

**REPORT OF THE STANDING COMMITTEE
ON ADMINISTRATION AND FINANCE**

THE EXECUTIVE SECRETARY'S REPORT OF THE MEETING OF THE STANDING COMMITTEE ON ADMINISTRATION AND FINANCE

The Committee met on 4, 5, 6, 9, 10 and 11 September under the Chairmanship of Mr D. MacKay (New Zealand) and considered the following items:

1. Examination of the Audited Financial Statements for 1984 and the Auditor's Report on Income;
2. Review of the Budget for 1985;
3. Budget for 1986 and the forecast budget for 1987;
4. Review of the Implementation of the Retirement Benefit Regulation;
5. Review of the System for Applying Changes in Salaries and Allowances;
6. Timing of Meetings of the Commission and the Scientific Committee;
7. Procedures for the Appointment of Secretariat Staff.

EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR 1984

2. The Committee noted that the Auditor had reported that the Financial Statements for 1984 submitted by the Executive Secretary conformed with International Accounting Standards and that:

‘The Statements are based on proper accounts and records; the income, expenditure and investment of moneys and the acquisition and disposal of assets by the Commission during the year ending 31 December 1984 have been in accordance with the Regulations.’

3. The Committee also noted and supported the Auditor's suggestion for a revised format to that approved by the Commission made necessary by the introduction of the Special Fund to take account of the Norwegian Special Contribution. The Committee supported the Auditor's suggestion to change the currently approved format to the style and order as used in presenting the financial statements for 1984.

4. The Committee noted that there was a considerable delay from the time the Statements were transmitted to the Auditor and the receipt of his report. The Secretariat was asked to see if the Auditor's Report could be made available to members earlier in future.

5. The Committee agreed that in accordance with Financial Regulation 12.1, the Commission should signify its acceptance of the financial statements.

THE AUDITOR'S REPORT ON INCOME

6. At the last meeting, some members had questioned the current procedures for calculating members' contributions and the method of handling income in the budget. The Secretariat was asked to seek the Auditor's opinion.

7. The Committee considered the Auditor's reply which stated that the present method in use is in accord with the Financial Regulations and noted that any change to the existing system would necessitate the introduction of a working capital fund. Delegates re-stated that they are opposed to the introduction of such a fund.

8. It was agreed that the present system is working well and that there is no reason to change it.

REVIEW OF BUDGET FOR 1985

9. The Committee discussed the Secretariat forecasts of the likely income and expenditure results for 1985.

10. With effect from 1 January, 1985, the UN General Assembly decided to consolidate 20 points of post adjustment into gross salaries and increase the staff assessment levy. The effect on the 1985 budget is to increase gross salaries and the staff assessment levy above the previous estimates. The Committee noted that the Commission's approval is sought to increase the amount in the Salaries item by \$A42,900 and that this additional expenditure would result in an increase in the income item of Staff Assessment levy for the 1986 budget.

11. The Committee agreed that the increase should be approved.

THE DRAFT BUDGET FOR 1986 AND THE FORECAST BUDGET FOR 1987

12. The Committee discussed in detail the Draft Budget for 1986 contained in CCAMLR-IV/5. The Committee sought detailed explanation as to how several items and sub-items had been estimated and asked the Secretariat to provide this information as standard in future, both for the previous year's budget and for the draft budget for the following years, in order to facilitate more rapid examination of the budget. Additional information as provided to the Committee is attached to this Report as Appendices 1, 2, 3, 4, 5 and 6. Following receipt of this breakdown for 1986, a revised draft budget was prepared. The new draft is attached as Appendix 7.

13. It was noted that travel by the Secretariat staff together with secretarial and working groups' expenditure would depend on final decisions relating to venues and availability of support services for the Scientific Committee working groups. It was agreed that the Executive Secretary would consult with the Chairman of the Commission, the Chairman of the Scientific Committee and the Chairman of the Standing Committee on Administration and Finance, as appropriate on the need for these expenditures.

Members' Contributions

14. The revised draft budget for 1986 indicates that the total of members' contributions, after deducting estimated credits, will be \$A787,400. The contribution assuming sixteen members, will be \$A49,213 per member.

New Members' Contributions

15. In discussing the inclusion of the item on new members' contributions, the Committee agreed that the Executive Secretary, in preparing the Draft Budget each year, should not include forecasts of new members' contributions unless all the accession procedures have been concluded and it is certain that the new member will join the Commission during the coming year.

Classification of Expenditure Items

16. Considerable time was devoted to the discussion of classification of certain expenditure items. The Committee felt that the cost of publishing the reports of working groups should be charged to the Scientific Committee's budget since these reports are an integral part of the Scientific

Committee work program. The previous practice had been to include this cost in the budget item, Publications.

17. It was suggested that Secretariat travel costs which could be clearly identified as being directly connected to the work of the Scientific Committee, such as attendance of the Data Manager or the Science Officer at working groups, should be charged to the Scientific Committee's budget.

18. There was not unanimous agreement on this but it was agreed for 1986 to charge these travel costs to the Scientific Committee's budget. Several members felt that the change was not essential but that transparency must be maintained. It was suggested that the matter should be reconsidered at the next meeting.

Long-Term Funding

19. Members discussed whether approved expenditure for projects in the Scientific Committee's budget, which take more than one budget year to complete, would commit the Commission to expenditure in subsequent years. It was agreed that this was not the case since, under the Financial Regulations, the Commission only approves its budget for one year at a time. Specifically it was noted that the 1987 budget is a forecast and does not need to be approved at this meeting. Any changes to scientific committee programs or any other items in the course of 1986 could affect the 1987 budget items. The view was also expressed that the Commission can defer and incur long-term commitments.

Meeting Costs

20. Members discussed the components of the Meetings budget item, particularly the high cost of interpretation and translation. Concern was expressed that the most efficient use be made of translation time and the meeting of deadlines. The Executive Secretary was asked to keep under review these costs and look at other means of obtaining translation, in particular, through member countries and organisations.

21. The cost of photocopying was considered by members and explanations were given regarding the current practice. The Secretariat was asked to investigate the hiring of photocopiers capable of producing double-sided documents.

Invited Experts and Consultants for Scientific Projects

22. The Committee expressed concern at the remuneration level at which consultants might be employed and questioned whether their services could be provided by their home governments without cost to the Commission.

23. In this connection, some members also expressed great concern about the introduction of such an employment practice at the Commission's expense. It was also recommended that the Executive Secretary should make every effort to obtain the services of highly qualified experts from member countries who could perform the required services without the Commission having to pay consulting fees. In all instances lower fees than budgeted for should be negotiated.

24. It was noted that some consultants, that may need to be engaged by the Scientific Committee, do not receive a salary but rely on fees as their source of income. It was agreed that the level of remuneration, if any, would have to be negotiated and that it should be carefully controlled by the Executive Secretary so as to obtain the most efficient and economic provision of consultant services.

Species Identification Sheets

25. The Committee discussed the request by FAO for further funds required to continue the production of the Species Identification Sheets and the expenditure to date. The Committee agreed that the additional funds should be provided and that the FAO should be asked to explain why the spending was inconsistent with the original proposal.

Budget Rate of Growth

26. The proposed 1986 budget expenditure of \$A955,200 represents a nominal increase of 7.2% over the approved 1985 budget.

27. The rate of inflation for Australia in the financial year 1985/86 is expected to be around 8%.

28. Based on these estimates, the Commission budget, as proposed, represents a negative rate of growth.

29. It was requested that future budgets and budget estimates be expressed in terms of real growth, as well as in terms of nominal growth.

REVIEW OF THE IMPLEMENTATION OF THE RETIREMENT BENEFIT REGULATIONS

30. The Committee considered the report of the Executive Secretary distributed as meeting document 'Staff Social Security Arrangements' (CCAMLR-IV/7), noted that arrangements had been implemented and that they were in accord with the Staff Regulations adopted at the 1984 meeting.

REVIEW OF THE SYSTEM FOR APPLYING CHANGES IN SALARIES AND ALLOWANCES

31. Several delegations expressed concern at the amount of the Commission's budget being applied to Secretariat costs, and noted that the salaries and allowances component was projected to increase significantly in 1986 and 1987. While it was desirable for the Commission to offer remuneration which would attract staff of a high calibre internationally, it was considered that there should be a thorough review of Secretariat salaries and allowances at the Commission's fifth session. To facilitate such a review, the Chairman of SCAF together with the Executive Secretary were requested to prepare a study for consideration at the fifth session. This study would include the following:

- (i) The level of remuneration paid by the Commission compared with that paid by other international fisheries bodies, together with the systems used by those bodies for determining remuneration levels and increases in them.
- (ii) The level of the remuneration paid by the Commission compared with that paid by the Australian Public Service, together with the system used by it for determining remuneration levels and increases in them. (The Australian Public Service investigations of parity with the private sector, for its Senior Executive Service, may be of assistance.)
- (iii) Possible modifications to the Commission's existing system of remuneration, including modifications which, while still based on the UN system, would require any increases beyond UN annual increments and inflation (which might be linked to the Australian

Consumer Price Index for example) to be specifically approved by the Commission and not take effect automatically as at present.

32. Should any difficulty be experienced by the Chairman of SCAF or the Executive Secretary in obtaining relevant information from other organisations it was agreed that those Commission members who also belonged to the other organisations would assist in this regard.

TIMING OF MEETINGS

33. The Committee agreed that the timing of meetings of the Commission and Scientific Committee did have an impact on the administration. Forecasts of actual expenditures in the current financial year are more reliable if they are made towards the end of the year. The Committee felt, however, that if there were scientific considerations which favoured a meeting early in the year, the financial administration problem would be unlikely to be significant enough to override them.

PROCEDURES FOR APPOINTMENT OF STAFF

34. The Executive Secretary described the procedures employed for advertising and filling the positions when the Secretariat was being established. The assistance of members had been obtained in advertising, receiving applications and providing referees' comments. The Executive Secretary was able to interview some but not all short listed applicants and stressed the importance of this element in the selection process.

35. The Committee noted the procedures and emphasised the potential value of the assistance of members contacting and placing advertisements in government Journals and supported the Executive Secretary's view regarding the importance of interviewing.

36. The Committee agreed that while the position of Executive Secretary was not of immediate concern since the present occupant had just been offered reappointment for a further term, it would be prudent to avoid the possibility of problems in the future by putting into place now, procedures for selecting and appointing the Executive Secretary.

37. Accordingly, it was agreed that the consideration of appointment procedures for the position of Executive Secretary should be included in the Commission's agenda for 1986.

SECRETARIAT PREMISES

38. The premises used by the Secretariat are provided free jointly by the Australian and Tasmanian Governments.

39. The Committee expressed its appreciation for the provision of this office accommodation.

DRAFT 1986 BUDGET ITEM – MEETING COSTS

Philips Multilingual Equipment	18,400
Equipment	1,500
Translation/Interpretation	186,500
Stationery	5,400
Photocopying	12,500
Venue – Wrest Point	11,200
Casual Staff Salaries	13,500
Postage and Freight	3,500
Miscellaneous	<u>1,500</u>
Total	<u>\$A254,000</u>

DRAFT 1986 BUDGET ITEM – PUBLICATIONS

Summary of Catch and Effort Statistics	Nil
Basic Documents (Headquarters Agreement)	3,200
Reports of Meetings of the Commission and Scientific Committee	19,700
Conservation Measures	3,000
Newsletter	3,800
Members Activities	11,800
Compendium of Scientific Papers	10,200
Financial Statements/Auditors Report	<u>3,100</u>
Total	<u>\$A54,800</u>

BUDGET SUB-ITEM – ALLOWANCES

	1985	1986	1987
Commission's Employer Contribution to the Retirement Fund	38,900	51,300	55,100
Dependency Allowance	Nil	Nil	Nil
Education Grant	2,200	Nil	3,300
Education Travel	4,200	5,100	5,600
Home Leave	21,200	Nil	13,700
Installation Grant	Nil	Nil	9,400
Language Allowance	Nil	Nil	Nil
Non-resident Allowance	Nil	Nil	Nil
Shipment of Household Effects	Nil	Nil	14,000
Travel to Post	Nil	Nil	7,400
Termination Entitlements	<u>Nil</u>	<u>Nil</u>	<u>74,500*</u>
	<u>66,500</u>	<u>56,400</u>	<u>183,000</u>

*Termination Entitlements 1987

– Separation from Service Allowance	30,871
Air fares (Staff member and family, economy rates)	8,182
Removal of Household Effects	14,085
Repatriation Allowance	<u>21,362</u>
	<u>74,500</u>

DRAFT 1986 BUDGET ITEM – TRAVEL

Executive Secretary

Fish Stock Assessment Working Group:

Air fare to US and return via Europe

Attend working group meeting

Visit UN Secretariat – New York

Visit Rome for discussions with Chairman
of SCAF on salaries changes

Review and consultations with FAO

Visit to Hamburg for discussions with Chairman Scientific Committee	Air Fare	5,000	
	Per Diem	<u>3,956</u>	\$A8,956

Total 23 days

Ecosystem Monitoring Workshop:

Air fare to Argentina to attend meeting
and for consultations with Chairman of
Commission

	Air Fare	4,000	
Total 12 days	Per Diem	<u>1,140</u>	\$A5,140

Consultations with Depositary Government,
Ambassadors in Canberra and for
consultation with contractors of meeting
services

3 visits Canberra and Sydney			<u>\$A3,300</u>
			\$A17,396

Total (say)			\$A17,400
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**DRAFT 1986 BUDGET – TRAVEL AND THE
SCIENTIFIC COMMITTEE’S BUDGET**

Scientific Committee

Total Budget as per Annex 10 to Scientific Committee Report	97,000
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Plus travel transferred from
Secretariat costs:

Data Manager

Fish Stock Assessment Working Group

Air Fare	4,600	
12 days per them	<u>1,800</u>	6,400

Science Officer

Ecosystem Monitoring Working Group

Air Fare	4,600	
10 days per them	<u>1,500</u>	<u>6,100</u>

Total	\$A109,500
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Less transfer from Norwegian Contribution Special Fund	<u>50,000</u>
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Total Scientific Committee Budget as reflected in the Commission’s Draft Budget	\$A <u>59,500</u>
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**PROJECTED INCOME AND EXPENDITURE 1985, DRAFT BUDGET 1986 AND
FORECAST BUDGET 1987 (AUSTRALIAN DOLLARS)**

1985 BUDGET			DRAFT BUDGET 1986 & FORECAST BUDGET 1987			
Budget Adopted 1985	Estimates Projected to 31.12.85	Variance with Budget	Item	Sub Item	1986	1987
INCOME						
573826	451148	-122678		Members' Contributions	787400	1049700
				Items from Previous Year		
40000	52618	12618		• Interest	40000	40000
152274	152274	0		• New Members' Contributions	0	0
71600	178590	106990		• Surplus	19700	0
<u>53000</u>	<u>56070</u>	<u>3070</u>		• Staff Assessment Levy	<u>108100</u>	<u>113400</u>
890700	890700	0		Total Income	955200	1203100

EXPENDITURE						
DATA MANAGEMENT						
0	0	0		Capital Equipment	1900	0
2700	1000	1700		Consumables	1100	2000
37700	11500	26200		Contract Labour	29600	19100
5000	3500	1500		Maintenance	3700	4100
<u>21200</u>	<u>7000</u>	<u>14200</u>		Time Share Usage	<u>13500</u>	<u>14700</u>
66600	23000	43600	Total Data Management		49800	39900
MEETINGS						
<u>237000</u>	<u>237000</u>	<u>0</u>		Joint Meeting Commission, Scientific Committee	<u>254000</u>	<u>278000</u>
237000	237000	0	Total Meetings		254000	278000
PUBLICATIONS						
<u>86300</u>	<u>75400</u>	<u>10900</u>	Total Publications		<u>54800</u>	<u>64500</u>
SCIENTIFIC COMMITTEE						
<u>32000</u>	<u>32000</u>	<u>0</u>	Total Scientific Committee		<u>59500</u>	<u>117400</u>
SECRETARIAT COSTS						
12100	10200	1900		Administration	11600	12800
66500	61900	4600		Allowances	56400	183000
4000	3000	1000		Automobile	4000	4400
17000	17000	0		Communication	17900	19600
2000	2000	0		Incidentals	2000	2000
2000	2000	0		Library	2100	2300
14300	14300	0		Office Requisites	16300	17800
5600	5000	600		Premises	5400	6000
309300	352200	-42900		Salaries	404000	436300
<u>36000</u>	<u>36000</u>	<u>0</u>		Travel	<u>17400</u>	<u>19100</u>
468800	503600	-34800	Total Secretariat Costs		537100	703300
890700	871000	19700	Total Expenditure		955200	1203100