commission's Agenda (Finance and Administration) and Item 15 (Replacement of Executive Secretary). The Agenda as included as Appendix A to the Commission's Provisional Agenda (CCAMLR-XIX/1) was adopted (Appendix I).

EXAMINATION OF AUDITED FINANCIAL STATEMENTS FOR 1999

2. The Committee noted that a full audit had been carried out on the 1999 Financial Statements and that an unqualified report had been provided. The Committee **recommended that the Commission accept the Financial Statements as presented in CCAMLR-XIX/3.**

AUDIT REQUIREMENT FOR 2000 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. As a full audit has been performed on the 1999 Financial Statements it was **recommended that the Commission require only a review audit to be performed on the 2000 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 1999 Financial Statements, the Committee **recommended that the Commission appoint the Australian National Audit Office as its auditor for the 2000 and 2001 Financial Statements.**

MEMBERS' CONTRIBUTIONS

5. At its 1999 meeting the Commission revised the Financial Regulations to effectively change the deadline for the receipt of annual Member contributions from 31 May to 1 March. As a number of Members had indicated administrative difficulties in achieving this in 2000, the Commission included in the Financial Regulations provision for selected Members to retain the previous deadline as a temporary measure. The Committee noted that the changes made had achieved the required result of resolving the Commission's cash flow difficulties, that contributions were currently outstanding from Brazil and Ukraine, and that these Members are currently in default under Article XIX(6) of the Convention.

6. The Committee noted that the extension for selected Members had been a temporary measure which would only be required while those Members were resolving the administrative difficulties. Except for the UK, those Members who had required an extension for 2000 advised the Committee that they would again require an extension in 2001. The Committee commended the UK on its efforts to meet the new deadline and strongly urged those Members still unable to do so to continue efforts to resolve their administrative difficulties. The Committee agreed that such Members would report to SCAF in 2001 on the results of such efforts. The Committee **recommended that, in accordance with Financial Regulation 5.6, the Commission extend the due date in 2001 to 1 April for the following Members:**

Argentina;
France;
Italy;
Japan;
Republic of Korea;
Russia; and
South Africa.

7. An intersessional correspondence group, coordinated by Mr P. Renault (Belgium) and Mrs C.-P. Martí (Chair of SCAF), had been asked to provide some suggestions for possible changes to the formula to be used for calculating Members' contributions to the annual budget. The Committee noted that there had been little support from other Members to this correspondence group and that there had been insufficient time during the SCAF meeting to give adequate consideration to the issue. It **recommended that the Commission continue the correspondence group, coordinated by Mr Renault and Mrs Martí, for the next year and that all Members be urged to participate.** The Committee recalled its observation at the 1997 meeting that a revision of the formula is required in order to obtain a more equitable allocation of the contribution amounts.

REVIEW OF BUDGET FOR 2000

8. The Committee noted that since the budget had been adopted by the Commission in 1999 there had been two major factors requiring additional expenditure: an increase in the Australian inflation rate, including the effects of the new Australian taxation system introduced on 1 July, and the implementation of the Catch Documentation Scheme for *Dissostichus* spp. (CDS). These had been accommodated within the budget by the deferral of some work by the Secretariat, implementation of savings and the temporary use of the US Observer Special Fund. These had resulted in the requirement for substantial changes within the 2000 budget and the Committee **recommended that the Commission adopt the revised budget for 2000 shown in Appendix II to this report.**

BUDGET FOR 2001

9. The Chair of the Scientific Committee presented to SCAF the Scientific Committee's budget for 2001 and identified items of additional expenditure from the Commission's budget relating to work of the Scientific Committee. He explained that the items were necessary to

enable the Scientific Committee and its working groups to effectively continue their work. The Scientific Committee's appreciation of the budgetary constraints and its responsible financial approach to its work were commended by SCAF.

10. The Committee incorporated the requirements of the Scientific Committee into the 2001 budget and **recommended that the Commission accept the Scientific Committee's budget.**

11. The Chair of SCOI introduced to the Committee matters raised by SCOI which would have a budgetary impact. The Committee recognised the importance of the work underlying these matters and incorporated the appropriate amounts into the proposed 2001 budget.

12. The major additional costs this year related to the full introduction of the CDS which was started in 2000. The Committee **recommended that a new column be introduced into the standard budget format as presented in Appendix II in order to identify the costs relating to this scheme.**

13. SCAF expressed concern at the costs associated with the increasing number of notifications for new and exploratory fisheries, especially since it is understood that many fisheries proposed are not undertaken.

14. Some Members recalled their aim for zero budget growth. Nevertheless, the Committee noted the difficulty in achieving this due to the expansion of important programs in the Commission and Scientific Committee's work in 2001 that necessitate substantial additional expenditure, particularly the CDS. A number of Members expressed great difficulties in being able to approve the contribution amounts based on the proposed budget due to the increase in expenditure. With reservations extended by Germany and Russia, the Committee **recommended that the Commission adopt the budget for 2001 presented in Appendix II to this report.**

FORECAST BUDGET FOR 2002

15. The Committee reviewed the forecast income and expenditure for 2002 and noted that while there were no indications of programs ceasing in 2002, no major new projects were anticipated. The Committee emphasised that while the forecast budget is useful guidance to Members in planning for future contributions, adopted budgets may require a higher level of contribution. The Committee **recommended that the Commission note the forecast budget for 2002 presented in Appendix II to this report.**

MANAGEMENT REVIEW OF THE SECRETARIAT

16. The Committee received the Executive Secretary's report on strategic planning in the Secretariat. The Executive Secretary explained the difficulty in planning the Secretariat's work in the absence of consistent direction from the Commission and with the requirement for continual reorganising to cope with financial difficulties and changes in the Commission's requirements. While recognising these difficulties, the Committee considered that strategic planning and individual plans for staff members are invaluable management tools. The Committee requested that the Executive Secretary continue his efforts in this respect.

RECRUITMENT OF EXECUTIVE SECRETARY

17. The Committee considered the procedures and position requirements for the recruitment of a new Executive Secretary. It prepared, for approval by the Commission, a paper including procedures, advertisement, plan for use of the website, recruitment timeline, standard summary form and expenditure schedule (CCAMLR-XIX/23). The Committee called to the attention of the Commission, in particular, the text in square brackets which represents concepts upon which agreement had not been reached by the Committee.

TERMS OF TENURE OF EXECUTIVE SECRETARY

18. The Committee noted the Commission's requirement to limit to two terms the length of employment of future Executive Secretaries. It recommended that the Commission revise Staff Regulation 6.1 to reflect this as follows:

'6.1 In accordance with Article XVII(1) of the Convention, the Commission shall appoint the Executive Secretary and shall establish the remuneration and such other entitlements as it deems appropriate. The Executive Secretary's term of office shall be for four years and the Executive Secretary shall be eligible for reappointment for one additional term. The total length of employment may not exceed eight years.'

HIGHER EDUCATION ALLOWANCES

19. The Committee had been tasked with considering the impact of Australian university fees for dependents of Professional Staff. Due to a lack of time, this issue has been postponed until 2001.

ADOPTION OF THE REPORT

20. The report of the meeting was adopted.

CLOSE OF THE MEETING

21. The Committee congratulated the Chair of SCAF, Mrs Martí, on her work in successfully guiding the Committee through some very difficult issues.

22. The Chair closed the meeting.

AGENDA

Standing Committee on Administration and Finance (SCAF)
(Hobart, Australia, 23 to 27 October 2000)

1. Meeting Arrangements
2. Examination of Audited Financial Statements for 1999
3. Audit Requirement for 2000 Financial Statements
4. Members' Contributions
 - (i) Timing of Members' Contributions
 - (ii) Contribution Formula
5. Review of Budget for 2000
6. Budget for 2001 and Forecast Budget for 2002
 - (i) Zero Growth Target
 - (ii) Scientific Committee Budget
7. CCAMLR Site on the World Wide Web
8. Management Review of the Secretariat
 - (i) Terms of Tenure of the Executive Secretary
9. Any Other Business Referred by the Commission
10. Adoption of the Report.

