



NAMMCO ANNUAL MEETING 32

25-27 March 2025

Fram Centre, Tromsø, Norway

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	This report reports on the work of the Committee from the 31 st Annual Meeting in March 2024 to the 32 nd Meeting of the Council. Council 31 urged the Finance and Administration Committee to keep an attentive eye on the budget and evolution of expenses. The FAC should inform the Parties if any issue arises.

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1. INTRODUCTION

Since the meetings held during the Annual Meeting in March 2024, the Finance Administration Committee (FAC), chaired by Páll Nolsøe (Faroe Islands), held three meetings, one online (December 2024) and three face-to-face, all back-to-back with HoDs meetings (November 2024 and February 2025) as well as one during the 32nd meeting of the Council.

The focus of the Committee has been on administrative matters, the finances of the Commission, and the following up of the ongoing projects (NASS, MINTAG, Educational Project, and MMWWS 2025) in terms of expenses incurred. This report focuses on the financial results.

2. FINANCIAL ISSUES

2.1 AUDITED ACCOUNTS 2024

The FAC reviewed the audited accounts for 2024 (NAMMCO/32/05).

The audited accounts for 2024, which include the results of NAMMCO and the three projects MINTAG, NASS, and Educational Project, closed with an overall positive result of NOK 490, 291.

The 2024 Audited Accounts and Financial Statements can be found in document NAMMCO/32/05.

As for NAMMCO specifically, it closed with a positive result of NOK 161,980 as compared to the planned NOK 362,348, which was the anticipated 2024 result after the reallocation carried out by Council 31. Consequently, the general reserve slightly increased and amounted to NOK 1,415,190 compared to the anticipated amount of NOK 1,615,559.

The positive discrepancy between the reallocation and the final accounts are explained by most of the posts being at budget levels or lower, including:

- Slightly lower staff-related cost
- Lower costs related to internship, meetings, staff travel and Scientific Committee
- Significant lower expenses in Communication and Outreach because many of the expenses incurred are covered by projects.

However, the office rent and the accounting and auditing expenses were significantly higher than anticipated.

The FAC **recommends** that the Council approves the 2024 audited accounts.

2.2 ANTICIPATED RESULT 2025

The anticipated results of 2025, as of 01 March 2025 and using the actual 2024 results, gives a negative result of NOK -13,186, compared to the deficit budgeted for by Council 31, -60,361 NOK. Some

expenditure items are expected to be over budgeted ones. Part of the 2024 SC expenses has been reallocated to 2025, because of the postponement of several working group meetings to 2025, which increases the expenses related to the SC as well as the staff travel. The latter is also increased by the expected staff travel to the SC meeting (Faroe Islands) in January 2026, for which the tickets have to be bought in the fall 2025, which by mistake was not budgeted, as the 2025 SC meeting was in Tromsø. The cost of meetings has been increased with the funding allocated to the welfare workshop, which was not planned in the 2025 budget.

The general reserve is anticipated to be at NOK 1,402,005, a lower amount compared to the budgeted general reserve of NOK 1,555,198,496.

2.3 DRAFT BUDGET 2026 AND FORECAST BUDGET 2027

The FAC considered the draft budget 2026 and forecast budget 2027. In line with previous years, the income encompasses a 2% increase in membership contributions. An effort has been made to keep the general reserve above the Protected Reserve, which is expected to be kept at 10% of the operating expenses (ca. NOK 600, 000).

At this current meeting, adjustments may be made to expenditure under the different budget items to take into consideration the decisions taken by Council 32 regarding the workplans of the committees. 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 32

Below is a list of the provisional recommendations of FAC to Council 32, however some may be added after the decision of the Council regarding the work priority of the committees.

FAC provisionally recommends that Council 32

- Approve the 2024 audited accounts
- Take note of the anticipated results for 2025
- Adopt the 2026 draft budget as the 2026 budget
- Approve the 2027 forecast budget as the draft budget 2027
- Recommend that the necessity for physical meetings contra virtual meetings continue to be carefully weighed by committees and subsidiary bodies, both from a financial and an environmental perspective
- Following this line, that the number of in-person working groups and workshops organised by the Scientific Committee continues being limited to four per year.
- Recommend that the expenses for inviting external experts at meeting organised by the SC be, as a general rule, capped at NOK 50,0000
- Recommend that external funding be sought to cover meetings for which expenses would be higher.