

**Report of the Standing Committee on
Administration and Finance (SCAF)**

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

1. The Chair of the Standing Committee on Administration and Finance (SCAF), Dr M. Mayekiso (South Africa), opened discussions on Item 4 of the Commission's Agenda.

EXAMINATION OF AUDITED FINANCIAL STATEMENTS FOR 2011

2. Noting that a full audit had been carried out on the 2011 Financial Statements, and that the Auditor's report had identified no incidents of non-compliance with Financial Regulations or International Accounting Standards, the Commission accepted the Financial Statements as presented in CCAMLR-XXXI/03.

SECRETARIAT MATTERS

3. The Commission noted the Executive Secretary's Report for 2012 which was supported by a progress report on the implementation of the Secretariat's Strategic Plan (2012–2014) (CCAMLR-XXXI/06). The Secretariat was complimented on the strategic approach and detail provided in the report. The Commission looked forward to receiving a similar report on implementation of the Strategic Plan in 2013 and suggested that, subject to review in future years, consideration be given to extending the Strategic Plan beyond 2014.

4. The Commission endorsed the implementation report for the Secretariat's Staffing and Salary Strategy as presented in CCAMLR-XXXI/07.

5. The Commission determined that the term of appointment for future International Professional Staff will be on the basis of an initial four-year appointment. Subject to satisfactory performance, staff will be eligible for a second four-year term. At the completion of a second four-year term, the post will be advertised. The incumbent will be able to reapply for the position.

6. Members considered the practice in other multilateral organisations relating to the term of appointment for International Professional Staff. Some Members preferred transitioning existing staff to the new arrangements on the expiry of existing contracts to bring CCAMLR into line with contemporary international practice. Noting the particular circumstances of the engagement of the current three International Professional Staff, it was agreed that the new provisions would apply to new appointments to these positions and that existing arrangements would be maintained for staff currently occupying International Professional posts.

7. The Commission adopted the revised Staff Regulations and Deeds of Employment presented in CCAMLR-XXXI/08, noting that the revised Staff Regulations are now compliant with Australian workplace legislation. The Secretariat was tasked with reporting back to the Commission on any changes in Australian workplace law that may have implications for the CCAMLR Secretariat as they are introduced.

BUDGETS FOR 2012, 2013 AND 2014

8. The Commission approved the budget for 2012 which included a surplus of A\$24 000 to be carried forward in the General Fund, as presented in Appendix I, Table 1.

9. The Scientific Committee advised SCAF of two requests. The first concerned a proposed review of the CCAMLR Scheme of International Scientific Observation with an estimated budget of A\$30 000. The second request related to digitising historic krill data currently held by Ukraine. The estimate for this work was A\$17 800.

10. Noting that, with the exception of the Salaries and Allowances item (which has provided for increases due to progression through salary scales and to meet CPI increases) and the Travel expenditure item (which provides for known commitments), expenditure for 2013 is budgeted at 2012 levels, the Commission approved total expenditure of A\$4 632 000 for 2013. This included provision for expenditure requested by the Scientific Committee for a review of the CCAMLR Scheme of International Scientific Observation to be undertaken in 2013. SCAF was advised that alternate funding arrangements would be made to support the processing of Ukraine's historic krill data.

11. The Commission approved the 2013 proposed budget as presented in Appendix I, Table 2, noting that Members' contributions will increase by 1.2% in 2013 which is consistent with its policy of no real growth. The remainder of the expenditure will be funded from the balance held in the General Fund.

12. The Commission noted the forecast budget for 2014 as presented in Appendix I, Table 3. The Commission noted that the forecast figures are indicative only, and that care should be taken when they are used as a basis for budgeting by individual Members.

FUTURE FUNDING MODEL FOR CCAMLR

13. The Commission noted that, if current income and expenditure trends continue, the General Fund balance could be fully expended by the end of 2014. Consequently, it established an Intersessional Correspondence Group (ICG), coordinated by the Secretariat, to review future funding options and efficiencies for the Commission. This was consistent with recommendation 7.1.1 of the Performance Review Report (2009). The ICG was tasked with analysing income and expenditure options for establishing a sustainable budget to support the Commission's operations in the medium term. The Secretariat agreed to circulate draft terms of reference and invite Members' participation in the ICG via a COMM CIRC.

MEMBERS' CONTRIBUTIONS

14. The Commission granted extensions to 31 May 2013 for Argentina, Brazil, People's Republic of China, Republic of Korea, South Africa and Uruguay in respect of the due date for the payment of their 2013 contributions (Appendix II).

REVIEW OF FINANCIAL REGULATIONS

15. Australia, the Convener of the SCAF Correspondence Group tasked with reviewing the Commission's Financial Regulations (CCAMLR-XXX, paragraph 3.2), summarised the intersessional work of the Correspondence Group (CCAMLR-XXXI/28). The Commission approved revisions to Financial Regulations 5.3, 5.4, 5.5(a), 5.6 and 6.1(c) and new Financial Regulations 10.3 and 10.4 (Appendix III) to take effect from 2014. Members considered the application of default provisions and the recommendations of the SCAF Correspondence Group for new text to clarify these provisions. SCAF discussed Article XIX.6 in relation to the right of Members to participate in the taking of decisions of the Commission when a Member is in default of payment of its contributions. These issues may be further considered at the 2013 meeting.

ELECTION OF VICE-CHAIR

16. The Republic of Korea was elected as Vice-Chair for a period of two years commencing at the conclusion of CCAMLR-XXXI and ending at the conclusion of CCAMLR-XXXIII. Korea advised that the delegate for this important role would be advised at a later date.

TABLE 1: REVISED BUDGET FOR THE YEAR ENDED 31 DECEMBER 2012

	General Fund adopted 2011	General Fund Revised	Equity Funds					Special funds								Total
			Asset Replace-ment Reserve	New & Expl'y Fisheries Fund	Staff Replace-ment Fund	Contin-gency	Observer	VMS	CDS	Compliance	MPA	Scientific	Enforce-ment	General SC Capacity	CEMP	
Income																
Members' General Fund Contributions	3 157 000	3 157 000	0	0	0	0	0	0	0	0	0	0	0	0	0	3 157 000
Members' Special Contributions	0	0	0	0	0	0	0	0	0	0	33 280	0	0	0	0	33 280
Interest	230 000	200 000	0	0	0	0	3 200	420	5 000	800	1 300	3 000	400	2 300	4 000	220 420
Staff Assessment Levy	540 000	450 000	0	0	0	0	0	0	0	0	0	0	0	0	0	450 000
Fund transfers – incl. SC Fund	150 000	215 000	0	0	0	(150 000)	0	0	0	0	0	0	0	0	0	65 000
Sales (Tagging)	30 000	30 000	0	0	0	0	0	0	0	0	0	0	0	0	0	30 000
Miscellaneous Income	380 000	380 000	25 000	174 000	0	150 000	0	0	0	0	0	(65 000)	0	0	0	664 000
Total Income	4 487 000	4 432 000	25 000	174 000	0	0	3 200	420	5 000	800	34 580	(62 000)	400	2 300	4 000	4 619 700
Expenditure																
Salaries and Allowances	3 020 000	3 020 000	0	174 000	0	0	0	0	0	0	0	0	0	0	0	3 194 000
Equipment	200 000	180 000	0	0	0	0	0	0	0	0	0	0	0	0	0	180 000
Insurance and Maintenance	210 000	190 000	0	0	0	0	0	0	0	0	0	0	0	0	0	190 000
Training	20 000	20 000	0	0	0	0	0	0	0	0	0	0	0	0	0	20 000
Meeting Facilities	320 000	320 000	4 444	0	0	0	0	0	18 500	0	0	0	0	0	0	342 944
Travel	200 000	115 000	0	0	0	0	0	0	72 500	0	37 000	0	0	15 000	0	239 500
Printing and Copying	50 000	28 000	0	0	0	0	0	0	0	0	0	0	0	0	0	28 000
Communications	57 000	40 000	0	0	0	0	0	0	0	0	0	0	0	0	0	40 000
Sundry	90 000	90 000	0	0	0	0	0	0	5 000	0	0	37 873	1 000	0	0	133 873
Rent/COGS	405 000	405 000	0	0	0	0	0	0	0	0	0	0	0	0	0	405 000
Total Expenditure	4 572 000	4 408 000	4 444	174 000	0	0	0	0	96 000	0	37 000	37 873	(1 000)	15 000	0	4 773 317
Surplus/(Deficit)	(85 000)	24 000	20 556	0	0	0	3 200	420	(91 000)	800	(2 420)	(99 873)	1 400	(12 700)	4 000	(153 617)
Balance at 1 January 2012	0	414 051	182 827	363 920	135 846	260 000	117 006	14 677	256 929	27 247	59 375	99 873	13 406	264 675	100 338	2 310 170
Balance at 31 December 2012	(85 000)	438 051	203 383	363 920	135 846	260 000	120 206	15 097	165 929	28 047	56 955	0	14 806	251 975	104 338	2 158 553

TABLE 2: DRAFT BUDGET FOR THE YEAR ENDED 31 DECEMBER 2013

General fund	Equity Funds				Special Funds									Total	
	Asset Replacement Reserve	New & Expl'y Fisheries Fund	Staff Replacement Fund	Contingency	Observer	VMS	CDS	Compliance	MPA	Scientific	Enforcement	General SC Capacity	CEMP		
A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	
Income															
Members' General Fund Contributions	3 195 000	0	0	0	0	0	0	0	0	0	0	0	0	0	3 195 000
Members' Special Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	200 000	0	0	0	0	3 300	400	4 200	800	400	0	400	2 000	0	211 500
Staff Assessment Levy	450 000	0	0	0	0	0	0	0	0	0	0	0	0	0	450 000
Fund transfers	150 000	0	0	0	(150 000)	0	0	0	0	0	0	0	0	0	0
Sales (Tagging)	30 000	0	0	0	0	0	0	0	0	0	0	0	0	0	30 000
Miscellaneous Income	392 000	30 000	195 000	0	150 000	0	0	0	0	0	0	0	0	0	767 000
Total Income	4 417 000	30 000	195 000	0	0	3 300	400	4 200	800	400	0	400	2 000	0	4 653 500
Expenditure															
Salaries and Allowances – Revised	3 110 000	0	195 000	0	0	0	0	0	0	0	0	0	0	0	3 305 000
Equipment	200 000	0	0	0	0	0	0	0	0	0	0	0	0	0	200 000
Insurance and Maintenance	210 000	0	0	0	0	0	0	0	0	0	0	0	0	0	210 000
Training	15 000	0	0	0	0	0	0	0	0	0	0	0	0	0	15 000
Meeting Facilities	320 000	4 444	0	0	0	0	0	0	0	0	0	0	0	0	324 444
Travel	180 000	0	0	0	0	0	0	0	0	0	0	0	30 000	0	210 000
Printing and Copying	50 000	0	0	0	0	0	0	0	0	0	0	0	0	0	50 000
Communications	40 000	0	0	0	0	0	0	0	0	0	0	0	0	0	40 000
Sundry	90 000	0	0	0	0	0	0	0	0	0	0	0	0	0	90 000
Rent/COGS	417 000	0	0	0	0	0	0	0	0	0	0	0	0	0	417 000
Total Expenditure	4 632 000	4 444	195 000	0	0	0	0	0	0	0	0	0	30 000	0	4 861 444
Surplus/(Deficit)	(215 000)	25 556	0	0	0	3 300	400	4 200	800	400	0	400	(28 000)	0	(207 944)
Balance at 1 January 2013	438 051	203 383	363 920	135 846	260 000	120 206	15 097	165 929	28 047	56 955	0	14 806	251 975	104 338	2 158 553
Balance at 31 December 2013	223 051	228 939	363 920	135 846	260 000	123 506	15 497	170 129	28 847	57 355	0	15 206	223 975	104 338	1 950 609

TABLE 3: FORWARD ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2014

General Fund	Equity Funds				Special Funds										Total
	Asset Replacement Reserve	New & Expl'y Fisheries Fund	Staff Replacement Fund	Contingency	Observer	VMS	CDS	Compliance	MPA	Scientific	Enforcement	General SC Capacity	CEMP		
	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	
Income															
Members' General Fund Contributions	3 259 000	0	0	0	0	0	0	0	0	0	0	0	0	0	3 259 000
Members' Special Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	200 000	0	0	0	0	3 300	400	4 200	800	400	0	400	2 000	4 000	215 500
Staff Assessment Levy	465 000	0	0	0	0	0	0	0	0	0	0	0	0	0	465 000
Fund transfers	150 000	0	0	0	(150 000)	0	0	0	0	0	0	0	0	0	0
Sales (Tagging)	30 000	0	0	0	0	0	0	0	0	0	0	0	0	0	30 000
Miscellaneous Income	398 000	30 000	195 000	0	150 000	0	0	0	0	0	0	0	0	0	773 000
Total Income	4 502 000	30 000	195 000	0	0	3 300	400	4 200	800	400	0	400	2 000	4 000	4 742 500
Expenditure															
Salaries and Allowances	3 215 000	0	195 000	0	0	0	0	0	0	0	0	0	0	0	3 410 000
Equipment	200 000	0	0	0	0	0	0	0	0	0	0	0	0	0	200 000
Insurance and Maintenance	215 000	0	0	0	0	0	0	0	0	0	0	0	0	0	215 000
Training	15 000	0	0	0	0	0	0	0	0	0	0	0	0	0	15 000
Meeting Facilities	325 000	4 444	0	0	0	0	0	0	0	0	0	0	0	0	329 444
Travel	150 000	0	0	0	0	0	0	0	0	0	0	0	30 000	0	180 000
Printing and Copying	50 000	0	0	0	0	0	0	0	0	0	0	0	0	0	50 000
Communications	41 000	0	0	0	0	0	0	0	0	0	0	0	0	0	41 000
Sundry	90 000	0	0	0	0	0	0	0	0	0	0	0	0	0	90 000
Rent/COGS	423 000	0	0	0	0	0	0	0	0	0	0	0	0	0	423 000
Total Expenditure	4 724 000	4 444	195 000	0	0	0	0	0	0	0	0	0	30 000	0	4 953 444
Surplus/(Deficit)	(222 000)	25 556	0	0	0	3 300	400	4 200	800	400	0	400	(28 000)	4 000	(210 944)
Balance at 1 January 2014	223 051	228 939	363 920	135 846	260 000	123 506	15 497	170 129	28 847	57 355	0	15 206	223 975	104 338	1 950 609
Balance at 31 December 2014	1 051	254 495	363 920	135 846	260 000	126 806	15 897	174 329	29 647	57 755	0	15 606	195 975	108 338	1 739 665

MEMBERS' CONTRIBUTIONS 2013
 General Fund Contributions – Payable by 1 March 2013
 (all amounts in Australian dollars)

Member	Basic	Fishing	Total
Argentina*	122 271	1 000	123 271
Australia	122 271	10 614	132 885
Belgium	122 271	-	122 271
Brazil*	122 271	-	122 271
Chile	122 271	1 871	124 142
China, People's Republic of *	122 271	2 487	124 758
European Union	122 271	-	122 271
France	122 271	26 103	148 374
Germany	122 271	-	122 271
India	122 271	-	122 271
Italy	122 271	-	122 271
Japan	122 271	11 669	133 940
Korea, Republic of *	122 271	21 990	144 261
Namibia	122 271	-	122 271
New Zealand	122 271	6 391	128 662
Norway	122 271	36 833	159 104
Poland	122 271	2 518	124 789
Russia	122 271	3 084	125 355
South Africa*	122 271	1 104	123 375
Spain	122 271	3 753	126 024
Sweden	122 271	-	122 271
Ukraine	122 271	-	122 271
UK	122 271	7 808	130 079
USA	122 271	-	122 271
Uruguay*	122 271	1 000	123 271
	<u>3 056 775</u>	<u>138 225</u>	<u>3 195 000</u>

* Extension of deadline requested by Members.

AMENDMENTS TO FINANCIAL REGULATIONS (2012)

5.3 On approval of the budget for a financial year, the Executive Secretary shall send a copy **of that budget** ~~thereof~~ to all Members of the Commission notifying them of their contributions and requesting them to remit their contributions due. A Member of the Commission that fails to pay its contributions for two consecutive years shall not, during the period of its default, have the right to participate in the taking of decisions in the Commission.

5.4 All contributions shall be made in Australian dollars. ~~or the equivalent amount in United States dollars.~~

5.5 (a) ~~Except in the first financial year, a~~ A new Member of the Commission whose membership becomes effective during the first six months of the financial year shall be liable to pay the full amount of the annual contribution which would have been payable had it been a Member of the Commission when assessments were made under Article XIX(3) of the Convention. A new Member whose membership becomes effective during the last six months of the financial year, shall be liable to pay half of the amount of the annual contribution referred to above. ~~In the first financial year all Members whose membership becomes effective during the first nine months of the year shall be liable to pay the full amount of the annual contributions. A Member whose membership becomes effective during the last three months of the first financial year shall be liable to pay half the amount of the first annual contribution;~~

5.6 ~~Except in the first financial year when contributions shall be paid within 90 days of the end of the first Commission meeting, e~~ Contributions shall be due for payment on the first day of the financial year, **1 January** (i.e. the due date). ~~and~~ **Contributions shall be paid not later than 31 May (extended period of payment), recognising that submission of payments later in the extended period of payment may impact the Secretariat's ability to meet its financial obligations.** ~~60 days after that date. The Commission has the authority to permit extensions to the due date of up to 90 days for individual Members who are unable to comply with this regulation due to the timing of the financial years of their governments. However, in the case referred to in Regulation 5.5(a), contributions by a new Member shall be made within 90 days following the date on which its membership becomes effective. If payment is made after the due date in United States dollars, the net payment received by the Commission shall be equivalent to the amount of Australian dollars payable on the due date.~~

6.1 (c) Any cash surplus in the General Fund at the close of a financial year that is not required to meet undischarged commitments in terms of Regulation 4.3 shall be divided in proportion to the contributions made by existing Members under Regulation 5.1 in the current financial year and used to offset such Members' contributions for the ensuing financial year. ~~This provision shall not apply at the end of the first financial year when surplus funds other than those resulting from contributions by new Members may be carried over into the following financial year;~~

Proposed insertion after Financial Regulation 10.2

10.3 The Executive Secretary shall submit to all Members of the Commission, not later than 10 working days following the end of each financial quarter (being 31 March, 30 June, 30 September, 31 December), interim financial reports showing:

- (a) income (including interest income) and expenditures relating to all funds and accounts;**
- (b) the status and performance of investments; and**
- (c) other advice or information the Executive Secretary considers relevant pertaining to the financial management of the Commission.**

10.4 The Executive Secretary will inform Members of significant or unforeseen financial events, particularly where such events may have substantial impact on the current or future financial position of the Commission, as soon as possible from when the Executive Secretary becomes aware of such events.

[renumber the existing Regulations 10.3 to 10.6]