

**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-XXVIII/1, Appendix A) to the Standing Committee on Administration and Finance (SCAF). SCAF adopted the agenda attached at Appendix I.

EXAMINATION OF AUDITED FINANCIAL STATEMENTS FOR 2008

2. SCAF noted that a full audit had been carried out on the 2008 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-XXVIII/3.**

AUDIT REQUIREMENT FOR 2009 FINANCIAL STATEMENTS

3. SCAF recalled the Commission decision of 2008 approving a full audit of the 2009 Financial Statements (CCAMLR-XXVII, paragraph 3.3) and further **recommended that the Commission require a full audit to be performed on the 2010 Financial Statements in view of a new Executive Secretary taking up appointment in 2010.**

APPOINTMENT OF AUDITOR

4. The Australian National Audit Office (ANAO) has been the Commission's Auditor since the Commission was established. As the Office's current two-year appointment expires on completion of the 2009 audit, the Committee **recommended that the Commission appoint the ANAO as its auditor for the 2010 Financial Statements in accordance with Financial Regulation 11.1.**

SECRETARIAT STRATEGIC PLAN

5. The Executive Secretary presented his report (CCAMLR-XXVIII/5). 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.

6. SCAF noted the various key issues listed, including:
- taxation matters had been resolved
 - electronic archiving is almost complete
 - the Asset Replacement Reserve will have a balance of A\$90 000 by the end of 2009.

It also noted that all tasks were dealt with equal priority by the Secretariat and that the tasks were increasing and becoming more complex.

7. SCAF expressed concern at the size of the reports prepared for its consideration and the amount and level of detail of those reports, but recognised that, as these were the last prepared by the incumbent Executive Secretary, they would be useful to strengthen institutional memory of these matters.

8. Addressing the outcomes of the Executive Secretary's review of the Secretariat functions (CCAMLR-XXVIII/6) endorsed by the Commission in 2008 (CCAMLR-XXVII, paragraph 3.9), SCAF **recommended that:**

- **The initial grading of P-4 should be confirmed for the Science Officer and Data Manager and P-3 for the AFO. This should be the entry-level grading for the purpose of meeting the requirements of Staff Regulation 5.10.**
- **Subject to the Science Officer or Data Manager reaching the top of the P-4, and the AFO the top of the P-3 grading, and/or exceptional assessment of performance under the *CCAMLR Performance Management and Appraisal System (CPMAS)* endorsed by the Commission (CCAMLR-XXII, paragraph 3.4), advancement from ICSC Grading P-4 to P-5 should be considered for the former, along with advancement from Grading P-3 to P-4 for the latter, with the Commission's prior approval (Staff Regulation 5.5). Such consideration should be subject to independent evaluation by the ICSC. The process of considering such advancement would rest with the Commission.**

9. It also addressed the review of the Compliance Officer's post following the Commission's decision of 2008 (CCAMLR-XXVII, paragraph 3.10) and accepted that, to address the current lack of salary advancement available for the Compliance Officer post beyond Paypoint 30 (Pay Band 8) of the General Services Staff pay scale, consideration be given to providing further salary advancement based on the incumbent officer's performance and in recognition of the post's growing responsibilities and workload. It also accepted that subsequent increment advances should be subject to annual reviews of performance in accordance with the CPMAS. The suggested salary advancement should be set at CPI plus 3.0%. This would be consistent with both the proportionate salary advancements attached to the ICSC P-3 Grading and those currently implemented through the General Services Staff pay scale.

10. SCAF noted that a review of the Communication Officer's post could be undertaken in 2010.

11. SCAF noted the report *CCAMLR Secretariat Staff Succession Strategy* (CCAMLR-XXVIII/8) prepared by the Executive Secretary, and suggested that some of the suggestions fall within the delegated authority of the Executive Secretary and do not require detailed approval by SCAF.

12. SCAF noted the incumbent Executive Secretary's specific suggestions made in CCAMLR-XXVIII/8, namely:

- (i) Some of the Communication Officer's more routine tasks could be delegated to the Publications Officer (formerly the Publication and Website Assistant). The Communications Officer should also liaise directly with the incoming Executive Secretary on a number of CCAMLR activities.
- (ii) A part-time Publications and Website Assistant could be appointed to assume the former Publications and Website assistant's more routine tasks.
- (iii) The Data Administration Officer could be provided with a part-time understudy to assist her in the execution of her current tasks, as well as provide the necessary expertise to ensure the succession of functions in the future.
- (iv) The WISO should be encouraged to complete all currently outstanding tasks prior to leaving the Secretariat. Recruitment of a replacement should focus on a candidate with the necessary technical skills with induction developing essential workplace and organisational competencies.

13. SCAF advised that these suggestions should be provided to the new Executive Secretary for future consideration, recognising that any recommendations with budgetary implications will need to be referred to SCAF.

REVIEW OF 2009 BUDGET

14. SCAF noted the expected 2009 budgetary outcomes presented in CCAMLR-XXVIII/4.

15. SCAF received advice that additional surplus income of A\$207 000 was brought forward from 2008 and that interest income increased by an additional A\$90 000 due to a change in accounting for payments to the Staff Termination Fund (STF). From 2009 all interest accruing to the General Fund will be shown as income and the total transfer payment to the STF would be made from the Salaries and Allowances subitem.

16. SCAF noted that expenditure across all subitems, except Salaries and Allowances, was less than approved in 2008, but there was still some uncertainty around the Meeting Facilities and Sundry subitems which could not be accurately predicted until the end of the current meetings and costs associated with utilities respectively, were known. The increased expenditure in the Salaries and Allowances subitem was the result of the additional payment to the Staff Termination Fund.

17. SCAF received advice that two investments totalling A\$1.6 million were still in an uncertain situation with respect to their anticipated financial returns but that no losses have been made to date. SCAF agreed that the Secretariat should keep these investments under review.

18. **SCAF recommended that the revised Budget for 2009, as set out in Appendix II of this report, should be adopted by the Commission. This included a surplus of A\$440 000 to be carried forward to 2010.**

REVIEW OF TRANSLATION REQUIREMENTS

19. From CCAMLR-XXVIII/10 Rev. 1, prepared by the Executive Secretary, SCAF noted the growing extent and complexity of CCAMLR's translation commitments. In 2009, these commitments were met by a one-off budget contribution of A\$100 000 for 2009 (CCAMLR-XXVII, paragraph 3.28). However, based on an analysis provided by the Secretariat to deal with future translation commitments, SCAF noted that translation will always have a significant impact on the budget.

20. Therefore, SCAF noted the various suggestions provided in the above paper as well as other ideas for reducing the cost of translations. These included:

- limiting the number of document pages;
- reducing the number of documents;
- reducing bottlenecks in available time for translation by setting earlier paper submission deadlines;
- limiting translation of working papers to specific sections such as the abstract, summary, conclusions and recommendations etc.;
- condensing translated reports to salient points only;
- utilising computerised translation support (CCAMLR-XXVIII/10 Rev. 1, paragraph 41);
- requiring authors to indicate which sections of submitted papers they wished translated;
- using only English as a medium for certain categories of papers that are not currently translated.

21. SCAF stressed that all possible options for reducing translation requirements should be investigated before any proposal for additional translation staff be considered. It also recognised the need for language parity across all four of the official CCAMLR languages while acknowledging the highly specialised nature of some reports.

22. SCAF therefore agreed that a 'blanket' approach to translation needs was not appropriate. SCAF reiterated its request from the 2008 SCAF meeting to the Secretariat to

consult informally with Members requiring translation to or from each of the four languages to determine their specific needs. In addition, potentially specialised needs of the CCAMLR scientific community and individual authors should be taken into consideration. SCAF also requested the Secretariat to come up with concrete proposals for how to reduce the amount of translation required. The outcomes of these requests will be considered at SCAF's 2010 meeting.

ADDITIONAL MEETING SPACE FOR SCIC

23. SCAF noted SCIC's support for the proposal to provide additional meeting space for the latter (CCAMLR-XXVIII/11). SCAF **recommended the construction of the additional space at a cost of A\$130 000 to be funded partly from the Asset Replacement Reserve (A\$40 000) with the balance (A\$90 000) amortised over 10 years from interest accruing to the Special Funds.** It encouraged the Secretariat to further liaise with the owner/developer of the premises with a view to cost-sharing the extension and expediting its completion in early 2010.

DEVELOPMENT OF COST RECOVERY

24. SCAF noted that SCIC was considering the question of cost recovery for processing krill fishery notifications.

CONTINGENCY FUND

25. SCAF noted that no expenditure had been incurred from the Contingency Fund in 2009. In keeping with past practice, SCAF **recommended that the balance of the Fund in excess of A\$110 000, following the transfer of forfeited funds from new and exploratory fisheries applications, should be transferred to the General Fund.**

CDS FUND

26. SCAF noted that no expenditure was incurred from this fund since the 2008 meeting. **It also noted that the CDS panel's requests for expenditure of A\$19 877 for CDS Training Materials and an upper limit of A\$70 000 for IUU Fishing in the CAMLR Convention Area – African Capacity Building Training would be considered by the Commission.**

MULTI-YEAR FUNDING OF SCIENTIFIC COMMITTEE TASKS

27. SCAF noted the requests of the Scientific Committee to carry forward funds currently held in the Scientific Multi-Year Special Fund for part of the Review of the *Scientific Observers Manual* and the publication of papers arising from the Joint CCAMLR–IWC Workshop held in 2008. A total of \$90 000 is currently available in the Fund.

BUDGET FOR 2010

Advice from SCIC and the Scientific Committee

28. The Chair of SCIC advised that the DOCEP Workshop had been deferred until 2011 and that the group would endeavour to carry out its work intersessionally via electronic means. SCAF noted that the deferral of the DOCEP Workshop to 2011 would have budgetary implications for that year. SCIC had also advised that it strongly supported the extension of the SCIC meeting room (paragraph 23) and that Japan would be making a new proposal regarding cost recovery for the processing of krill fishery notifications to SCIC in 2010.

29. SCAF received advice from the Chair of the Scientific Committee on the Scientific Committee's budget for 2010 and on relevant items in the Commission's budget for the work of the Scientific Committee.

30. SCAF noted that the meeting of the Working Group on Incidental Mortality Associated with Fishing (WG-IMAF) would not be held in 2010, reducing the Scientific Committee's budget request by A\$39 000. The Committee had proposed an Ad Hoc Technical Group for At-Sea Operations (TASO) meeting be scheduled for 2010 at an additional cost of A\$40 000. This effectively neutralises the WG-IMAF saving alluded to above.

31. SCAF noted that the length of intersessional meetings should be carefully considered by the Scientific Committee. Some Members also suggested that the length of the 2010 ad hoc TASO meeting should be considered in particular.

32. SCAF suggested that the number of participants likely to attend intersessional meetings should be monitored and that such information may be used to decide whether a meeting actually takes place or not.

33. SCAF advised the Scientific Committee of its concerns with the costs of translating papers and reports and urged the Scientific Committee to minimise translations required. SCAF expressed particular concern at the size of the Fishery Reports and the number of working papers. The Chair of the Scientific Committee responded that many papers require translating if the authors are unable to attend the relevant meetings (see paragraph 36) and that translation of papers provides for a more inclusive consideration of scientific issues across all the Scientific Committee's subsidiary bodies.

34. **SCAF recommended that the Commission approve the proposed 2010 Scientific Committee budget of A\$347 500.** SCAF noted that the overall funding requested by the

Scientific Committee had been provided for in the 2010 draft budget (CCAMLR-XXVIII/4). The Committee noted that the Scientific Committee budget for 2010 was less than for 2009.

Overall budget advice

35. In considering the draft budget for 2010, SCAF did not support a submission for additional part-time staff to assist the Data Administration Officer and a part-time Publications and Website Assistant (CCAMLR-XXVIII/8, paragraph 42(iii)). It agreed that such consideration should be referred to the incoming Executive Secretary before possible future resubmission to SCAF given the financial implications associated with such appointments. SCAF also decided that it would not consider the request for three additional part-time translators (CCAMLR-XXVIII/8, paragraph 42(i)) until after a thorough and detailed review of translation requirements has been carried out (paragraphs 20 and 21).

36. Given the current difficulties being experienced in meeting current demands for translation expenditure (paragraph 33), the Committee decided that the 2009 and 2010 Fishery Reports should not be translated and strongly **recommended that the Commission concur in this decision**. It also urged that submitters of documents requiring translation should exercise discipline and restraint while ensuring the documents are brief and concise.

37. The Committee noted that the Secretariat will be invited to, and should attend, the Antarctic Treaty Meeting of Experts on Climate Change to be held in Norway in 2010.

38. SCAF **recommended that in the future, budget presentations should only include the current income and subitem expenditure items. Detailed expenditure aligned with the Secretariat functional units identified in the Secretariat Strategic Plan should then be attached as an explanatory annex to the Financial Statements.**

39. SCAF noted that overall budgeted expenditure proposed for 2010 stands at A\$4 484 000. Individual Member's contributions for 2010 are presented in Appendix III. This constitutes a 1.02% decrease over the 2009 budget contributions. Compared to an inflation increase of 1.5%, this is well within the zero real growth budgetary target of the Commission. SCAF **recommended that the Commission approve the proposed 2010 budget.**

MEMBERS' CONTRIBUTIONS

40. SCAF highlighted that the CCAMLR Financial Year commences on 1 January. Under Financial Regulation 5.6, contributions are due for payment on that date and shall be paid no later than 60 days after that date. Under the same regulation, the Commission has the authority to permit extension of the due date for a period of up to 90 days (i.e. until 31 May of the year in which the contribution falls due) for individual Members who are unable to comply with the regulation due to the timing of their financial years (Financial Regulation 5.6 as amended in 1999, CCAMLR-XVIII, paragraph 3.5).

41. SCAF considered the rights of Members defaulting in payment of their contributions to the Commission to participate in the decision-making process of the Commission. As

default in payment of contributions by any Member creates cash-flow problems, SCAF suggested the reiteration of the provisions of Convention Article XIX.6 by the Commission, for Members to adhere scrupulously to the payment schedule.

Timing of contributions

42. The Committee **recommended that, in accordance with Financial Regulation 5.6 and in accordance with past practice, the Commission grant extensions to 31 May 2010 for Argentina, Belgium, Brazil, China, Germany, India, Japan, Republic of Korea, South Africa, Spain, USA and Uruguay in respect of the due date for payment of their 2010 Members' contributions.**

Distribution of surpluses

43. SCAF noted that no proposals for the distribution of surpluses had been received and agreed that the status quo remains. Surpluses carried forward to future years will continue to be offset against expenditure for that year and are to be handed back to Members through lower Members' contributions.

FORECAST BUDGET FOR 2011

44. SCAF presented a forecast budget for 2011 to the Commission, noting that an increase in Members' contributions was anticipated following the increased costs and reduced income resulting from the 2009 balanced budget with no carry-forward surplus included.

45. However, SCAF recalled its advice of previous years that the forecast budget figures are indicative only and that care should be taken when they are used as a basis for financial budgeting by individual Members. SCAF noted the importance of reducing expenditure wherever possible to maintain the budget within its customary target of zero real growth (i.e. within inflationary limits only).

OTHER BUSINESS

46. SCAF noted CCAMLR-XXVIII/BG/15, *Notes on Recruitment of Executive Secretary*, and agreed that it provided a record of experiences with the recruitment process in 2009. In this regard, it may be of some use to future consideration(s) of the Executive Secretary recruitment procedures.

ELECTION OF SCAF CHAIR FOR 2010 AND 2011

47. SCAF unanimously agreed that India serve as SCAF Chair from the end of the 2009 meeting until the end of the 2011 meeting. The Committee also thanked India for its sterling service in fulfilling this role in 2008 and 2009.

ADOPTION OF THE REPORT

48. The report of the meeting was adopted.

CLOSE OF MEETING

49. The Chair, Mr K.P. Pandian (India) advised SCAF of his inability to attend the Commission meeting and requested the Vice-Chair (South Africa) to present the SCAF report. The Committee thanked Mr Pandian for his excellent chairmanship. The Chair closed the meeting.

AGENDA

Standing Committee on Administration and Finance (SCAF)
(Hobart, Australia, 26 to 30 October 2009)

1. Organisation of meeting
2. Examination audited Financial Statements for 2008
3. Audit requirement for 2009 Financial Statements
4. Secretariat Strategic Plan
 - (i) Review of Professional Officers' positions
 - (ii) Review of Compliance Officer's position
 - (iii) Secretariat Succession Plan
5. Review of 2009 budget
6. Review of translation requirements
7. Additional meeting space for SCIC
8. Development of cost recovery
9. Contingency Fund
10. CDS Fund
11. Multi-year funding of Scientific Committee tasks
12. Budget for 2010
 - (i) Scientific Committee budget
 - (ii) Advice from SCIC
13. Members' contributions
 - (i) Timing of Members' contributions
 - (ii) Distribution of surpluses
14. Forecast budget for 2011
15. Other business
16. Election of SCAF Chair
17. Adoption of report
18. Close of meeting.

APPENDIX II

REVIEW OF 2009 BUDGET, BUDGET FOR 2010 AND FORECAST FOR 2011
(all amounts in Australian dollars)

Budget for 2009				2010	2011*
Adopted in 2008	Revised	Variance		Budget	Forecast
INCOME					
3 200 000	3 200 000	0	Members' Annual Contributions	3 159 000	3 602 000
0	0	0	New Members' Contributions	0	0
125 000	275 000	(150 000)	From (to) Special Funds	165 000	265 000
96 000	186 000	(90 000)	Interest	190 000	110 000
520 000	520 000	0	Staff Assessment Levy	530 000	545 000
392 000	599 000	(207 000)	Surplus from Prior Year	440 000	0
<u>4 333 000</u>	<u>4 780 000</u>	<u>(447 000)</u>		<u>4 484 000</u>	<u>4 522 000</u>
EXPENDITURE					
655 000	493 000	162 000	Data Management	529 000	533 000
583 000	590 000	(7 000)	Science	629 000	633 000
310 000	305 000	5 000	Compliance	328 000	330 000
1 000 000	1 120 000	(120 000)	Communications	1 215 000	1 229 000
325 000	270 000	55 000	Information Services	300 000	302 000
396 000	377 000	19 000	Information Technology	399 000	402 000
1 064 000	1 185 000	(121 000)	Administration	1 084 000	1 093 000
<u>4 333 000</u>	<u>4 340 000</u>	<u>(7 000)</u>		<u>4 484 000</u>	<u>4 522 000</u>
Expenditure allocated by subitem					
2 920 000	3 092 000	(172 000)	Salaries and Allowances	3 237 000	3 257 000
225 000	210 000	15 000	Equipment	210 000	210 000
120 000	110 000	10 000	Insurance and Maintenance	120 000	120 000
19 000	10 000	9 000	Training	10 000	10 000
330 000	310 000	20 000	Meeting Facilities	320 000	323 000
382 000	300 000	82 000	Travel	294 000	300 000
67 000	67 000	0	Printing and Copying	70 000	72 000
81 000	81 000	0	Communication	83 000	85 000
189 000	160 000	29 000	Sundry	140 000	145 000
<u>4 333 000</u>	<u>4 340 000</u>	<u>(7 000)</u>		<u>4 484 000</u>	<u>4 522 000</u>
Surplus for the year		(440 000)			

* Subject to consideration of the outcomes of the requests concerning translation requirements referred to in paragraphs 22 and 33.

MEMBERS' CONTRIBUTIONS 2010
 General Fund Contributions – Payable by 1 March 2010
 (all amounts in Australian dollars)

Member	Basic	Fishing	Total
Argentina*	121 486	1 000	122 486
Australia	121 486	10 190	131 676
Belgium*	121 486	-	121 486
Brazil*	121 486	-	121 486
Chile	121 486	2 583	124 069
China, People's Republic of *	121 486	-	121 486
European Community	121 486	-	121 486
France	121 486	24 274	145 760
Germany*	121 486	-	121 486
India*	121 486	-	121 486
Italy	121 486	-	121 486
Japan*	121 486	13 805	135 291
Korea, Republic of *	121 486	19 431	140 917
Namibia	121 486	1 000	122 486
New Zealand	121 486	6 905	128 391
Norway	121 486	16 280	137 766
Poland	121 486	2 993	124 479
Russia	121 486	2 190	123 676
South Africa*	121 486	2 187	123 673
Spain*	121 486	3 601	125 087
Sweden	121 486	-	121 486
Ukraine	121 486	3 208	124 694
UK	121 486	9 898	131 384
USA*	121 486	-	121 486
Uruguay*	121 486	2 305	123 791
	<u>3 037 150</u>	<u>121 850</u>	<u>3 159 000</u>

* Extension of deadline requested by Members