



## NAMMCO ANNUAL MEETING 29

13-15 September 2022  
Grand Hotel, Oslo & Hybrid

## MEETING OF THE COUNCIL

<b>DOCUMENT 05</b>	<b>AUDITED ACCOUNTS 2021</b>
<b>Submitted by</b>	Finance and Administration committee (FAC)
<b>Action requested</b>	For approval
<b>Background</b>	<p>This document contains:</p> <ul style="list-style-type: none"> <li>• Income and expenditure account and yearly balance</li> <li>• Report and letter from the independent Auditor</li> </ul> <p>For information the Auditors letter numbered 2 draws attention to an unsatisfactory praxis with regards to how tax deductions from employees not covered by the Host Agreement had been dealt with. This praxis has been adjusted and is now in compliance with the rules.</p>

## NAMMCO

### INCOME AN EXPENDITURE ACCOUNT FOR 2021 and 2020

(1 January - 31 December - in Norwegian kroner - NOK)

<b>INCOME</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
Contributions		4,834,724	4,739,922
<b>TOTAL INCOME</b>		<b>4,834,724</b>	<b>4,739,922</b>
<b>EXPENDITURE</b>			
Staff related costs	1	2,988,548	3,699,887
Internship		122,343	112,026
Travel and subsistence		103,073	28,454
Meetings		20,922	31,503
Rent of premises		321,675	277,751
Office supply		162,522	127,099
Communication & outreach		54,348	59,432
Accounts & auditing		155,320	199,127
Observation Scheme			115,920
Committee on Hunting methods		38,527	-
Committee on Inspection and Observation			-
WG BYCELS			-
Scientific Committee		166,321	99,989
Capacity building			-
Other expenses		56,064	7,349
Previous years avstemming			-15,226
<b>TOTAL EXPENDITURE</b>		<b>4,189,663</b>	<b>4,743,311</b>
Operating Result		645,061	-3,389
Financial revenue (interest)		1,513	8,549
Financial costs		-4,243	-4,260
<b>RESULT to/from General Reserve</b>		<b>642,331</b>	<b>900</b>

#### Notes

1. Included in Staff related costs are Employers Tax, marked as account 3600/5410 in the Trail Balance, of NOK 294 945.

## NAMMCO

### BALANCE SHEET 2021 and 2020

(1 January - 31 December - in Norwegian kroner - NOK)

		2021	2020
<b>ASSETS</b>	<b>Notes</b>		
Outstanding claims	2	348,145	398,024
Claim employee		1,464	-9,985
Bank deposits		4,146,169	964,195
<b>TOTAL ASSETS</b>		<b>4,495,778</b>	<b>1,352,234</b>
<b>EQUITY</b>			
General Reserve		582,214	581,312
Restricted equity		600,000	600,000
Result		642,331	902
<b>TOTAL EQUITY</b>		<b>1,824,545</b>	<b>1,182,214</b>
<b>LIABILITIES</b>			
External project funding		2,510,313	
Creditors		81,012	45,979
Employers tax		45,404	123,354
Holiday allowance		34,504	687
<b>TOTAL LIABILITIES</b>		<b>2,671,233</b>	<b>170,020</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,495,778</b>	<b>1,352,234</b>

#### Notes

The financial statements have been prepared based on the Fundamental accounting principles and generally accepted accounting principles for smaller entities in Norway, with the exception of requirements for note information.

2. Included in Outstanding claims are refund of Employers Tax, marked as account 1610 in the Trial Balance, of NOK 294 945.



To Council of NAMMCO North Atlantic Marine Mammal Commission

## *Independent Auditor's Report on the Project Account*

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### *Opinion*

We have audited the financial statements of NAMMCO North Atlantic Marine Mammal Commission. The financial statements comprise the balance sheet as at 31 December 2021, the income and expenditure account statements for the year then ended, and the note 1 which describes the basis of the statement. The financial statements has been prepared by the management using the principles described in note 1.

In our opinion, the accompanying financial statements as at 31 December 2020, is prepared, in all material respect, in accordance with the principles described in note 1.

### *Basis for opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter - Basis of Accounting and Restriction on Distribution*

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statement is prepared to give information to the Council of NAMMCO North Atlantic Marine Mammal Commission. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for NAMMCO North Atlantic Marine Mammal Commission and should not be distributed to other parties.

### *Responsibilities of Management for the Project Account*

Management is responsible for the preparation, and for such internal control as management determines is necessary to enable the preparation for a financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibilities for the Audit of the Project Account*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, will always detect a material misstatement when it



exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tromsø, 28 March 2022  
**PricewaterhouseCoopers AS**

Rune Kenneth S. Lædre  
State Authorised Public Accountant

## Revisjonsberetning

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### Signers:

<b>Name</b>	<b>Method</b>	<b>Date</b>
Lædre, Rune Kenneth Snæbjörnsson	BANKID_MOBILE	2022-03-28 21:59

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NAMMCO North Atlantic Marine Mammal Commission  
POB 6453 Sykehusveien 21-23  
9294 Tromsø

Att.: Chairman of the FAC and the Council

Numbered Letter: 2

## **Letter to the Board for Audit of the Financial Statements for 2021**

We have audited the financial statements for the financial year 2021. We wish to draw the Board of Directors attention to a matter we have become aware of during the audit and which, in accordance with the Auditors Act (revisorloven) section 9-5 requires written notification from the company's auditor. In addition to the statutory requirements for communication, this letter includes other matters that, after our discretion, are deemed relevant for the Board's oversight of the business.

The content of this letter has previously been taken up with the company's management in connection with our visit. We note that certain matters have been addressed and clarified directly with the managing director without further discussion in this letter.

### **Storage of employees' tax deductions**

The employer is obliged to make employee tax deductions in salaries and keep these funds in a secure manner until maturity. The funds shall be secured separate from the company's other funds. The employer may choose one of the following three ways of securing these funds, cf. the Tax Payment Act (skattebetalingsloven) section 5-12:

- The funds are deposited into a separate bank account. The account must be reserved for employees' tax deductions and be registered with the bank as an employees' tax deduction account. Payment to the employees' tax deduction account must be made no later than the first working day after salary payments.
- Alternatively, in the employees' tax deduction account a fixed amount can be deposited which at all times covers the liability. The employer can leave the amount untouched in the employees' tax deduction account and instead make payments to the Tax collection office from, for example, an operating account.
- A bank guarantee can be arranged for the employee tax deduction.

Our audit shows that the company does not have sufficient funds in the employees' tax deduction account to cover its deduction responsibility. There is also no guarantee for the employees' tax deduction.

We ask that management resolve the matter as soon as possible.

Failure to comply with the statutory requirement will, in our opinion, result in the consequence that we are unable to sign the statement on salary and pension cost (tax form RF-1022). In accordance with the Tax Administration Regulation (skatteforvaltningsforskriften) section 7-2-11, it is a requirement that we as the auditor send a written justification to the tax office for the missing signature.



We would like to draw your attention to the auditor's duty to withdraw from an audit assignment when the auditor has identified and made management aware of significant breaches to law and regulation, and the entity fails to take necessary steps to rectify the situation.

We note that the auditor has a duty, in accordance with section 9-5 of the Auditors Act (revisorloven), to make sure the Board of Directors has dealt with the matter(s) communicated by the auditor. We ask for an immediately notification in writing as soon as the above matters are dealt with by the Board of Directors, including a copy of the minutes.

For the record we remind you that this letter is to be considered as accounting materials that shall be stored, in accordance with the Bookkeeping Act (bokføringsloven). We would like to thank you for a pleasant and constructive cooperation in connection with our audit. Please contact the undersigned if you have questions about the letter or wish to discuss the content further.

Yours sincerely,

Tromsø, 28 March 2022  
**PricewaterhouseCoopers AS**

Rune Kenneth S. Lædre  
State Authorised Public Accountant

(This document is signed electronically)

Copy: General Secretary Geneviève Desportes



Nr. brev

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**Signers:**

<i>Name</i>	<i>Method</i>	<i>Date</i>
Lædre, Rune Kenneth Snæbjörnsson	BANKID_MOBILE	2022-03-28 21:59

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