

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

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

The following agenda items were considered by the Standing Committee on Administration and Finance (SCAF) for preliminary discussion:

Examination of Audited Financial Statements for 1993 (CCAMLR-XIII/3)

Appointment of Auditor (CCAMLR-XIII/3 and CCAMLR-XIII/6)

Review of Budget for 1994 (CCAMLR-XIII/4)

Publications Distribution Policy (CCAMLR-XIII/7)

CCAMLR Science (CCAMLR-XIII/BG/10)

Meeting Costs (CCAMLR-XIII/8)

Budget for 1995 and Forecast Budget for 1996 (CCAMLR-XIII/4)

Review of Formula for Calculating of Members' Contributions (CCAMLR-XIII/5)

CCAMLR Flag

AUDITED FINANCIAL STATEMENTS

2. **The Committee recommended that the Commission adopt the financial statements as presented in CCAMLR-XIII/4.** The Committee noted that the audit report to the 1993 Financial Statements advised no qualifications in respect of compliance with Financial Regulations or International Accounting Standards.

APPOINTMENT OF AUDITOR

3. **The Committee recommended that the Commission appoint the Australian National Audit Office as auditor in respect of the Financial Years 1994 and 1995.** The Committee considered it appropriate that the Australian National Audit Office, whose term of appointment had ended, should be reappointed auditor of the Commission for the next two years.

4. **The Committee recommended that the Commission adopt the changes to the Financial Regulations as outlined in Appendix 1 to this report.** The changes are needed to permit the Commission to require only a review audit to be performed in any particular year, as

a cost saving measure.

5. **The Committee recommended that the Commission require that only a review audit be performed on the 1994 Financial Statements.** The Committee advises that a full audit is not necessary in respect of the current year, and that the cost savings from having only a review audit would be A\$4 000.

REVIEW OF 1994 BUDGET

6. The Committee noted that there are no items of expenditure expected to exceed the budgeted amounts in 1994.

PUBLICATIONS DISTRIBUTION POLICY

7. While recognising the problems which have resulted from the implementation of the publications distribution policy in 1993, the Committee noted that many of these related to the introduction stage only. It would therefore be inappropriate for the Commission to change its 1993 decision that the existing policy be introduced for a trial period of two years. **The Committee recommended that the Commission direct the Secretariat to correspond with Members during the intersessional period to obtain information on any adverse effect that the introduction of this policy may be having on the level of awareness of CCAMLR's activities.**

CCAMLR SCIENCE

8. The Committee received the report of the Executive Secretary (CCAMLR-XIII/BG/10) and verbal advice from the Chairman of the Scientific Committee. The production of this publication has caused many problems, but the budget has not been exceeded and the resulting *CCAMLR Science* journal has been well received by members of the Scientific Committee. Because the first issue had been received only in the last few days, it is too early to assess subscriber interest. The Committee saw no need to provide further advice to the Commission on *CCAMLR Science* at this stage.

MEETING COSTS

9. The Committee discussed the options for possible cost savings outlined by the Secretariat in CCAMLR-XIII/8, and agreed that it is not in a position to recommend any further cost savings to the Commission in respect of the annual meetings of the Commission and Scientific Committee at this stage. However, the Secretariat should continue to aim at reducing costs wherever possible.

1995 BUDGET

10. **The Committee recommended that the Commission approve the individual elements of the budget as set out in the attached table.** The 1995 expenditure budget of A\$1 691 900 compares with a 1994 expenditure budget of A\$1 633 000. The increase of A\$58 900 represents an increase of 3.5%; after adjustment for inflation this represents zero real growth. The Committee particularly noted the efforts of the Scientific Committee in keeping its budget increase below the rate of inflation.

11. The Committee noted the advice of the Secretariat that the Commission has been increasing the workload of the Secretariat without proportional increases in the resources provided. The Committee recommended that the Commission address the issue in the following manner:

- **the Commission consider an order of priority for work to be performed;**
- **any proposals put to the Commission or Scientific Committee for work to be performed to include a statement of the financial implications; and**
- **the Secretariat be directed to prepare, for the consideration of SCAF at the 1995 meeting a set of two alternative budgetary proposals (with growth rate or zero real growth) that would include or delete work to be performed according to priorities set by the Commission.**

1996 FORECAST BUDGET

12. The Committee noted a forecast 1996 expenditure budget of A\$1 759 700.

REVIEW OF FORMULA FOR CALCULATING MEMBERS' CONTRIBUTIONS

13. **The Committee recommended to the Commission that the existing formula for calculating Member contributions be used as a basis for the 1995 budget contributions.**

The Committee considered the Secretariat's report on the new formula for calculating Members' contributions to the 1995 budget. It discussed some of the elements of the formula suggested by the Secretariat. It concluded that the previous formula needed improvements, in terms particularly of its lack of equity between contributions from fishing and non-fishing Members, and between fishing Members themselves. A number of Members suggested that the proposed new formula should be given a trial for a year. Others made suggestions for changes to the new formula. Yet others said that they were not ready to endorse the new formula, because their concerns had not been addressed.

14. The Committee concluded that although there was consensus on many principles contained in the new formula, it was not possible at this stage to agree to adopt it, or to amend it so as to be able to reach agreement. It agreed to continue to use the previous formula for 1995, on the understanding that it would continue negotiations intersessionally on the basis of the new formula, with a view to securing consensus as a matter of high priority at the next meeting.

15. To this end the Committee encouraged all Members to review their positions and convey comments or alternative proposals to other Members and to the Secretariat intersessionally. It asked the Secretariat to prepare and circulate a composite text including any alternative proposals to enable Members to continue intersessional negotiations. It resolved to work towards agreement on a new formula at the next session of the Commission.

CCAMLR FLAG

16. The Executive Secretary presented to the Committee two possible designs for the flag for the consideration of Members prior to discussion at the plenary meeting of the Commission.

OTHER BUSINESS

17. The Committee noted that there had not been sufficient time for discussion of all of the issues referred to it for consideration and **recommended that the Commission direct that this Committee commence informal discussions on the budget issues in 1995 on the day before the opening of the Commission meeting.**

18. Subsequent to completion of discussions on the 1995 budget, the Committee was advised of proposals by the Standing Committee on Observation and Inspection (SCOI), including for the production of inspection forms and glossaries in languages of all Members engaged in fishing in the Convention Area, which would result in expenditure which had not been included in the 1995 budget. The Secretariat was directed to provide the Commission with the financial implications of these proposals in order that the Commission can make an informed decision on this matter.

**RECOMMENDED MODIFICATIONS TO THE FINANCIAL
REGULATIONS TO PERMIT REVIEW AUDITS**

11.3 If required by the Commission to perform a full audit, the external auditor shall conduct his examination of the statements in conformity with generally accepted auditing standards and shall report to the Commission on all relevant matters, including:

- (a) whether, in his opinion, the statements are based on proper accounts and records;
- (b) whether the statements are in agreement with the accounts and records;
- (c) whether, in his opinion, the income, expenditure and investment of moneys and the acquisition and disposal of assets by the Commission during the year have been in accordance with these Regulations; and
- (d) observations with respect to the efficiency and economy of the financial procedures and the conduct of business, the accounting system, internal financial controls and the administration and management of the Commission.

11.4 If required by the Commission to perform a review audit, the external auditor shall review the statements and accounting controls in operation. He shall report to the Commission whether anything has come to his attention which would cause him to doubt whether:

- (a) the statements are based on proper accounts and records;
- (b) the statements are in agreement with the accounts and records; or
- (c) the income, expenditure and investment of moneys and the acquisition and disposal of assets by the Commission during the year have been in accordance with these Regulations.

Subsequent paragraphs of Regulation 11 to be renumbered.

PROJECTED INCOME AND EXPENDITURE FOR 1994
BUDGET FOR 1995 AND FORECAST FOR 1996

(Australian Dollars)

Budget for 1994				1995 Budget (4)	1996 Forecast Budget (5)
(1) Budget adopted in 1993	(2) Estimates projected to 31/12/94	(3) Variance from Budget	Item		
			Subitem		
INCOME					
1 355 100	1 328 261	-26 839	Members' Contributions	1 417 500	1 465 000
			Items from previous year		
0	0	0	- Arrears of Contributions	0	0
28 900	24 047	-4 853	- Interest	29 500	36 000
0	0	0	- Members' Contributions	0	0
0	0	0	- New Members' Contributions	0	0
249 000	269 539	20 539	- Staff Assessment Levy	244 900	264 600
0	11 153	11 153	- Surplus	0	0
1 633 000	1 633 000	0	Total Income	1 691 900	1 765 600
EXPENDITURE					
DATA MANAGEMENT					
6 400	6 400	0	Capital Equipment	6 600	6 800
3 700	3 700	0	Consumables	3 800	3 900
60 300	60 300	0	Contract Labour	72 400	82 700
11 400	11 400	0	Maintenance	11 800	12 200
5 500	5 500	0	Time Share Usage	5 700	5 900
87 300	87 300	0	Total Data Management	100 300	111 500
MEETINGS					
388 200	388 200	0	Total Meetings	401 800	414 500
PUBLICATIONS					
103 400	103 400	0	Total Publications	96 400	96 800
SCIENTIFIC COMMITTEE					
127 200	127 200	0	Total Scientific Committee	127 800	131 300
SECRETARIAT COSTS					
19 100	19 100	0	Administration	16 200	16 700
247 800	247 800	0	Allowances	242 100	264 800
5 100	5 100	0	Automobile	4 900	5 100
29 400	29 400	0	Communication	30 400	31 400
3 800	3 800	0	Incidentals	3 900	4 000
3 800	3 800	0	Library	3 900	4 000
29 200	29 200	0	Office Requisites	30 200	31 200
9 000	9 000	0	Premises	9 300	9 600
544 300	544 300	0	Salaries	588 100	601 000
35 400	35 400	0	Travel	36 600	37 800
926 900	926 900	0	Total Secretariat Costs	965 600	1 005 600
<u>A\$1 633 000</u>	<u>A\$1 633 000</u>	<u>A\$0</u>	Total Expenditure	<u>A\$1 691 900</u>	<u>A\$1 759 700</u>