Parallel Audit by the Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway

The utilization effectiveness of the quotas on catching out water biological resources, provided to the Russian Federation and Norway in 2004 – 2005 according to the decisions of the Joint Russian – Norway Commission
1. Fishery areas, which are under jurisdiction of the Joint Russian – Norway fishery Commission
2. General issues of the parallel audit

- 1. The evaluation of the illegal cod fishery, including unaccounted fishery of this type of water biological resources, above the prescribed national quotas on catching water biological resources in the year 2004 – 2005.
- 2. The observance of the Joint Russian – Norwegian fishery Commission decisions.
- 3. The effectiveness of the state control in the area of water biological resources protection. The exposure, prevention and suppression of national law and international agreement infringements in the field of fishery and preservation of water biological resources.
- 4. Sanctions for law infringement in utilization of water biological resources. The description, analysis and evaluation of the present capabilities of applying sanctions and their actual application.
- 5. The allocation and utilization of the quotas of catching water biological resources, allotted to the fishery organizations.
- 6. The analysis of implementation of the Joint Russian- Norwegian research programs on water biological resources, approved at sessions of the Joint Russian- Norwegian Commission.
3. Criteria for parallel audit

- 1. The volume of illegal fishery of water biological resources, the extraction regulation of which is realized by the decisions of the Joint Russian – Norwegian fishery Commission.

- 2. Compliance of national legislative acts and normative acts, which regulate fishery, with the decisions of the bilateral agreements between Russia and Norway on the issues of common fish resources and with the decisions of the Joint Russian – Norwegian fishery Commission.

- 3. The adequacy of control measures and the analysis of practical effectiveness of control of protection in the sphere of the sea biological resources.

- 4. The adequacy of sanctions for violation of fishing regulations, including criminal prosecution.
4. Memorandum on the Outcomes of the Parallel Audit  
(common result document (basic provisions))

1. Estimation of unlawful catch of cod taking into account the uncounted catch of the said type of water biological recourses over and above the established national quotas in 2004-2005

General conclusion on the issue (fragment).
The catch of cod exceeds the established general quotas substantially.
The Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway acquired different expert estimates of the scope of overcatch, and due to the difference in methodological approaches failed to reach a common conclusion.
The ambiguity associated with estimation of total seizure of cod in the Barents Sea presents a problem by itself, in particular because the data on catch, including the data on total seizure, are significant parameters enabling to estimate resources, forecasts and scientific recommendations.
The Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway emphasise the significance of the long-range nature of such work and necessity to develop a common method of calculating different types of seizure.

2. Compliance with resolutions of JRNC

General conclusion on the issue.
The Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway establish that certain important decisions adopted at the 33rd and 34th sessions of the JRNC for Fishing have not been fully executed so far. Therefore, the Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway emphasise the importance of executing the resolution of JRNC on exchange of information of satellite surveillance, reloading and unloading in the ports of the thirds countries. The said measures are very important in preventing unlawful catch and reloading in the Barents and Norwegian Seas.
The Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway note that it is very important that the Russian and Norwegian government authorities considered the work of the analytical group and the subcommittee as a priority and assisted in attracting all involved ministries to this work.
5. Memorandum on the Outcomes of the Parallel Audit (common result document (basic provisions))

3. The effectiveness of government control in the area of preservation of sea biological resources. Identification, prevention and termination of breaching the national laws and international agreements on fishing and preservation of sea biological resources

General conclusion on the issue (fragment).
The auditing activities carried out by the Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway demonstrated significant differences in the control systems of the Russian and Norwegian bodies of government administration of fishery in the Barents and Norwegian Seas. It concerns, in particular, the scope of control, the aim of control and the degree of collaboration of various inspection agencies in each country.

The outcomes of the concurrent audit demonstrated that not all provisions of the Memorandum on Co-operation in Monitoring and the JRNC protocols regarding co-operation in monitoring are fully executed.

The Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway also emphasise that measures of port inspection envisaged by the Northeast Atlantic Fishing Commission (NEAFC) are critical for enhancing the control regime and obtaining information on seizure of water biological resources in the Barents and Norwegian Seas.
6. Memorandum on the Outcomes of the Parallel Audit
(common result document (basic provisions))

4. Sanctions for breaching the laws on usage of water biological resources. Description, analysis and estimation of available sanctions and their actual application

General conclusion of the issue (fragment).
The Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway note that it is important for the Russian and Norwegian authorities to enhance the exchange of experience and knowledge concerning the existing laws and codes of rules as well as development of laws and codes of rules.

5. Distribution and usage of quotas for caching water biological resources established for fishing organisations

Findings of the Accounts Chamber of the Russian Federation (fragment).
The audit of the Accounts Chamber of the Russian Federation revealed that the system of quotas distribution for catching water biological resources existing in the Russian Federation envisages that quotas for all without exception types of usage are part of generally permissible catches.

Findings of the Office of the Auditor General of Norway.
The analysis of the Office of the Auditor General revealed that the Norwegian Administration for Fishing has a large and detailed code of rules for quotas distribution by groups of vessels and regulating seizures.

6. Analysis of executing programs of joint Russian-Norwegian studies of sea live resources approved by JRNC sessions

General conclusion on the issue.
The Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway noted that in 2004-2005 the Russian and Norwegian scientists had problems with carrying out scientific surveys in accordance with the plan and in the established scope. This situation was found unsatisfactory since surveys are necessary to carry out reliable estimates of resources and give scientifically substantiated recommendations for establishing catch quotas.
7. Conclusion

- Taking into consideration the positive experience of co-operation between the Accounts Chamber of the Russian Federation and the Office of the Auditor General of Norway and the decision on continuing joint work in this area, the Strategic Plan for Continuing the Concurrent Audit of Managing Water Biological Resources in the Barents and Norwegian Seas for 2008-2010 which defines the concrete areas of work was signed.
- It was decided to focus the said co-operation in the following areas:
  - Cooperation of the bodies of government administration of Russia and Norway for fishery in analysing information on exceeding quotas of catching cod and Peter’s fish in the Barents Sea in 2005;
  - Implementation of resolutions adopted at the 33rd and 34th sessions of JRNC on exchange of information obtained from satellite surveillance, reloading and unloading in the ports of the third countries;
  - Carrying out physical inspections of catching, reloading and unloading in the third countries;
  - Legislative and procedural criminal problems associated with applying sanctions for breaching the rules of fishing;
  - The connection of the national systems of quota distribution with monitoring seizure of fish;
  - Framework terms of carrying out the Russian and Norwegian surveys.