

## FINANCE AND ADMINISTRATION

3.1 The Commission received the report of SCAF (Annex 4) outlining the results of its discussions, and noted the recommendations for decision by the Commission.

### Examination of Audited Financial Statements for 2001

3.2 Noting that a full audit had been carried out on the 2001 Financial Statements and that an unqualified report had been provided by the auditor, the Commission accepted the audited Financial Statements for 2001.

### Audit Requirements for the 2002 and 2003 Financial Statements

3.3 As a full audit had been performed on the 2001 Financial Statements, the Commission decided that only a review audit was required for the 2002 Financial Statements (see also paragraph 3.12).

3.4 The Commission appointed the Australian National Audit Office as its auditor for the 2002 and 2003 Financial Statements.

### Review of Budget for 2002

3.5 The Commission noted that it was not anticipated that the budgeted expenditure for the year would be exceeded, and that Other Income would be higher than budgeted.

3.6 As a result, the Commission agreed that the budget for 2002 should be revised as presented in Annex 4, Appendix II, including an increase in the amount transferred to the Contingency Fund.

3.7 As advised by SCAF, the Commission endorsed expenditure from Special Funds in 2002: A\$14 000 was required from the CDS Special Fund in respect of the development of an electronic CDS, and A\$15 400 from the Compliance and Enforcement Special Fund for representation by the Secretariat at an FAO consultation on the development of model catch documentation and reporting measures.

### Members' Contributions

3.8 The Commission noted the advice of SCAF that contributions for 2002 from two Members were currently still outstanding. One Member had not fully paid its contribution for 2001 by the date that the 2002 contribution was payable and was therefore in default under Article XIX.6 of the Convention.

## Accrual Accounting

3.9 The Commission endorsed the change to an accrual accounting basis for the Commission's budget which will bring the Commission's accounting procedures into line with preferred international practice and with advice from the Commission's auditor.

3.10 As a result, the Commission agreed that Financial Regulation 5.2 should be amended as presented in Annex 4, paragraph 23.

## Budget Format

3.11 The Commission agreed that the revised form of budget presentation as applied in Annex 4, Appendix III should be adopted. It noted that this format better facilitates allocation of resources between functions as identified in the Secretariat Strategic Plan.

3.12 In light of the agreed changes to accrual accounting and the revised budget format, the Commission anticipated that it would require a full audit on the 2003 Financial Statements.

## Secretariat Strategic Plan

3.13 The Commission noted the establishment of a Secretariat Strategic Plan and its positive implications for the continuing ability of the Secretariat to support the work of the Commission and Scientific Committee. It endorsed the recommendations of SCAF that this plan completes all remaining outstanding matters resulting from the 1997 Management Review of the Secretariat and that it should be used for future annual appraisals of the performance of the Executive Secretary.

## Authority of Executive Secretary

3.14 The Commission confirmed the Executive Secretary's authority in respect of representing the Commission in correspondence and at meetings of other organisations as presented in Annex 4, paragraphs 11 and 12.

## Secretariat Staff

3.15 The Commission noted the advice of SCAF that, following the implementation of the Secretariat Strategic Plan, the Secretariat is developing a standard staff contract which will be given appropriate legal scrutiny to ensure that the rights and responsibilities of both the Commission and its employees are covered. It agreed that budgetary provision of up to A\$7 000 should be allocated to this task.

3.16 SCAF advised the Commission that the Secretariat would be continuing the strategic planning process through to a review of all General Service staff rates of pay during 2003 and that the results of this review, together with any potential budget implications, would be

reported to next year's meeting. The Commission confirmed that, subject to budget restrictions, the Executive Secretary had the authority to revise the gradings of individual General Service staff.

3.17 Noting the concerns of SCAF on the possible high cost of an independent review of the Professional Staff salary structure, the Commission requested Members to investigate the possibilities of supplying suitable experts for this purpose and to report back to next year's meeting in order that a review might be performed in 2004. The Commission decided not to consider the possibility of extending the Education Grant to include university attendance until after such a review is complete.

3.18 To encourage the recruitment of the best possible Professional Staff, the Commission agreed that these should be attracted equally from all Member States. In this regard it requested the Secretariat to draft, for consideration at next year's meeting, procedures to facilitate the appropriate dissemination of information about positions vacant.

3.19 The Commission endorsed the recommendation of SCAF that it provide appropriate insurance coverage for internationally recruited staff members and their dependants who are not entitled to participate in the Australian basic medical cover system.

#### Contingency Fund

3.20 As a Contingency Fund was established in 2002 to enable unforeseen and extraordinary expenditure to be covered intersessionally, the Commission agreed to the definitions of such expenditure and to terms of use of the Fund as proposed by SCAF in Annex 4, paragraphs 20 and 21.

#### Cost Recovery

3.21 The Commission was advised by SCAF that, as a consequence of the high number of applications for new and exploratory fisheries, many of which are not subsequently prosecuted, a proposal had been tabled by the European Community on the possibility of charging for each such application. It noted that, although there was acceptance of the principle in general, some issues had not been resolved. In view of this, the Commission requested that the Scientific Committee and Secretariat provide advice to its next meeting on time and monetary costs associated with such applications in order that these may be further considered in the light of the proposal tabled and any other suggestions that Members may wish to submit.

#### Future Meeting Arrangements

3.22 The Commission, in recognising the limitations in Hobart of suitable meeting venues and noting the positive results of Secretariat investigations into the possible development of a venue within the Commission's Headquarters building, endorsed the recommendation of SCAF that the Secretariat pursue this opportunity further.

3.23 The Commission established a Project Oversight Team with authority to further the project while keeping within the guidelines presented in Annex 4, paragraph 28. In addition to representatives from Members who wish to participate, the team will comprise the Secretariat and, from time to time and as required, Australian and Tasmanian Government representatives. The Commission noted that Australia and Germany had agreed to be represented in this team.

3.24 The Commission agreed that the Terms of Reference, as set out in Annex 4, paragraph 30, should be applied to the team.

3.25 The Commission also noted that the viability of such a development to any potential developer would require a long-term commitment from the Commission, possibly up to 12 years.

3.26 The Commission noted the provisional booking of the current venue for 2003 and agreed that a larger meeting room for the operation of SCOI should be sought.

#### Budget for 2003

3.27 The Commission noted that the SCAF meeting had concluded before receiving advice from SCOI, but that subsequent advice from SCOI to the Commission had indicated no additional budgetary requirements from the General Fund. It accepted for inclusion in the 2003 budget, the budget of the Scientific Committee and the specific items of expenditure which the Scientific Committee had requested be included in the Commission's own budget.

3.28 Keeping in mind the Commission's aim of zero real budgetary growth and noting Germany's and Russia's aim for zero nominal growth, the Commission endorsed the recommendation that the increase in budgetary expenditure be compensated for by limiting the amount to be transferred to the Contingency Fund.

3.29 The Commission noted that provision for the travel of the Executive Secretary and Science Officer to attend a conference on the governance of deep-sea fisheries, 'Deep Sea 2003', was included in the budget proposed by SCAF and therefore adopted the 2003 budget as set out in Annex 4, Appendix III.

3.30 In accordance with Financial Regulation 5.6, the Commission granted Argentina, Belgium, Japan, Russia, Spain and Uruguay an extension to the deadline for the payment of 2003 contributions. It noted the advice of other Members that continued efforts should be made to resolve these procedural difficulties in future years and that SCAF will continue to consider the possibility of charges for late payment, or other means of encouraging earlier payment.

3.31 The proposal for a centralised vessel monitoring system (VMS) as presented by Australia (CCAMLR-XXI/21) was deferred to CCAMLR-XXII.

## Forecast Budget for 2004

3.32 The Commission noted that the forecast budget for 2004, as presented in Annex 4, Appendix III, does not include A\$12 000 which the Scientific Committee has advised may be required for the provision of language assistance.

3.33 It also noted the financial implications that new projects initially funded from the CDS Fund may have on the General Fund in future years.

## CDS Fund

3.34 The Commission noted the endorsement by SCAF of advice received from the CDS Fund Review Panel regarding further expenditure from the fund during 2003. The Commission agreed to this expenditure as outlined in Annex 4, paragraph 39.

3.35 The Commission noted that the procedures established for expenditure from the CDS Fund set out in Conservation Measure 10-05 (2002), Annex 10-05/B must be adhered to.