

IHO File No. FO/599/01

**FINANCE COMMITTEE
CIRCULAR LETTER 01/2025
04 May 2025**

FINANCE COMMITTEE OFFICERS' HYBRID MEETING - 29 April 2025

References:

- A. IHO CL26/2018 dated 5 April – *Adoption of a new IHO Resolution on the Procedure for considering the Annual Financial Statement and the Forthcoming Budget estimate and Work Programme.*
- B. Rules of Procedure of the Finance Committee, Rule 2
- C. IHO Resolution 02/2018
- D. Decision 24.c of the 1st Session of the IHO Assembly
- E. Draft Part 2 of the IHO Annual Report for 2024 (Finance)
- F. CABINET TARAMAZZO - Independent Auditor's Report – dated 3rd April 2025

Dear Member of the IHO Finance Committee,

1. The Finance Committee Officers' (FCO) meeting took place in hybrid format on 29 April 2025 in accordance with Rule 2 of the ROP of the Finance Committee. The meeting was chaired by the Chair of the Finance Committee, Ms Isabelle Rosabrunetto (Monaco). The participants were Ms Sonia Chanell (United Kingdom) as Vice Chair; Ms Pia Dahl Højgaard, Chair of the IHO Council; Dr Mathias Jonas, Secretary-General; Dr John Nyberg, Director; and Ms Sandrine Brunel, Finance Administration Officer.

Annual Finance Report 2024

2. The Draft Annual Finance Report 2024 as submitted by the Secretariat (Reference E) and the External Auditor's Report (Reference F) were reviewed by the participants and accepted without further comments.

3. The Secretary-General tabled the audited financial statements, which indicated a cumulative budget surplus for 2024 of 296,156.91 €. This result comprises a surplus of 221,000 € from the budget implementation, an additional income of 215,000 €, an underspend of 1,000 € in capital expenditure, and the inclusion of the amount paid for depreciable assets of 14,000 €.

Audit results for the Annual Finance Report 2024

4. Ms Taramazzo's report reaffirmed that the IHO's financial statements were fairly presented and that the balance sheet of the Organization as of 31 December 2024 and its profit and loss statement for the year ended in accordance with the accounting principles selected and disclosed.

Ms Brunel explained the limitation presented in the report, referring to specific funds which are estimated in US Dollars but converted into Euro for accounting at the IHO before reconverting in US Dollars.

Further Ms Brunel explained the rationale behind a comment made with regard to the additional provision of 150.000 € paid into the external retirement insurance contracted with the French Insurer GAN GGVIE. Ms Brunel further elaborated on the identical amount paid in 2023. An update of the annual payment schedule to cover the premium will be made in 2025, following the evaluation by the Actelior actuaries.

Recommendations of the Secretary-General for the 2024 surplus

5. The Secretary-General proposed that the budget surplus for 2024 of 295,000 Euro should be distributed as follows:

- **50,000 Euro** to the Assembly Fund,
- **75,000 Euro** to the Special Project Fund,
- **50,000 Euro** to the Capacity Building Fund,
- **60,000 Euro** to the GEBCO Fund,
- **60,000 Euro** to the Relocation Fund.

6. The Finance Committee Officers endorsed the proposals of the Secretary-General which will now be put forward for approval to the IHO Council members by Circular Letter.

Provisional statement of accounts (Q1 2025)

7. The Finance Committee Officers reviewed the current financial situation, based on the monthly summary finance report for the first quarter 2025. The Secretary-General presented the current financial statements and indicated that all aspects of the execution of the budget for 2025 were progressing satisfactorily.

8. The actual status of Member States' contribution payments was also examined. As of the end of March 2025, the recovery of contributions was at 44.98%, higher than last year (38.66%) and lower than the average last five years (49.91%). Two Member States have not paid their 2021 contributions and five Member States have not paid their 2022 contributions. Nine Member States are in arrears for 2023, and Twenty-One for 2024. The Secretary-General highlighted that the low payment of a substantial number of Member States (which mainly have divergent internal reasons) imposes a significant risk on the proper functioning of the Secretariat and the Organization as a whole.

Any other business

9. The Secretary-General briefed the participants on the arrangements made to cover the obligations of the Organization to maintain the pension system for the local staff of the IHO Secretariat. He explained the underlying principles as based on the pension system in place for civil servants in Monaco (IHO M-7 staff regulations refer) and the individual options this entails for the affected IHO staff, including the maximum age of service (currently 65 years) and an earlier leave with a lowered pension rate.

Final conclusions and next Meeting

10. The Secretary-General concluded that with the endorsement of the Auditor's Report (Reference F) by the participants of the meeting, all conditions are now met for the Approval of Part 2 of the Annual Report 2024 (Finance) by Council Circular Letter.

11. In accordance with Reference C (Paragraph 7), Members of the Finance Committee are now invited to give their comments on this Finance Committee Circular Letter reporting the outcome of the this year's Finance Committee Officers Meeting and to Reference E (Part 2 of the draft IHO Annual Report for 2024 (Finance)) which is available for consultation, as Publication P-7, on the IHO website [here](#) not later than **31 May 2025**. These comments, if any, will be considered and incorporated in the final version of the Part 2 of the IHO Annual Report at the final stage, before publication.

12. It was agreed that the Secretary-General will continue to monitor the situation in view of Member States' contribution payments and will call for another meeting of the Finance Committee Officers if this generates an impact on the financial situation and the budget of the IHO in the course of the year.

13. Since 2026 will be an Assembly year, no regular Finance Committee Officers meeting will be scheduled since the Finance Committee will meet on 19 April 2026 in the preliminaries of the Assembly.

Yours sincerely,

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

Dr Mathias JONAS
Secretary-General

Distribution: Finance Committee Members

For information: IHO Council Chair / Vice Chair