



IHB File No. FO/599/01

**FINANCE COMMITTEE
CIRCULAR LETTER 1/2013
16 April 2013**

FINANCE COMMITTEE OFFICERS' MEETING

22 March 2013, IHB

Dear Hydrographer,

1. On 22 March 2013 and in accordance with Article 14 of the General Regulations, the six-monthly meeting between the Directing Committee, the Chair of the Finance Committee, Ms Muriel NATALI-LAURE (Monaco), and the Vice-Chair, Mr. Andrew MILLARD (UK), was held at the IHB. The auditor, Ms Pascale TARMAZZO, of Frank Morel Chartered Accountants, was also present together with Ms Ghislaine FAUCHOIS and Ms Sandrine BRUNEL from the IHB finance and administration section. The following topics were presented and discussed:

- The status of the Internal (IHO) Retirement Fund (IRF) was examined. It was noted that the actuarial assessment at the end of 2012 indicated that the guaranty sum currently in the IRF is 135,286€ less than the anticipated pension liability. Furthermore, given the lower rates of interest on the capital invested, and the increasing liability for the current staff members for each additional year that they continue to be employed, the investment sum required to meet the liabilities of the IRF is likely to increase annually, at least until 2018, when the current staff dependent on the IRF retire. At the end of 2013, using the current rates of interest, the actuarial shortfall will be at least 36,574€.
- The final reconciliation of the 2012 budget showed a surplus of 205,706€. Noting the reported shortfalls in the IRF guaranty sum, it was agreed to recommend to Member States that the surplus from 2012 be allocated as follows: 135,286€ and 36,574€ respectively to the Internal Retirement Fund to cover the guaranty shortfall at the end of 2012 and the anticipated shortfall at the end of 2013, and the balance of 33,846€ to the Capacity Building Fund. Further details and a request for approval will be presented to Member States in due course as part of the Annual Report for the year 2012.
- Progress with regard to the execution of the budget for 2013 was examined, based on the "Monthly Finance Report Statement" as of end of February. It was agreed that all matters related to the budget for 2013 are progressing satisfactorily.
- The status of Member States' contribution payments was examined. It was noted that the amount received at the end of February was 49% of the total amount of the contributions for the year. It was acknowledged that the Republic of Serbia has been suspended as from 1 January 2013 because of unpaid contributions for 2010, 2011 and 2012, as reported to Member States in CL 19/2013 dated 1 March. In view of the continuing adverse financial situation in many States, the Directing Committee will closely monitor any late payments in 2013.
- The meeting discussed whether Part 2 of the Annual Report and Finance Committee Circular Letters should continue to be treated as "restricted access" documents on the IHO website. Noting that there is nothing in the documents that is commercially or otherwise sensitive, that the details of the IHO finances have always been available on the website as Conference Reports, and in the interest of openness and transparency, it was agreed that these documents should in future be made publicly available on the website.

2. It was agreed that the next meeting of the Finance Committee Officers will take place at the I.H. Bureau in October 2013.

On behalf of the Directing Committee
Yours sincerely,

A handwritten signature in blue ink, appearing to read 'R. Ward', with a stylized flourish at the end.

Robert WARD
President

Copied to : Mrs. Muriel NATALI-LAURE (Monaco), FC Chair
Mr. Andrew MILLARD (UK), FC Vice-Chair