

**REPORT OF THE MEETING 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 9, 10, 11, 12 and 15 September under the Chairmanship of Mr Tim Caughley (New Zealand) and considered the following items:

1. Examination of the Audited Financial Statements for 1985;
2. Appointment of an External Auditor;
3. Review of the Budget for 1986;
4. Draft Budget for 1987 and the Forecast Budget for 1988;
5. Study of Salaries and Related Allowances for Professional Staff;
6. The application of a new formula for Members' contributions in accordance with Article XIX, 3 of the Convention.

EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR 1985

2. The Committee had before it Document CCAMLR-V/4, 'Examination of the Audited Financial Statements and Appointment of an External Auditor'.
3. The Auditor had reported that the Financial Statements for 1985 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 1985 have been in accordance with the Regulations.'

1985 FINANCIAL STATEMENTS

4. One delegation sought assurance regarding the deficit of \$A282,414 in the Statement of Income and Expenditure for 1985.
5. It was explained by the Administration/Finance Officer that contributions required of Members in 1985 were less than the incurred expenditure because of the surplus including new Members' contributions carried over from 1984 which was credited to Members under the provision agreed by the Commission. It was explained that the detailed procedure is in conformance with the International Accounting Standards and had been verified by the Auditor.
6. The Committee agreed that in accordance with Financial Regulation 12.1, the Commission should signify its acceptance of the financial statements.

APPOINTMENT OF AN EXTERNAL AUDITOR

7. Financial Regulation 11.1 requires that the external auditor shall be the Auditor-General or equivalent statutory authority from a Member of the Commission and shall serve for a term of two years with the possibility of re-appointment.
8. The Auditor-General for Australia has served the Commission for the past four years and has indicated that he is available for re-appointment. The Committee supported his re-appointment.

REVIEW OF BUDGET FOR 1986

9. The Committee discussed the Secretariat forecasts of the likely income and expenditure results for 1986 including the supplementary budget which had been made necessary by the resignation of the Data Manager. This information is contained in the document CCAMLR-V/5, 'Review of the 1986 Budget and Examination of the Draft 1987 Budget and the Forecast 1988 Budget.'
10. The Committee noted the letter from the Auditor stating that his fee was likely to exceed the original budget estimate by \$A1,000. The Committee recognised the resulting unavoidable overspending in the item Secretariat Costs – Administration.
11. It was noted that approval for the supplementary budget had been obtained by correspondence with Members and that in giving their approval, Members also had agreed with the

Executive Secretary's proposal that the expenditure be funded from excess income in the 1985 financial year. The Secretariat explained that the amount necessary had been subtracted from excess income items before calculating the refunds to Members when the actual contributions to the 1986 budget were being calculated.

12. The Committee noted that the publications planned for completion in 1986 would result in expenditure exceeding the allocation in the budget. The Executive Secretary explained that the publication of the 'Reports of Members Activities' could not be achieved in the same year that they were submitted. It had been the practice in the past to provide funds in the year that the Reports were submitted and to carry over expenditure into the following year. This practice will be changed in 1986 and this document will be published from funds provided in the 1987 allocation. This change will allow publication expenditure to be kept at or below the budget figure for 1986. The publication of this document in 1987 will not increase the expenditure in this item in 1987 since the deferral of this publication will be carried through all subsequent years.

13. There was some discussion on the way in which expenditure from the Norwegian Special Fund was presented. The Audited Financial Statements contain the details of drawings from the fund, interest accrued and the current balance at the end of the previous financial year. Document CCAMLR-V/5 contains the detailed breakdown of expenditures for each project in the Scientific Committee's program to be undertaken in 1986. The amount of funds allocated in the Commission's budget and the amount authorised to be drawn from the Special Fund are also shown.

14. Some members of the Committee felt that the amount of funding being drawn from the Special Fund should appear in the Budget table so that the complete expenditure on the Scientific Committee's program could more readily be compared from year to year. The table was modified in accordance with this view.

15. The Committee noted that only eleven Members had paid their 1986 contributions by 31 May 1986, the end of the period specified in the financial regulations for payment of contributions. Other contributions had since been received. The Committee was informed that the transfer of funds to pay the one contribution currently outstanding was being made.

THE DRAFT BUDGET FOR 1987 AND THE FORECAST BUDGET FOR 1988

16. The Committee noted that the budget paper had been presented in a new format which distinguished recurrent and non-recurrent expenditures. It was agreed that the new presentation

allowed a more practical and realistic comparison of expenditure year to year and should be retained.

17. The detailed breakdown of the Scientific Committee's program of expenditure is contained in Annex 10 of the Report of the Scientific Committee. The paper contains descriptions of the activities of the Scientific Committee in 1987 and the basis on which the cost estimate for the proposed Scientific Committee allocation has been made.

18. The only objection to the detailed program concerned the proposed contribution of \$A10,000 to support BIOMASS activities directly related to CCAMLR. The USSR delegate put forward the view that the necessary expertise was available through the members of the Scientific Committee and there was therefore no need to finance activities of other groups such as BIOMASS to undertake the scientific work of the Commission.

19. No objections were raised on any of the other projects in the Scientific Committee program.

20. The Committee took note that the Scientific Committee budget is expected to show an apparent large increase in 1988 when the Norwegian Special Fund is expected to be completely expended.

21. There was no further comments or objections raised on any other items in the 1987 Budget of the Commission or the forecast budget for 1988.

Budget Rate of Growth

22. The proposed 1987 budget expenditure of \$A1,039,000 represents a nominal increase of 8.8% over the approved 1986 budget. Recurrent expenditure is projected to increase by 6.9%.

23. The rate of inflation for Australia in the financial year 1986/87 is expected to be around 6.9%. Therefore, the increase in recurrent expenditure represents zero real growth.

Members' Contributions

24. The revised draft budget for 1987 indicates that the total of Members' contributions, after deducting estimated credits, will be \$A666,084. The contribution, assuming nineteen Members, will be \$A35,057 per Member.

Review of Charge Policy for Publications

25. A document on the subject (CCAMLR-V/9) had been prepared by the Secretariat in accordance with the Commission's decision at the last meeting.

26. The document contains a complete dissection of the production and distribution costs of the Commission and Scientific Committee's publications and discusses various options for a charge policy.

27. The Committee expressed concern at the rising cost of publications and postage but was reluctant to introduce any measures which would prevent the results of the Commission's deliberations from being widely known or would impede the dissemination of important scientific information.

28. The Committee favoured the continuation of the current policy of free distribution of Commission and Scientific Committee publications, but encouraged the Executive Secretary to continue the policy of keeping the procedures under review and to take any opportunities to reduce costs in the production and distribution of documents.

CCAMLR/FAO Species Identification Sheets

29. The Committee noted that the English version of the FAO Species Identification Sheets for Fishery Purposes Southern Ocean had been completed in May 1986 in two volumes and that FAO had already begun to distribute them. Each Member had received ten copies, the contributors to the project had received two copies each and a copy each had been sent to SCAR, SCOR, IWC, ICES, IOC and BIOMASS.

30. The Committee acknowledged the importance and value of the document as a reference for those actively involved in Antarctic marine activities and noted that demand for it was likely to be very high. In this situation a departure from the present policy of free availability may be necessary in order to ensure that the limited number of copies were made available to those who would benefit most.

31. The possibility of imposing a charge for them so as to discourage casual requests was discussed, but it was agreed that such a policy might preclude some individual scientists or organisations from receiving the document.

32. It was finally agreed that no charge would be made and, to ensure the most effective distribution, each Member would provide the Secretariat with the name and address of a person nominated by that Member to take responsibility for distribution to organisations and individual scientists in his or her country. The number of sets of the volumes required would also be passed to the Secretariat.

STUDY OF SALARIES AND RELATED ALLOWANCES FOR PROFESSIONAL STAFF

33. As requested at the Fourth Meeting of the Commission, the Chairman of SCAF and the Executive Secretary presented for consideration at the fifth session, a report of a study of salaries and related allowances of the professional staff of the Commission (CCAMLR-V/6).

34. The Secretariat had distributed the Report well before the meeting as had been requested by the Commission. In addition, a number of background documents were distributed at the beginning of the Meeting as part of the study, as document SCAF-86/5:

SCAF – Background Information for Item 5:

- Part 1. Salaries – Professional Staff
- Part 2. Additional Information on Other International Organisations
- Part 3. Additional Information on the Australian Public Service
- Part 4. Timing of Events – Salaries and Allowances Review
- Part 5. Correspondence from CCAMLR to Other Organisations and with Chairman of SCAF
- Part 6. Payments on Separation from Service

35. After examining the additional documents and discussing the Report, the Committee agreed that what required scrutiny was not the U.N. System as the basis of the Commission's pay and allowances structure, but the U.N. levels at which the professional positions had originally been graded. While a number of Members emphasised the importance of the principle that the

Commission should be able to offer remuneration that will attract staff of a high calibre internationally, the Committee also agreed that before seeking applications for future vacancies on the professional staff, the Executive Secretary should carefully review and, if necessary, revise the job description of the position in question and the level at which that position had originally been graded.

36. The Executive Secretary was also asked to continue to consult with other organisations and agencies including the United Nations and the Australian Public Service Board, with a view to compiling additional information on comparability of grades and remuneration levels. It was agreed that the Committee should keep under review the salaries and allowances of the professional staff of the Commission.

Chairman

37. The Committee was reminded that New Zealand's term as Chairman would end at the conclusion of this meeting.

38. Expressions of appreciation were made by delegates to the outgoing Chairman.

39. There was unanimous support for the suggestion that India take responsibility for the Chairmanship for the next two annual meetings of the Standing Committee on Administration and Finance.

ARTICLE XIX PARAGRAPH 3

40. Article XIX paragraph 3 provides that five years after the Convention entered into force, contributions are required to be determined on the basis of two criteria: the amount harvested and an equal sharing among all Members. It was accepted that from April 1987, Article XIX. 3 enjoins the Commission to develop a system of contributions in which harvesting Members would make larger annual contributions than other Members. It was generally accepted that the system should be as simple and straight-forward as possible and should allow the budget to be readily capable of being calculated in advance.

41. However, there was insufficient time to develop a permanent system to give effect to Article XIX. 3. An exchange of views on the possible elements of a system (such as the method of calculating the proportion of the budget payable by harvesting Members, the statistics and

considerations on which that proportion might be based, and a review mechanism) took place but was inconclusive. Accordingly, no solution of a permanent kind was possible. There was, however, some consideration of the elements which might constitute a temporary or interim solution for 1987.

**PROJECTED INCOME AND EXPENDITURE 1986, DRAFT BUDGET 1987 AND
FORECAST BUDGET 1988 (AUSTRALIAN DOLLARS)**

1986 BUDGET			DRAFT BUDGET 1987 & FORECAST BUDGET 1988			
(1)	(2)	(3)			(4)	(5)
Budget Adopted 1986	Estimates Projected to 31.12.86	Variance with Budget	Item	Sub Item	1987	1988
INCOME						
787400	734145	-53255		Members' Contributions	666084	1091400
				Items from Previous Year		
40000	59909	19909		• Interest	40000	40000
0	0	0		• New Members' Contributions	112116	0
19700	58984	39284		• Surplus	127800	0
<u>108100</u>	<u>102162</u>	<u>-5938</u>		• Staff Assessment Levy	<u>93000</u>	<u>108900</u>
955200	955200	0		Total Income	1039000	1240300

EXPENDITURE						
DATA MANAGEMENT						
1900	1900	0		Capital Equipment	0	0
1100	600	500		Consumables	1200	2100
29600	0	29600		Contract Labour	31000	20500
3700	3700	0		Maintenance	3800	4400
<u>13500</u>	<u>1000</u>	<u>12500</u>		Time Share Usage	<u>14000</u>	<u>15800</u>
49800	7200	42600	Total Data Management		50000	42800
MEETINGS						
<u>254000</u>	<u>254000</u>	<u>0</u>		Joint Meeting Commission, Scientific Committee	<u>268000</u>	<u>288000</u>
254000	254000	0	Total Meetings		268000	288000
PUBLICATIONS						
<u>54800</u>	<u>54800</u>	<u>0</u>	Total Publications		84100	79100
SCIENTIFIC COMMITTEE						
<u>59500</u>	<u>59500</u>	<u>0</u>	Total Scientific Committee		63500*	92000
SECRETARIAT COSTS						
11600	12600	-1000		Administration	13500	14900
56400	45000	11400		Allowances	78400	180700
4000	4000	0		Automobile	4000	4400
17900	17900	0		Communication	20500	22000
2000	2000	0		Incidentals	2000	2000
2100	2100	0		Library	2200	2400
16300	16300	0		Office Requisites	17200	33900
5400	5400	0		Premises	5900	6300
404000	329200	74800		Salaries	411100	451800
<u>17400</u>	<u>17400</u>	<u>0</u>		Travel	<u>18600</u>	<u>20000</u>
537100	451900	85200	Total Secretariat Costs		573400	738400
955200	827400	127800	Total Expenditure		1039000	1240300

* In addition to this amount a sum of \$A38,600 has been authorised to be drawn from the Norwegian Contribution Special Fund to meet the total Scientific Committee Program of \$A102,100.