

**FINANCE COMMITTEE OFFICERS' MEETING**  
**5<sup>th</sup> April 2006, IHB**

In accordance with Article 14 of the General Regulations, the Directing Committee met on Wednesday 5<sup>th</sup> April with the Chairman of the Finance Committee, Mr M. Gaziello from Monaco, to examine different financial issues of the Organization and to discuss possible actions that need to be taken. The Vice-Chairman of the Finance Committee, Mr B. Bussey from the UKHO, could not participate due to transportation difficulties, but he contributed very effectively in the discussions by means of a telephone conference call. The external auditor was also present. The following are highlighted as the main topics of discussion:

- a. The draft 2005 Annual Report, Part 2 - Finances was examined in detail and a few observations were presented and approved by the Finance Committee Officers. The auditor's report was in preparation and not available for the meeting, but, in general, the auditor had not traced any problems in the execution of the budget and the way that the expenditures had been conducted. She highlighted that, since 2004, the pensions have been paid through the Internal Retirement Fund (IRF) as it had been fully funded to meet this purpose as indicated to Member States with FCCL05/2003. The 2005 Annual Report Part 2 - Finances, including the Auditors' report and the comments of the Directing Committee, will be sent before the end of the month to Member States.
- b. The progress of the execution of the 2006 budget was examined and it was noted that it progresses smoothly without any problems. Based on the "Monthly Financial Reporting Statement" various specific issues of interest were discussed and explanations were provided.
- c. The status of the Member States contribution payments was examined for 2005 and for the first three months of 2006. For 2005 we received 88.94% of the total contribution compared to 92.37% for 2004; whereas, for the first three months of 2006 we have received 55.80% of the total contribution compared to 53.13% for the corresponding period of 2005. We discussed the problems with the States that are having difficulties paying promptly their contribution and the Directing Committee informed the participants of their efforts and continuous discussions with these States for plans for payment by installments in accordance with Article 17 of the Financial Regulations. It was noted with general satisfaction for the status of payment of the contributions.
- d. The Directing Committee informed the participants that Member States have agreed to the request of the SPWG, for the establishment of a Working Group in order to examine the salaries of the Secretary-General and Directors under the new structure of the IHO, as approved by Member States during the Extraordinary Conference in 2005. The Working Group is to present their proposal to Member States for consideration during the Conference in May 2007. The IHB will coordinate with Member States who have indicated their willingness to participate in this Working Group, in order to convey the first meeting, that probably will take place at the IHB during the second half of July.
- e. The actuarial study that was conducted by the Bureau for the status of the IRF in 2005, showed that there is a very small deficit, which the Directing Committee will rectify without causing any problem to the payments of the pensions. At the end of 2006 the Directing Committee will conduct, in parallel with the actuarial study by the Bureau, a study from an external specialist, to be presented to the Conference in 2007.
- f. Regarding the Personalized Pension Plans, the Directing Committee informed the participants that the staff has accepted the improvements based on the guidance provided by an external expert and that NSM VIE will soon implement these changes in each staff member's contract.

It was decided that the next meeting with the Finance Committee Officers will take place on the 25<sup>th</sup> October 2006.