



NAMMCO ANNUAL MEETING 30

29-30 March 2023
Rødbanken, Tromsø

MEETING OF THE COUNCIL

DOCUMENT 04	REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE
Submitted by	FAC
Action requested	Take note of the report Consider the recommendations of the FAC
Background/content	<p>This report deals with the work of the Committee since the 29th Annual Meeting in September 2022 until the 30th Meeting of the Council (a 7-month period). The activities in the committee from January 2022 to September 2022 were reported to the Council at its 29th meeting.</p> <p>Council 29 specifically tasked the Finance and Administration Committee, in the light of the coming changing in personnel at the Secretariat, to prioritise discussing the structure of the Secretariat including the expertise and capacity needed to best fulfil the priorities and core work of the Commission.</p>

CONTENTS

1. Introduction	2
2. Financial issues	2
2.1 Audited Accounts 2022	2
2.2 Anticipated result 2023.....	2
2.3 Draft Budget 2024 and Forecast Budget 2025.....	3
3. Overview of FAC recommendations to Council 29	3

1. INTRODUCTION

Since the meetings held during the Annual Meetings in September 2022, the Finance Administration Committee (FAC), chaired by Jón Th. Stefánsson (Iceland), only held one meeting ahead of and in preparation to the 30th meeting of the Council. The focus of the Committee has been the finances of the Commission.

The FAC was tasked by the Council to prioritise discussing the structure of the Secretariat including the expertise and capacity needed to best fulfil the priorities and core work of the Commission. However, this as well as the procedures behind the hiring of the new staff, was actually dealt with in Heads of Delegation meetings because it became part of a larger discussion on the future of NAMMCO and the coming priorities of the Commission.

This report presents therefore only the recommendation of the FAC to the Council regarding the finance of the Commission.

2. FINANCIAL ISSUES

2.1 AUDITED ACCOUNTS 2022

The FAC reviewed the audited accounts for 2022 (NAMMCO/30/05).

The audited accounts for 2022 closed with a surplus of NOK 303,448 as compared to NOK -761,440 foreseen in the budget adopted by the Council at NAMMCO 28. The general reserve increased and amounted to NOK 2,127,993 compared to the budgeted NOK 668,910.

The positive discrepancy between the budget and the account continues to be partly explained by COVID-19 limitation, with several online meetings and less travelling and, in particular, the postponement of the observation activities from 2022 to 2023, as well as the postponement of two WG meetings from 2022 to later, e.g., the coastal seals WG and the pilot whale WG.

The FAC **recommends** that the Council approve the 2022 audited accounts.

2.2 ANTICIPATED RESULT 2023

The anticipated result 2023 gives approximately the same deficit (around 1 million NOK) as budgeted for by Council 29. The various budget allocations vary both positively and negatively but do not impact the overall operating result much.

The anticipated general reserve is anticipated to be reduced to NOK 1,114,178 as of 31.12.2023.

2.3 DRAFT BUDGET 2024 AND FORECAST BUDGET 2025

The FAC considered the draft budget 2024 and forecast budget 2025. In line with previous years, the draft budget for 2024 and forecast budget 2025 encompass a 2% increase in membership contributions.

Adjustments will be made to the itemization of expenditures under the different budget lines in relation to decisions taken during the Council meeting. The final draft budgets will be presented to the Council under the Council agenda item 3.3, that will be kept open until the end of the meeting.

3. OVERVIEW OF FAC RECOMMENDATIONS TO COUNCIL 30

FAC recommends that Council 30

Administrative issues

- Task the FAC to oversee the hiring process of the new staff, including conditions and contracts.

Financial issues

- Approve the 2022 audited accounts.
- Adopt the 2024 draft budget.
- Approve the 2025 forecast budget.
- Recommend that the necessity for physical meetings contra virtual meetings always be carefully weighed by committees and subsidiary bodies, both from a financial and an environmental perspective.