



IHB File No. FO/599/01

**FINANCE COMMITTEE
CIRCULAR LETTER 1/2014
22 April 2014**

FINANCE COMMITTEE OFFICERS' MEETING

01 April 2014, IHB

Dear Hydrographer,

1. The six-monthly meeting of the Finance Committee Officers (FCO) took place at the IHB in Monaco on 1 April 2014 in accordance with Article 14 of the General Regulations. The Chair of the Finance Committee Ms Muriel Natali-Laure (Monaco), the Vice-Chair Mr. Andrew Millard (UK), and the IHB Directing Committee attended the meeting. The Auditor, Ms Pascale Taramazzo, of Frank Morel Chartered Accountants, was also present together with the IHB Manager Finance and Administration (MFA) Ms Ghislaine Fauchois and the IHB Administration and Accounting Assistant (AAA) Ms Sandrine Brunel. The following topics were presented and discussed at the FCO meeting.

Status of Responses to CL5/2014 on a new Resolution - *Guiding Principles for IHO funds*

2. The FCO noted that CL5/2014, which had been endorsed at their previous meeting had been circulated inviting Member States to adopt a Resolution that provided greater clarity on the purpose and operation of the various existing funds operated by the Organization. They were informed that 51 out of the minimum majority of 53 positive responses had been received so far.

Provision for bad debts

3. The FCO noted the implementation of their recommendation, made at the previous meeting, that the potential for the late or non-payment of contributions by some Member States, because of unforeseen administrative or geo-political circumstances, should be accounted for in the annual budget, since, in effect, such non-payment directly affected the income for the year. The FCO received an explanation on the basis upon which the calculation of the provision for bad debts was made for 2013. This will be included in the financial statements provided in Part 2 of the Annual Report when it is published later in the year.

Draft Financial Report

4. The Directing Committee presented a draft of the Annual Financial Report that included the audited financial statements for 2013 and the observations and recommendations of the Directing Committee on how the sum remaining at the end of the year should be disbursed. The Auditor also reported on her conclusions. The FCO endorsed the recommendations and invited the Directing Committee to seek comments from the Finance Committee, in accordance with Articles 11(a) and 12(b)(ii) of the General Regulations and Article 8(b) of the Finance Regulations, before including the recommendations in the relevant part of the Annual Report and seeking the approval of the Member States

in accordance with Article 8(b) of the Finance Regulations. The draft of the Annual Financial Report is attached to this letter for any comments from the Finance Committee.

Provisional statement of accounts

5. Progress with regard to the execution of the budget for 2014 was examined by the FCO, based on the monthly finance report for February. The Directing Committee and MFA presented the current financial statements and indicated that all aspects were progressing smoothly.

Status of Member States' Contribution Payments

6. The status of Member States' contribution payments was examined. It was noted that the amount received at the end of March was 53.63% of the total amount of the contributions due for the year. This was about 5% lower than the amount received at the same period last year. The FCO noted that the payment schedules for Member States are closely monitored by the IHB in order to anticipate any difficulties.

Finance Committee Officers' comments on financing redundancy payments using the IRF, as presented in paragraph 45 of the IHB report on the technical capacity of the IHB.

7. The FCO dealt with a request from the Joint Staff Consultative Committee to express an opinion on an aspect of the Report on the Technical Capacity of the IHB submitted by the Directing Committee for consideration at EIHC-5 concerning the potential to use the IRF to finance redundancy payments. The auditor and the FCO fully supported the Directing Committee in its opinion that the IRF should not be used for any other purpose than the payment of the IHO's pension liability.

Next Meeting

8. Noting that the 2015 Budget will be submitted to EIHC-5 and considering that the draft must be circulated to Member States three months before the Conference (i.e. before 6 July 2014), the FCO agreed to consider the draft budget by correspondence.

9. It was agreed that the next meeting of the Finance Committee Officers will take place at the IHB in Monaco, on 25 November 2014.

10. Members of the Finance Committee are invited to consider the draft of the Annual Financial Report and its recommendations and to provide any comments that they may have to the IHB (info@iho.int) no later than 15 May 2014.

On behalf of the Directing Committee
Yours sincerely,



Robert WARD
President

Mr. Andrew MILLARD (UK), FC Vice-Chair