

FINANCE COMMITTEE OFFICERS' MEETING
23rd October 2006, IHB

In accordance with the above reference, on Monday 23rd October the Directing Committee met with the Chairman of the Finance Committee, Mr. M. Gaziello (Monaco), and Mr A. Maidment (UKHO) who replaced the Vice-Chairman of the Finance Committee, Mr. B. Bussey (UKHO), who was unable to attend. The external Auditor was also present. The following are highlighted as the main topics of discussion:

a. The draft report on the 5-year budget 2002-2006, which is to be considered by the Finance Committee at their meeting on Saturday 5th May 2007 before the opening of the IHC, was presented by the Directing Committee. An analysis of the various issues contained in the report was made and the report will be re-examined by the Directing Committee for possible adjustment early in January 2007, when the accounts for the financial year 2006 have been closed. The report will be distributed to the Member States and Finance Committee Members at the end of January 2007 and will be included on the Agenda of the Finance Committee meeting;

b. The draft 5-year budget 2008-2012 was presented by the Directing Committee and various issues of importance in preparing the next 5-year budget were explained. This budget will be reconsidered by the Directing Committee early in January next year, once the Bureau has received Member States' replies to CCL No 9 dated 3 July 2006 confirming their tonnage figures. The draft 5-year budget 2008-2012 will be distributed to the Member States and to the Members of the Finance Committee at the end of January 2007 and will be included on the Agenda of the Finance Committee meeting;

c. The progress with regard to the execution of the budget for 2006 was examined and it was noted that it has progressed smoothly without problems. Based on the "Monthly Financial Reporting Statement", various specific issues that were raised were clarified by the Directing Committee;

d. The status of the Member States' contribution payments was examined for 2006. Up to the end of September the Bureau had received 85% of the total contributions compared to 82.47% for 2005. Problems with States having difficulties paying their contributions promptly were discussed and the Directing Committee explained the actions that have been taken concerning this matter;

e. The Directing Committee informed the participants of the origin of Proposal 19 submitted to Member States in CCL No 10 for consideration at the XVIIth IHC. The proposal recommends the establishment of a Working Group to study and propose a new edition of the IHB Staff Regulations, stemming from the need to correct existing inconsistencies and to update its content to bring it in line with the future structure of the Organization;

f. The Directing Committee informed the participants of the Report of the Working Group of the Finance Committee, that had been established with the approval of the Member States in order to examine the salary scheme for the Secretary-General and Directors under the new structure of the Organization. Mr. Maidment, Chairman of the Working Group, explained the details of the report. The report has been distributed to Member States and Members of the Finance Committee with CL63/2006 dated 21 September 2006 for information and comment and it will be included on the Agenda of the Finance Committee meeting;

g. The Directing Committee informed the participants on the status of the Personalized Pension Plans (PPP) and the Internal Retirement Fund (IRF). The PPP contracts have

been reviewed and the improvements have been made to the contracts with the agreement of the staff. The Bureau will contract an external actuarial study on the liability of the IRF and will report the results to the IHC;

h. The investments of the available funds for the IRF were examined. The current level of investments at risk was improving and considered acceptable for the time being and will be re-assessed at the next meeting.

It was decided to hold the next meeting of the Finance Committee Officers at the IHB on Tuesday **20th March 2007**.