

ICR(01)12

Report of the Inaugural Meeting of the International Cooperative Salmon Research Board

**Thistle Kensington Park Hotel, London
5-7 December 2001**

1. Opening of Meeting

- 1.1 The Secretary of NASCO, Dr Malcolm Windsor, opened the meeting and welcomed participants to the inaugural meeting of the Board. He referred to the crisis in abundance of Atlantic salmon over at least the last decade that seems to be related to poor survival of salmon at sea. He noted that there is a lack of understanding of the marine phase of Atlantic salmon partly due to the considerable expense in conducting research at sea. However, if the key to rational salmon management is good knowledge then the lack of understanding of the factors affecting salmon at sea is a serious concern for NASCO. There are, therefore, likely to be benefits from international cooperation on research including possible cost savings through enhanced coordination. He noted that the tasks before the Board were to review existing research programmes on salmon at sea, to examine the options for better coordination of this research and to develop new administrative and financial systems that will work well in the future. In addition, the Board would need to look at the possibilities of accessing new sources of funding and to decide which research should be supported from funds raised. He cautioned that even with a well-funded programme of research there might be limited possibilities to counteract the mortality although this would only become clear in the light of research conducted under the programme.
- 1.2 A list of participants at the inaugural meeting of the Board is contained in Annex 1.

2. Appointment of Chairman

- 2.1 The Board appointed Dr Malcolm Windsor to serve as its Chairman for the inaugural meeting. The Board agreed to appoint a Chairman to serve a term of office in accordance with the Board's Rules of Procedure, when these have been agreed by the Council.

3. Appointment of Rapporteur

- 3.1 The Board appointed Dr Peter Hutchinson, Assistant Secretary of NASCO, as rapporteur.

4. Adoption of the Agenda

- 4.1 The Board adopted its agenda, ICR(01)13 (Annex 2).

5. Consideration of the Terms of Reference for the Board

5.1 The Board considered its Terms of Reference, ICR(01)2.

6. Consideration of a Constitution for the Board

6.1 The Board considered a draft Constitution, ICR(01)3. The Board recognised that while it would have authority to establish and administer an International Cooperative Salmon Research Programme (hereafter referred to as ‘the Programme’), it was nonetheless a constituent body of NASCO, which already has a Constitution. The Board therefore decided that it would be most appropriate to develop only new Rules of Procedure to guide its work, ICR(01)9 (Annex 3).

7. Research Projects

Inventory of research

7.1 The Council had asked that the Secretariat, on behalf of the Board, compile an inventory of all on-going or scheduled marine salmon research which NASCO’s Contracting Parties plan to carry out on the high seas or in estuarine areas during 2002, 2003 and 2004. This inventory, ICR(01)5, was reviewed by the Board.

7.2 The Standing Scientific Committee had been requested to review the inventory, to advise on opportunities for cooperative research and to identify research priorities. The report from this Committee was presented, ICR(01)8. The Committee had recommended that for the Programme to be fully effective it would be important that research in fresh water of relevance to marine mortality also be reported to the Board and coordinated through the Programme, although the main focus of the Board may be research at sea. The Committee had recognised that there are likely to be general benefits to the Programme in maintaining close liaison between research groups and in rapid dissemination of the results. The need for cooperation and collaboration would, however, differ between projects but would be particularly important in studies concerned with the distribution and migration of post-smolt and adult salmon, which should enhance understanding of the factor or factors having the greatest effect on marine mortality. The Committee also indicated that there was considerable scope for cooperation in relation to studies on by-catch, in sharing experience of sampling methods and the use of new technologies such as data storage tags (DSTs), and in bulk purchasing of equipment such as DSTs so as to reduce cost. The Committee had recommended that high priority should initially be given to projects intended to improve understanding of post-smolt and adult distribution and migration. Other priority areas of research include continuing analysis of trends in marine survival in relation to environmental and biological data, by-catch of salmon and modelling studies.

7.3 The development of an inventory of current and scheduled funded research is an essential precursor to defining areas of research requiring new cooperative initiatives or additional funding. The Board agreed upon a structure for an Inventory of Research Relating to Salmon Mortality in the Sea (Table 1).

Format of the inventory:

7.4 The Inventory is divided into five Topic Areas.

Topic 1 addresses long-term monitoring projects such as smolt enumeration and tagging studies on monitored rivers to obtain time series of survival estimates. While such projects are expected to be funded by the Contracting Parties, the Board considered it essential to ensure continued commitments to long-term funding of these projects. There will be benefits in ensuring cooperation in the analysis of these data sets.

Topic 2 addresses a range of studies to investigate, and then model, the distribution and movements of salmon in the sea. The investigations will range from general surveys to attempts to identify recaptured fish (e.g. by smolt marking or genetic analysis) or to track individuals. Projects in this area are likely to be expensive because of the use of research vessels or expensive technologies. They are, therefore, particularly suitable for funding by the Board. In addition, the value of these projects could be greatly enhanced through cooperation. For example, coordinated stratified surveys in space and time could provide a comprehensive description of the distribution of post-smolts. Similarly, efforts to recapture tagged fish might be greatly enhanced by organising additional tagging projects. Studies of by-catches in the pelagic fisheries and sampling in salmon fisheries may benefit from cooperation between the various nations involved in the fisheries and conducting marine surveys, and coordination of surveys and sampling is highly desirable.

Topic 3 comprises more specialised investigations of biological and life history processes. While there is a requirement for good dissemination of results in these areas, there is less general need for cooperative studies.

Topic 4 addresses new methods and technologies. While there may be little need for cooperation in the development of new methods (e.g. trawl designs) it is important that improvements are disseminated quickly to other research groups. Development of new technologies (e.g. electronic tags) can be expensive, but production costs can be greatly reduced if large numbers of units are produced.

Topic 5 relates mainly to specific natural and anthropogenic factors. They may be more amenable to measures to counteract them. They are often very important on a local or national basis and may be the most important factors driving marine mortality in these areas. The findings from these projects will often have relevance to other areas of the North Atlantic. Where factors such as predation and parasites and diseases are investigated on a more widespread basis in the North Atlantic and are considered to be major driving forces of marine mortality, they will be included in Topic 3. While Projects in Topic 5 will normally be funded by Contracting Parties, the Board does not preclude the possibility of funding such projects from the International Cooperative Salmon Research Fund (hereafter referred to as 'the Fund'). It is anticipated that the Inventory will aid the development of cooperative links in these areas.

Prioritisation:

- 7.5 The Board considered the priorities for cooperation between the Contracting Parties and for access to the Fund. These are indicated as high, medium or low in Table 1. The priorities of high, medium, and low assigned to the topic areas in Table 1 are those currently considered appropriate for international cooperation and funding. The Board will keep them under review. They are not intended to reflect overall importance of these topics. Both cooperation and access to the Fund was thought to be highly desirable for practical studies of the distribution and migration of salmon in the sea (Project areas 2a, 2b, and 2e) and studies of biological processes relating to the marine phase of the life history (Project areas 3a and 3b). Monitoring of distant water fisheries is also considered to have a high priority for cooperation, but since there are existing programmes there is little need for access to the Fund. The Board will focus its initial cooperative research and funding on the distribution and migration of salmon at sea as its highest priority.

Review of projects submitted for inventory:

- 7.6 The Board reviewed the details of the projects that had already been submitted to the Secretariat in document ICR(01)5. The Board noted that the costs provided by Parties did not appear to be consistent between projects and concluded that the Secretariat should seek information on the full economic cost of each study, including staff costs, equipment costs and overheads.
- 7.7 The Board raised specific questions about some projects reported to date and asked the Secretariat to follow these up with the Contracting Parties. The Board also omitted some projects from the inventory because they were not relevant or did not yet have funding. In the future, the Board intends to extend the inventory to include project proposals to other funding agencies in addition to projects which have already been funded.

Updating the inventory:

- 7.8 The Board noted that a number of projects had not been included in the submissions to date and recommended that the NASCO Secretariat should seek revisions to the present inventory taking account of the guidance on costing in paragraph 7.6. The Board is aware that decisions on funding of new projects in Faroes, Norway, Iceland and the US are expected within the next two months, hence a revised inventory could be compiled by mid-February 2002. The Board noted that additional monitoring projects to estimate marine survival are known to be underway in Scotland, England, Wales, France, Sweden, Canada, Norway, Denmark and Russia, and these should be added to the inventory. The Board also suggests that appropriate parts of the EU SALMODEL Concerted Action programme should be included in the inventory. The Board asked the Secretariat to update the inventory, which would then be agreed by the Board by correspondence and presented to the Council at its Nineteenth Annual Meeting.

Table 1 : Inventory of research relating to salmon mortality in the sea

Topic Area	Objective/Issue	Comments/examples	Projects	Potential for cooperation among Contracting Parties	Priority for access to 'Fund'
1. Long-term monitoring	a. Time-series of marine survival/growth estimates	Essential on-going tagging/monitoring programmes; require long-term national funding.	E5, E8, I1, N12, U3	Medium	Low
	b. Time series of marine survival in relation to environmental parameters (e.g. SST)	Desk studies on time series.	E6, I2	Medium	Medium
2. Distribution/migration in the sea	a. Distribution of salmon in the sea	Marine surveys of post-smolt distributions in NEAC and NAC areas; identification of fish caught (e.g. tagging, genetics).	C2, C3, U4	High	High
	b. Migratory behaviour of individual fish	Active smolt tracking; automated data collection by DSTs.	C1, E3, I3, I4, U2	High	High
	c. Origin of catches in directed fisheries	Catch sampling in distant water fisheries; genetic analysis and scale analysis, etc; changes over time.	U6	High	Low
	d. Migration and bioenergetic models	Desk studies based on data obtained from other studies.	E1	Medium	Medium
	e. By-catches in pelagic fisheries	Can be conducted as part of marine surveys of post-smolt distributions; sample commercial pelagic catches.		High	High
3. Life history/biological processes	a. Freshwater factors	Age, growth, migration timing, etc.		Low	Low
	b. Pre-fishery-recruitment marine factors	Environment, food, predation, growth, parasites and diseases, etc.		High	High
	c. Post-fishery-recruitment marine factors	Environment, food, predation, maturation processes, growth, etc.		High	High
4. Development of methods	a. Post-smolt survey methods	Development of trawls with cameras, tag detection, etc.		Medium	Medium
	b. Electronic tag technology	Development of smaller/smarter/cheaper tags.		Medium	High
5. Specific natural and anthropogenic factors	a. Fish farms	Increased sea lice infestations.		Low	Low
	b. Predation	Predation by seals, birds, fish, etc. in estuaries/coastal areas.		Low	Low
	c. Obstructions to fish movements	Barrages, etc.	E2	Low	Low
	d. Pollutants	Acidification; freshwater contaminants.		Low	Low

Note:

The priorities of low, medium and high assigned to the topic areas in this table are those currently considered appropriate for international cooperation and funding. The Board will keep them under review. They are not intended to reflect overall importance of these topics.

8. Administrative and Financial Issues

- 8.1 The Board considered document ICR(01)4, which reviewed the financial and administrative issues concerning the Fund. The Board developed a flow chart to show the structure of the Programme and its relationship with the Fund (see below).
- 8.2 The Programme consists of two principal components. The first is Cooperative Salmon Research and the second is the Fund. The flow chart describes the steps that the Board will follow in implementing the Programme and how the processes for implementing each of the two main components of the Programme relate to each other.
- 8.3 There are three phases involved in implementing the Cooperative Research component of the Programme:
- development and maintenance of an inventory of relevant research regarding marine mortality of Atlantic salmon (see section 7 of this report);
 - the setting of priorities for research needs and analysis of the inventory against these needs;
 - better coordinated international research and funding of new research to fill the gaps identified by the Board;

The flow chart provides a more detailed explanation of these steps.

- 8.4 The flow chart outlines the processes to be undertaken to establish and manage the Fund component of the Programme. The relationship between the two components of the Programme is indicated in the chart. The Fund will be used by the Board to finance the gaps in research. The Board will implement the Programme as in the steps shown in the flow chart and in accordance with its Rules of Procedure contained in Annex 3. Financial contributions from individuals and other interested parties will be accepted in accordance with Guidelines on Acceptance of Voluntary Contributions to the International Cooperative Salmon Research Fund, ICR(01)10 (Annex 4). Financial Rules governing the management of the Fund, ICR(01)11, are contained in Annex 5. Taken together, these documents describe the processes and the rules governing the Programme being undertaken in response to the challenge of understanding marine mortality of Atlantic salmon and the steps that may be taken to improve salmon survival at sea.
- 8.5 The Board considered the matter of contributions from individuals and other interested parties and agreed that any fund-raising effort would best be targeted at individuals with a strong interest in the wild Atlantic salmon and its survival, and at companies or industries which might gain from being identified with the wild Atlantic salmon and its conservation. The Board believes that the image of the wild salmon as an indicator of healthy freshwater and marine environments might be of significant interest to some potential donors. It was agreed that, in the first instance, the Board would have to show it had put its own house in order by coordinating existing research and identifying gaps. Once this had been done the Board believed that

audio-visual material should be developed which would be suitable for presentation to the individuals and other interested parties referred to above.

- 8.6 The Board asked the Secretariat to draft an initial strategy for fund-raising in consultation with the members of the Board. Following approval by the Council of NASCO of this report, the Board would approve the strategy at the earliest opportunity. The Council would be asked at its Nineteenth Annual Meeting to consider making budgetary provision in relation to the initial fund-raising activities of the Board, although the intention would be that in the longer term these costs would be met from the Fund.
- 8.7 The Board believes that it is important that it has a logo and acronym which convey to the public the intention of the Programme. It was agreed that the members of the Board should give this aspect further consideration prior to its next meeting but it was recognised that there may be a need for professional advice in relation to developing appropriate publicity material and in relation to the documents concerning the financial aspects of the Fund. The budgetary provision referred to in paragraph 8.6 should include an element to cover these anticipated costs.

9. Recommendations on any External Representation on the Board

- 9.1 The Board considered a brief background paper from the Secretariat on the issue of external representation, ICR(01)6. As initially constituted by the Council, participation on the Board was restricted to one nominated member from each NASCO Party, assisted by one or more advisors. The clear intention of the Council was to limit the size of the Board so as to ensure its effective functioning. There had been interest in participation on the Board from NASCO's NGOs and it was recognised that individuals or organizations offering substantial donations to the Fund may request a place on the Board as a condition of the donation.
- 9.2 The Board decided that it would not, for the time being, invite external representation but recognised that there was considerable expertise within NASCO's NGOs in relation to fund-raising, public relations aspects and identifying research priorities. The need to further strengthen the relationship with the NGOs so as to draw on this expertise was highlighted. It was agreed that the NGOs should be given the opportunity to review the inventory of marine research and to provide their views on research priorities. The Board decided to include in its Rules of Procedure an element of flexibility to allow external representation on the Board in exceptional circumstances and to allow for the appointment of one or more Patrons to the Fund. The Board asked the Secretary to contact the NGOs following the Annual Meeting soliciting their comments on the inventory and priorities for research, and to see if there are possibilities for their involvement in relation to public relations and fund-raising.

10. Any Other Business

- 10.1 There was no other business.

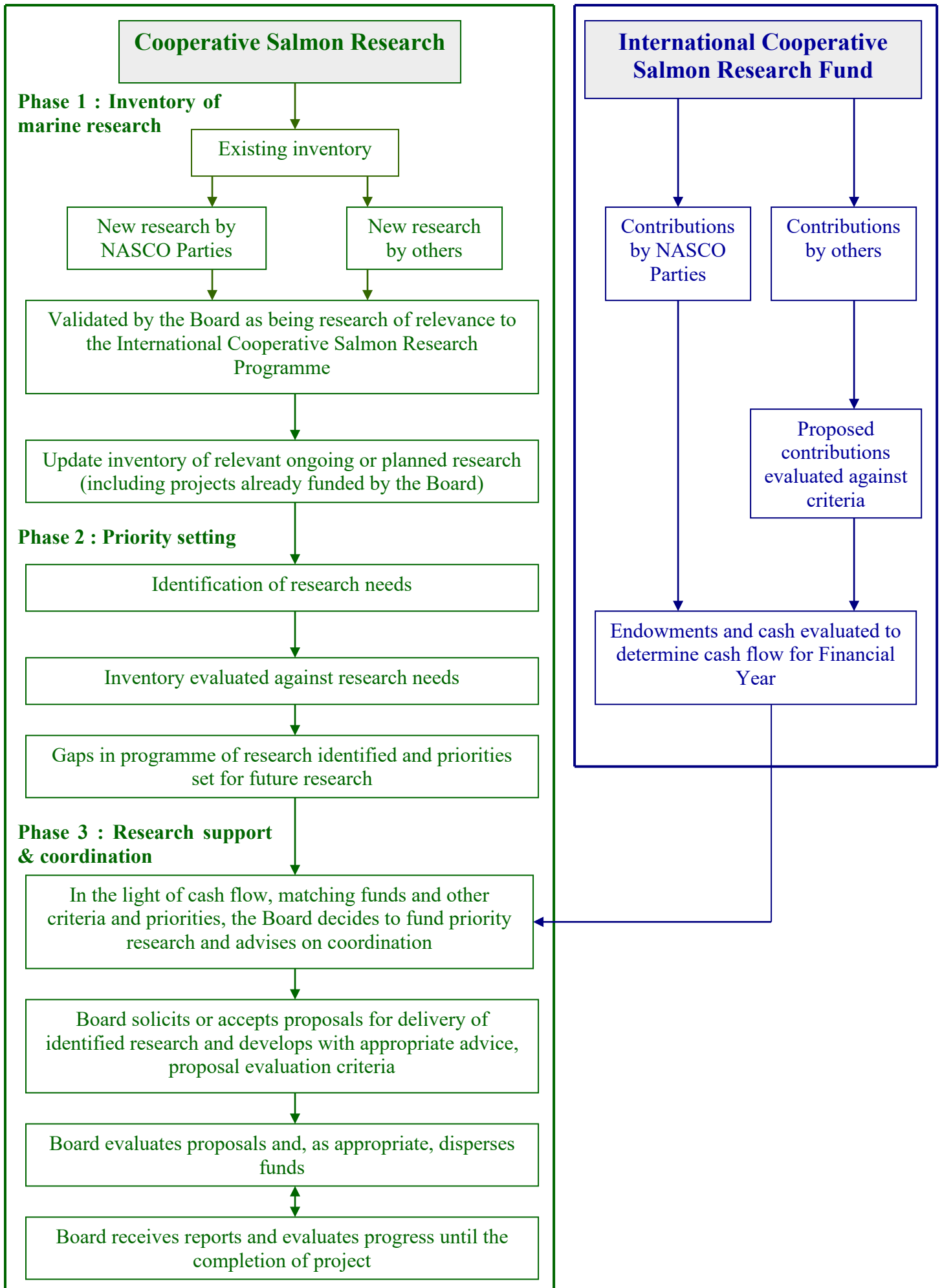
11. **Report of the Meeting**

11.1 The Board agreed a report of its meeting.

12. **Date and Place of Next Meeting**

12.1 The Board agreed that in accordance with its Rules of Procedure it should meet on an annual basis and that, subject to approval from the Council, its next meeting should be held between Autumn 2002 and Spring 2003 at a venue to be decided.

NASCO's International Cooperative Salmon Research Programme



International Cooperative Salmon Research Board

Members of the Board

Canada

Mr David Bevan
Adviser: Mr Dave Meerburg

Denmark (in respect of the Faroe Islands and Greenland)

Mr Hedin Weihe
Adviser: Dr Jan Arge Jacobsen

European Union

Dr Ken Whelan
Advisers: Mr Ole Tougaard, Mr Ted Potter

Iceland

Mr Arni Isaksson

Norway

Mr Arne Eggereide
Advisers: Mr Raoul Bierach, Dr Lars P Hansen

Russian Federation

Dr Boris Prischepa
Advisers: Ms Svetlana Krylova, Dr Alexander Zubchenko
Interpreter: Ms Elena Samoylova

United States

Ms Mary Colligan

ICR(01)13

***Inaugural Meeting of the
International Cooperative Salmon Research Board***

**Thistle Kensington Park Hotel, London
5-7 December 2001**

Agenda

1. Opening of Meeting
2. Appointment of Chairman
3. Appointment of Rapporteur
4. Adoption of the Agenda
5. Consideration of the Terms of Reference for the Board
6. Consideration of a Constitution for the Board
7. Existing Research Programmes
 - (a) Inventory of ongoing or scheduled marine salmon research, 2002-2004
 - (b) Opportunities for cooperative research under existing programmes
 - (c) Priorities for marine research for 2002-2004
 - (d) Administrative and financial issues associated with existing research programmes
8. Possible New Funds and Resources
 - (a) Mechanisms for seeking and accepting new funds and resources
 - (b) Mechanisms for considering applications for new funds and resources
 - (c) Administrative and financial issues associated with new funds and resources
9. Recommendations on any External Representation on the Board
10. Any Other Business
11. Report of the Meeting
12. Date and Place of Next Meeting

ICR(01)9***Rules of Procedure for the International Cooperative Salmon Research Board***

1. The International Cooperative Salmon Research Board is a body, established by and reporting to the Council of NASCO, to promote collaboration and cooperation on research into the causes of marine mortality of Atlantic salmon and the opportunities to counteract this mortality.
2. The Board shall establish and administer an International Cooperative Salmon Research Programme into the causes of marine mortality of Atlantic salmon and the opportunities to counteract this mortality with the following Terms of Reference:
 - maintaining an inventory of relevant research projects which are ongoing or planned and for which budgets have been confirmed;
 - identifying research needs;
 - evaluating the inventory against research needs;
 - identifying gaps in the inventory of research and setting priorities for further research;
 - providing a forum for coordination of relevant research efforts by the Contracting Parties of NASCO;
 - developing administrative mechanisms to accept financial contributions to an International Cooperative Salmon Research Fund;
 - soliciting and accepting financial contributions and managing the Fund;
 - establishing terms and conditions for soliciting, evaluating, approving and funding relevant research projects;
 - funding approved projects and reviewing results in relation to the objectives of the Programme.
3. The Board shall comprise one Member from each Contracting Party assisted, as appropriate, by one or more advisers. The costs associated with representation on the Board shall be borne by the Contracting Parties. In exceptional circumstances the Board may, by consensus, deviate from this rule concerning membership and costs.
4. The Board may establish criteria for appointment of, and may appoint, Patrons to the International Cooperative Salmon Research Fund.
5. The Board shall work by consensus but in the event that agreement cannot be reached the matter concerned shall be referred to the Council of NASCO for resolution.
6. The Board shall meet on an annual basis or at more frequent intervals if it, or the Council of NASCO, so decides.
7. Between meetings the Board may conduct its work and take decisions by correspondence.

8. The Board shall accept, for consideration, relevant written statements concerning the work of the Board from NASCO's NGOs.
9. The Board shall appoint a Chairman by consensus, who shall serve for a term of two years and who may be eligible for re-election for a further term of two years. A Contracting Party providing the Chairman shall also be entitled to provide a Member of the Board and one or more advisers.
10. The Board may establish Working Groups in order to progress specific areas of its work.
11. The Secretariat shall provide a Rapporteur and reports of the Board's meetings shall be presented to the Council in a timely manner.
12. The Board may seek advice from NASCO's Standing Scientific Committee.
13. The Board may make arrangements for external scientific evaluation of research projects funded by the Board or any research projects considered for funding under the International Cooperative Salmon Research Programme.
14. These Rules of Procedure may be subject to review by the Council of NASCO at any time and shall be reviewed no later than 2005.

ICR(01)10

Guidelines on Acceptance of Voluntary Contributions to the International Cooperative Salmon Research Fund

Voluntary contributions offered by individuals or other interested parties in accordance with NASCO's Financial Rule 7.2 may be accepted to the International Cooperative Salmon Research Fund provided:

- (1) that the Board shall decide if the purpose of the contribution is consistent with the purpose of the Fund;
- (2) that voluntary contributions from individuals or other interested parties may be accepted for research in relation to the causes of marine mortality of Atlantic salmon and the opportunities to counteract this mortality. (Provided this criterion and criterion 1 are met, a donor may direct the contribution to specific research);
- (3) that those offering the voluntary contribution recognize that acceptance of the contribution does not signify that the Board endorses the products, aims or objectives of those making the donations;
- (4) that those offering the voluntary contributions may not attach conditions to the contribution that are inconsistent with the rules and procedures of the Board;
- (5) that voluntary contributions do not confer any rights to participate in or influence the general work of NASCO;
- (6) that those offering voluntary contributions may not use NASCO's or the Board's name and/or logo without prior approval from the Secretary; they may, however, indicate their general support for the objectives of NASCO or the Board;
- (7) that those offering voluntary contributions accept these conditions in writing prior to the contribution being accepted.

ICR(01)11

Financial Rules of the International Cooperative Salmon Research Fund

Rule 1: Applicability

- 1.1 These Rules shall govern the financial administration of the North Atlantic Salmon Conservation Organization's International Cooperative Salmon Research Fund (hereafter referred to as "the Fund"). The principal purpose of the Fund is to provide financial support for research to identify and explain the causes of marine mortality of salmon and the opportunities to counteract this mortality.
- 1.2 In these Financial Rules the word 'Secretary' shall refer to the Secretary of NASCO. The Board may decide at some future date, with the agreement of the Council of NASCO, to appoint its own Secretary

Rule 2: Financial Year

- 2.1 The financial year shall be the period from 1 January to 31 December.

Rule 3: Budget

- 3.1 The Secretary shall prepare a draft budget comprising estimates of income and of expenditure for the Fund for the ensuing financial year and commitments made for future expenditures in subsequent years.
- 3.2 The draft budget shall include an estimate of the financial implications for subsequent financial years.
- 3.3 The Secretary shall submit the draft budget to all members of the Board at least 60 days prior to the start of the financial year.
- 3.4 The draft budget shall be presented in UK currency.
- 3.5 The Board shall adopt its budget by consensus.

Rule 4: Payments from the Fund

- 4.1 The Secretary, on behalf of the Board, is authorised to make payments from the Fund provided such payments are consistent with the decisions of the Board.
- 4.2 The administrative costs of operating the Programme (including the Fund) shall be budgeted for initially by the Council of NASCO but once adequate funding is in place these costs shall be met from the Fund.

Rule 5: Contributions

- 5.1 The Fund shall be established as a Special or Trust Fund in accordance with NASCO's Financial Rule 6.1 in order to hold voluntary contributions above and beyond NASCO members' budget contributions and contributions by individuals or other interested parties. Contributions by non-NASCO members shall only be accepted if they comply with the Board's guidelines on acceptance of voluntary contributions.
- 5.2 The Fund shall be able to accept payments which may be spent in full, or endowments in which only the interest accruing may be spent.
- 5.3 The Fund may carry over its resources from one year to the next or to future years.

Rule 6: Custody of Funds

- 6.1 The Secretary shall designate a bank or banks in the United Kingdom in which the funds shall be kept and shall report the identity of the bank or banks to the Board.
- 6.2 The Secretary may make short-term investments of monies not needed for the immediate requirements of the Board. Such investments shall be restricted to securities and other investments issued under Government guarantee or interest-bearing accounts operated by the bank where the Organization's account is held. The details of investment transactions and income derived shall be reported to the Board.
- 6.3 In the case of contributions received for the explicit purpose of creating endowments, the Secretary shall take appropriate financial advice and invest accordingly.

Rule 7: Internal Control

- 7.1 The Secretary shall:
 - (a) cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the research work, the goods or the services have been received and that payment has not previously been made. However, staged payments may be made for long-term research in progress;
 - (b) designate officers who may receive monies, incur obligations and make payments on behalf of the Board;
 - (c) maintain and be responsible for internal financial control.

Rule 8: Accounts

- 8.1 The Secretary shall ensure that appropriate records and accounts are kept of the transactions and affairs of the Fund and shall do all things necessary to ensure that all payments out of the Fund are correctly made and properly authorised.

- 8.2 The Secretary shall submit to the members of the Board, not later than 15 February immediately following the end of the financial year, annual financial statements. The Secretary shall also give such other information as may be appropriate to indicate the financial position of the Fund. These financial statements shall be prepared in a form approved by the Board after consultation with the external auditor.
- 8.3 The accounting transactions of the Fund shall be recorded in UK currency.
- 8.4 The annual financial statements shall be submitted by the Secretary to the external auditor.

Rule 9: External Audit

- 9.1 The Fund shall be audited in accordance with NASCO Financial Rule 11 by the auditor to NASCO at the time the Organization's accounts are audited.

Rule 10: Acceptance of Annual Financial Statements

- 10.1 The Board shall, following consideration of the audited annual financial statements and audit report submitted to its members, signify its acceptance of the audited annual financial statements or take such other action as it may consider appropriate.