

3rd Meeting of the Finance and Administration Committee Valdivia, Chile, 25 to 29 January 2016

FAC 03-01 supp.

Annotated Provisional Agenda

1. WELCOME AND INTRODUCTION

2. ADMINISTRATIVE ARRANGEMENTS

a) Adoption of Agenda (FAC 03-01 and FAC 03-01.supp.)

The adoption of the agenda will follow Rule of Procedure 4.3¹: *“At the beginning of the meeting the subsidiary body shall adopt its agenda on the basis of the provisional agenda and any supplementary items. At that time, any Member or the Executive Secretary may request placement of additional items of an urgent character on the agenda. Such items shall be included on the agenda subject to the approval of the subsidiary body. If any Member of the subsidiary body indicates to the Chair that they are not in a position to make a recommendation on such items at that meeting, the Chairperson shall direct that the recommendation be taken intersessionally in accordance with Rule 7.6 – 7.11”*

b) Meeting Documents (FAC 03-02)

The Chairperson will briefly introduce all documents submitted to the meeting in accordance with Rule 4.4, 4.5 and 4.6.

3. ELECTION OF VICE CHAIRPERSON

The Vice Chairperson elected in 2015, Jiwon Yoon (Korea), is no longer available for SPRFMO work and has stepped down. Hence, a new person will need to be elected to this role.

4. ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDING 30 JUNE 2015 (FAC 03-03)

The Annual Financial Statement (FAC-03-03) includes the Annual Financial Report based on FR 6.2 and the auditor’s report in accordance with FR 9.7 to 9.9.

a) Annual Financial Report 2014-15 (FR 6.2)

The Annual Financial Report is developed based on Financial Regulation 6.2 and includes:

- (a) *income and expenditures;*
- (b) *the status of appropriations, including:*
 - (i) *the original budget appropriations;*
 - (ii) *transfers between appropriation categories;*
 - (iii) *amounts charged against appropriation categories;*
- (c) *the status of the fund established in accordance with Article 19 paragraph 5 of the Convention;*
- (d) *the status of the Accumulated Surplus Account and other accounts;*

¹ The term “Commission” has been substituted by the term “subsidiary body” as per Rule 1 of the Rules of Procedure – Scope of Application. Similarly, the term make a recommendation has been substituted in place of “take a Decision”.

- (e) funds held in currencies other than New Zealand dollars, and
- (f) the status of investments, and any other financial assets or liabilities of the Organisation.

b) Auditor Report (FR 9.7, 9.8 and 9.9)

Financial Regulation 9.7 to 9.9 state:

- 9.7 *The auditors shall prepare a report on the accounts certified, and on any matters on which the Commission by resolution thereon may from time to time give specific instructions*
- 9.8 *The auditors shall submit their report to the Commission through the Executive Secretary not later than 90 days after having received the year's financial statements from the Executive Secretary.*
- 9.9 *The Finance and Administration Committee shall forward to the Commission its comments, if any, on the audit report.*

5. MEMBER CONTRIBUTIONS REPORT (including voluntary contributions) (FR 4.11)(FAC 03-04)

Financial Regulation 4.11 stipulates that *“The Executive Secretary will report on the collection of annual contributions from Members of the Commission, any voluntary contributions received, and any investment and other income received.”*

6. POSSIBLE AMENDMENTS TO THE FINANCIAL REGULATIONS

a) Review of the formula for the calculation of contributions related to the catch component for pelagic fishery resources (FAC 03-05).

During the 2015 meeting, as reported under paragraph 8 b), “the FAC noted that the contribution formula in the Financial Regulations may not adequately take into account recent changes in pelagic fisheries catch composition and has resulted in a marked change in the pattern of annual contributions amongst Members. The FAC agreed that the contribution formula in the Financial Regulations should be reviewed at the next meeting of the FAC. The FAC recommended that the Commission task the Secretariat to develop options for a revised contribution formula for the pelagic catch component of the formula, and consider the respective allocations between jumbo squid and other pelagic species. It was noted that a revision of the catch component of the contribution formula could alter the negotiated compromise reached upon adoption of the Financial Regulation at the Commission meeting in Auckland in 2013. The FAC requested that the options be developed with the support of Members and be circulated well in advance of the meeting so that Members will be able to take account the possible budgetary implications before the fourth meeting of the Commission”.

The Executive Secretary will introduce the information paper on *“Possible options for revising the SPRFMO budget contribution formula”* (FAC 03-05 prepared by the Secretariat and the responses received from Members.

b) Accumulated Surplus Account and Contingency Fund (FAC 03-06)

From the 2015 FAC Report, paragraph 4a): *“In 2014, the Committee requested the Executive Secretary to prepare a proposal for it to consider at its next meeting prescribing conditions under which the Chairperson may authorise expenditures from the Accumulated Surplus Account to meet unforeseen and extraordinary expenses. The Secretariat presented FAC-02-03. The discussion of the treatment of the Accumulated Surplus Account was continued in the context of the Contingency Fund as it was generally agreed that these issues could not be considered separately.”* Paragraph 4 c): *“The Committee welcomed the idea of creating a Contingency Fund. The Secretariat was requested to prepare a paper for the next FAC Meeting in 2016 to (a) clarifying the possible nature and objectives of the contingency fund and any implications for the rules and management of the Accumulated Surplus Account including rules for discretion by the Chair and requirements for consultation, (b) proposing a possible level of the contingency fund as well as sources of funding, (c) advising a possible*

default process for dealing with the Accumulated Surplus Account after each Annual Meeting, e.g. by using it routinely towards lowering Members' contributions unless otherwise decided by the Committee, and (d) suggest appropriate wording for the Financial Regulations." The Secretariat will present FAC 03-06.

- c) Budget categories for the Scientific Committee and Developing States (FAC 03-07)

Prepared by the Secretariat. Following a recommendation by the Scientific Committee in 2015, it is proposed that unspent appropriations under the budget items for Scientific Support be routinely forwarded to the following financial year until reaching a limit defined by the Commission. The Secretariat recommends to consider the same approach for the budget item "Developing States".

7. STAFF REGULATIONS FOR THE SPRFMO SECRETARIAT

In 2015, the FAC "Chairperson introduced this item to the FAC and proposed that it be postponed to the next Commission Meeting in 2016 considering that more information was required to address some questions regarding equal employment conditions for professional staff members from New Zealand and those from other countries, as well as comparability with other RFMOs".

- a) Report of the Intersessional Working Group on Staff Regulations (FAC 03-07)

In 2015, the FAC Chairperson "proposed an intersessional working group for the purpose of discussing the SPRFMO staff regulations. A number of members welcomed the proposal by the Chairperson and indicated their willingness to join such an intersessional working group. The FAC agreed to recommend that the Commission agree to form an intersessional working group on staff regulations to be finalised and adopted at the fourth Commission Meeting in 2016." The Commission adopted this proposal.

At the 2015 FAC meeting "it was also agreed that advice would be commissioned by the Chair of the FAC from independent experts on employment conditions including those applicable in New Zealand and in other comparable organisations." The Chairperson "suggested that such a delay of a decision regarding social security regulations should not adversely impact current staff members and that any measure adopted next year would be applied retroactively."

- b) Options for retirement funds of expatriate staff members (FAC 03-09)

The Secretariat is in the process of investigating possible options for a viable retirement fund for expatriate staff members in view that they are not eligible to invest in Kiwisaver.

- c) Recommendations regarding the SPRFMO staff regulations to the Commission

The FAC is requested to discuss the SPRFMO staff regulations and make a recommendation to the Commission.

8. BUDGET AND CONTRIBUTIONS

- a) Draft Budget for financial years 2016–2017 and 2017–2018 (Convention Article 15 and FR 2) (FAC 03-11)

Article 15.4 of the Convention provides that "the Executive Secretary shall submit a draft of the annual budget for the two succeeding financial years. FR 2.4 requires that the draft budget be accompanied by details of the appropriations and expenditures for the previous year." This information is contained in FAC-03-11.

- b) Calculation of contributions for 2016–2017 and tentative estimate of contributions or 2017–2018 (FR 4.7) (FAC 03-11)

The calculation of contributions for 2016-17 and 2017-18 is performed in accordance with FR 4.7. However, subject to the outcome of FAC agenda item 6a, regarding the review of the contribution formula, the contributions presented in FAC 03-11 might change (see

also FAC-03-05, table 2). New calculations based on alternative formulas under discussion can be prepared by the SPRFMO Secretariat if requested by the meeting.

9. NEXT MEETINGS OF THE COMMISSION (Convention Article 13.2)

The FAC is requested to propose the dates and venue of the next Annual Meeting in 2017. Some Members have informally expressed interest in planning two years ahead to enhance their ability to secure a budget and appropriate venues.

10. OTHER MATTERS

c) Appointment of Auditors (FR 9.11)

FR 9.11 foresees that *“the auditors shall serve for a maximum of three (3) years and may be reappointed.”* The current auditors from KPMG Audit have served SPRFMO since 2013. Therefore, the Commission must decide whether it wishes to re-appoint them or whether to select a new company from the tenders received by the Secretariat.

11. ADOPTION OF REPORT

12. MEETING CLOSURE