

FINANCE COMMITTEE OFFICERS' MEETING
15th November 2005, IHB

In accordance with Article 14 of the General Regulations, the Directing Committee met on Tuesday, 15th November with the Chairman of the Finance Committee, Mr. M. Gaziello from Monaco, and Mr. Maidment, the representative of the Vice-Chairman, Mr. B. Bussey from the UKHO, who was unable to participate due to personal reasons, to examine different financial issues of the Organization. Miss P. Taramazzo, the Auditor was also present. The following are highlighted as being the main topics that were discussed :

- a. The 2005 budget was examined and it was recognized that it is progressing smoothly without any problem. Expenditure for long distance travel was increased by 15%, according to the procedures of Article 10 of the Financial Regulations, in order to cover unexpected travel obligations, and in accordance with the rules established for long distance travel in Article VIII.1.3 of the Staff Regulations;
- b. The progress regarding the approval by Member States of the 2006 Work Programme and Budget that was distributed with CL 97/2005 was examined. It was reported by the Directing Committee that 16 positive votes have been received up to now;
- c. The Directing Committee explained to the participants that the rates for the language allowance contained in Table VI of the Staff Regulations have not been updated since 1992. The language allowance rates of the UN system are 26% higher than the IHO rates, which corresponds exactly to the 26% increase in the cost of living in Monaco since 1992. In updating this allowance, the monthly rate for proficiency level A in Table VI will increase by 20 Euros (from 76.22 to 97.00 Euros), for level B by 16 Euros (from 60.98 to 77.00 Euros) and for level C by 12 Euros (from 45.73 to 58.00 Euros). The total effect on the budget for the year will be approximately 1000 Euros. The Officers of the Finance Committee agreed with this small increase which does not affect the budget. The Directing Committee will apply the new rates as from 1st January 2006, if there are no objections from the Member States;
- d. The final developments on the legal issue that began in 1992 between one of the Bureau's Staff Members and the French Tax Authorities in Nice, concerning the payment of tax on salaries received from the Organization, which has been reported on different occasions in the past, were examined. It was reported that the Court of Appeal in Marseilles agreed with the decision of the Administrative Court in Nice and ruled in favour of the Staff Member. The Tax Authorities in Nice informed the Bureau that they will respect this decision and they will not pursue the case any further. This brings this legal issue to an end. The Bureau will inform the Government of Monaco on the final outcome of the case.
- e. The status of payment of contributions by the Member States up to October 2005 was examined. The Directing Committee informed the participants that the amount received so far is slightly higher than the amount received at the same period last year. Also those Member States who are close to two years in arrears was a topic for discussion and the Directing Committee explained that they have started communicating with these Member States in order to rectify the situation;
- f. The Directing Committee explained to the participants that they have informed the Staff on the three main issues that the consultant emphasized in his report, concerning changes to the contracts of the Personalized Pension Plans. These are the deletion of the paragraph referring to retrieval of money "in exceptional circumstances", the requirement for secure investments in order for the Organization to accept the liability for pensions and the addition of a clause that, should a Staff Member opt for the Monegasque pension scheme equivalent, the money in the PPP will be passed to the Bureau; this matter is being progressed and when finalized, the DC will take action accordingly.

- g. The investments of the available funds for the IRF were examined. The current level of investments at risk in the IRF was improving and considered acceptable for the time being and will be re-evaluated at the next meeting;
- h. It was decided to insert a clause in the Staff Regulations to explain that retired staff will not be entitled to medical benefits, if, following their retirement from the IHB, they take another job, through which they receive medical benefits; this would only apply for the duration of the job;
- i. The letter sent to the Chairmen of all IHO bodies with respect to the IHO Work Programme 2008-2012 was briefly discussed in connection with the IHO budget and particularly in connection with the Finance Committee's role;
- j. The status of the Capacity Building Fund, including expenditures and unexpended resources due to the postponement of some activities, were explained. The reporting format and content was considered adequate for its inclusion in the Annual Report.

It was decided that the next meeting with the Finance Committee Officers will be held on 5th April 2006.