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DRAFT BUDGET FOR 1985

Note by the Director

1 Article 18.5 of the Fund Convention requires the Assembly to adopt the annual budget of the IOPC Fund. The draft budget 1985 with explanatory notes, as prepared by the Director, is at the Annex.

2 The presentation of the budget follows the requirements of Financial Regulations 3.2 and 3.3.

In accordance with the wishes expressed by the Assembly, the 1983 actual expenditure figures, the 1983 budget appropriations and the 1984 budget appropriation are given in addition to the 1985 draft budget appropriations.

3 The Assembly is invited to consider the draft budget 1985 for adoption.

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ANNEX

DRAFT BUDGET FOR 1985

STATEMENT OF EXPENDITURE

| | | 1983 | | 1984 | 1985 |
|-----|---|----------------|----------------|----------------|----------------|
| | | actual | budget | budget | budget |
| | | expen- | appro- | appro- | appro- |
| | | diture | priation | priation | priation |
| | | £ | £ | £ | £ |
| A | <u>SECRETARIAT</u> | | | | |
| I | <u>Personnel</u> | | | | |
| | (a) Salaries | 110 140 | 103 800 | 128 380 | 133 600 |
| | (b) Separation and Recruitment | 1 269 | 7 850 | 17 300 | 8 000 |
| | (c) Staff benefits and allowances | 31 253 | 28 650 | 44 320 | 43 400 |
| | | <u>142 662</u> | <u>140 300</u> | <u>190 000</u> | <u>185 000</u> |
| II | <u>General Services</u> | | | | |
| | (a) Rent of office accommodation (including common services, security-services and rates) | 13 000 | 13 000 | 15 000 | 23 700 |
| | (b) Office machines, including maintenance | 2 851 | 4 000 | 12 500 | 5 500 |
| | (c) Furniture and other office equipment | 690 | 1 000 | 1 500 | 1 500 |
| | (d) Office stationery and supplies | 2 658 | 2 000 | 2 500 | 3 500 |
| | (e) Communications (telephone, postage) | 4 425 | 5 500 | 6 000 | 6 000 |
| | (f) Other supplies and services | 3 334 | 4 000 | 4 500 | 4 500 |
| | (g) Hospitality | 1 089 | 4 500 | 6 000 | 4 500 |
| | (h) Printing and Publication | 1 061 | 38 000 | 4 000 | 4 000 |
| | | <u>29 108</u> | <u>38 000</u> | <u>52 000</u> | <u>53 200</u> |
| III | <u>Meetings</u> | | | | |
| | (a) Session of Assembly and meeting of Executive Committee in autumn | 13 117 | 14 000 | 15 400 | 17 000 |
| | (b) Additional meeting of Executive Committee | 3 845 | 8 400 | - | - |
| | (c) One further meeting (Assembly or Executive Committee) | - | 5 600 | 6 200 | 6 800 |
| | | <u>16 962</u> | <u>28 000</u> | <u>21 600</u> | <u>23 800</u> |

| | 1983 actual expen- diture £ | 1983 budget appro- priation £ | 1984 budget appro- priation £ | 1985 budget appro- priation £ |
|---|---|---|---|---|
| IV <u>Conferences and Travel</u> | | | | |
| (a) Conferences and seminars | 5 582 | 8 000 | 8 000 | 8 000 |
| (b) Mission | 5 195 | 7 000 | 7 000 | 7 000 |
| | <u>10 777</u> | <u>15 000</u> | <u>15 000</u> | <u>15 000</u> |
| V <u>Miscellaneous Expenditure</u> | | | | |
| (a) External Audit | 7 500 | 7 500 | 7 500 | 7 600 |
| (b) Payment to IMO for general services | 6 000 | 13 968 | 5 000 | 4 000 |
| (c) Consultants' fees | 1 480 | 4 000 | 4 000 | 4 000 |
| | <u>14 980</u> | <u>25 468</u> | <u>16 500</u> | <u>15 600</u> |
| TOTAL EXPENDITURE I - V | <u>214 489</u> | <u>246 768</u> | <u>295 100</u> | <u>292 600</u> |

B CLAIMS

(see document FUND/A.7/9 Assessment of Annual Contributions)

STATEMENT OF INCOME - GENERAL FUND

| | 1983 funds actually accumulated at 31.12.83 | 1983 budget estimate | 1984 budget estimate | 1985 budget estimate |
|--|--|----------------------------|----------------------------|----------------------------|
| I <u>Surplus Fund from Preceding Years</u> | 2 454 828 | 2 096 885 | 2 338 754 | 1 892 559 |
| II <u>Any Other Income</u> | | 220 000 | 180 000 | 200 000 |
| TOTAL INCOME I & II | | <u>2 316 885</u> | <u>2 518 754</u> | <u>2 092 559</u> |

Explanatory Notes to the Draft BudgetGeneral

Financial Regulation 2 provides that the financial period of the IOPC Fund shall be the calendar year. The draft budget proposed by the Director therefore covers the period from 1 January 1985 to 31 December 1985.

The draft budget deals with administrative expenses and income in respect of the general fund only. Budget estimates in respect of claims are dealt with in document FUND/A.7/9 (see (B) below).

The Budget

EXPENDITURE

A SECRETARIATI Personnel

The calculation of the salaries is based on the UN salary scheme as applied by IMO, including all grants, allowances, overtime and insurance payments, having regard to Staff Regulation 14 which provides that the emoluments of the IOPC Fund's staff members should follow the UN common system as applied by IMO. The relevant IMO salary scales and schedules of post adjustments are reproduced as Annexes A and B of the revised version of the Staff Regulations and Staff Rules. The Provident Fund contributions are calculated in accordance with Staff Rule VIII.5.

As the present Director's contract expires in December 1984, this appropriation includes the new Director's recruitment expenses, including fares, removal and installation grant at £8 000.

In detail, the appropriation is based on the following calculations:

| | 1983 actual expen- diture | 1983 budget appro- priation | 1984 budget appro- priation | 1985 budget appro- priation |
|--|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | £ | £ | £ | £ |
| Director (D-2) | 53 622 | 57 850 | 70 580 | 66 000 |
| Director (Recruitment) | - | - | 12 500 | 8 000 |
| Professional Officer (P-4) | 33 287 | 33 000 | 42 690 | 43 300 |
| Finance Officer (P-1) | 20 029 | 19 000 | 25 200 | 24 300 |
| Director's Secretary (G-8) | 12 390 | 12 600 | 12 660 | 13 300 |
| Senior Clerk-Secretary (G-5) | 8 625 | 9 450 | 9 490 | 9 950 |
| Senior Clerk-Secretary (G-5) | 8 415 | 8 400 | 9 240 | 9 800 |
| Messenger (G-2) | 3 334 | - | 6 240 | 6 550 |
| Temporary Assistance & Staff Training | 2 960 | - | 1 400 | 3 800 |
| | <hr/> 142 662 | <hr/> 140 300 | <hr/> 190 000 | <hr/> 185 000 |

II General Services

The appropriations under (a)-(h) are for the general expenses of running the IOPC Fund's Secretariat, such as rent and related expenses, maintenance and replacement of office machines, purchasing of office equipment, stationery, communications and printing. In addition, the following explanations are given:

Rent of office accommodation (a)

Since November 1982, when the IOPC Fund moved into the IMO new headquarters building on the Albert Embankment, a minimum of a ten-years' lease has been agreed with IMO.

In this connection, IMO has, after consultation with the United Kingdom Government, decided to charge all sub-tenants, including the IOPC Fund, a market rate for their accommodation. The rate agreed with IMO is £15 per square foot, exclusive of rates and service charges. For the space presently occupied by the IOPC Fund Secretariat (1 790.5 sq ft), the rent amounts to £5 372. The appropriation includes an amount of £18 270 for service charges and rates. This amount is based on figures supplied by IMO. The figure is for the rent of eight office rooms plus one storage room at present occupied by the Secretariat.

As in previous years, the United Kingdom Government refunds 80% of the rent and the rates to the IOPC Fund and the IOPC Fund pays only 20% of the rent and the rates. The appropriation is calculated on this 20% basis.

Office machines (b)

In view of ageing machines, there is provision for the replacement of one typewriter, as well as provision for repairs and maintenance of existing machines.

Other supplies and services (f)

This appropriation contains funds for supplies not covered in sub-paragraphs (a) to (e) and a figure for miscellaneous expenditure, such as public information, unforeseen expenditure, bank charges, books for the IOPC Fund's library, periodicals and newspapers.

Hospitality (g)

This appropriation is necessary for hospitality not covered by the Director's representation allowance, eg receptions to be given at IOPC Fund meetings or official entertainment by the IOPC Fund, including an additional sum, at present estimated at £2 500 per annum, as the IOPC Fund's contribution to the IMO cafeteria subsidy.

Printing and Publication (h)

The Executive Committee has decided that the report on the activities of the IOPC Fund during the previous calendar year should be published in printed form. In addition, the appropriation is to allow for adequate provision for the printing of any other necessary documents.

III Meetings

The IOPC Fund's Assembly and Executive Committee meetings in Autumn 1985 will take place in one of the IMO conference rooms. Provision is made for two meeting sessions, one of five days' duration for the annual Assembly and the Executive Committee sessions in autumn 1985 and one of two days' duration for another possible meeting of the Assembly or the Executive Committee.

For the 1985 budget a 5% inflation rate over the 1984 figures has been used.

IV Conferences and Travel

Based on past experience, the appropriation is necessary to provide sufficient funds for the attendance at conferences and seminars, participation in which is in the IOPC Fund's interest.

V Miscellaneous Expenditure

(a) External audit

The fee for the External Auditor for the period 1985 has been provisionally advised as £7 600 by the United Kingdom National Audit Office.

(b) Payment to IMO for general services

The IOPC Fund's administration still depends to some extent on IMO's assistance: the Personnel Section provides the services of a staff nurse and passes to the IOPC Fund all information necessary to implement the Staff Regulations and Staff Rules in accordance with the UN common system as applied by IMO; the Common Services Section provides telephone and telex services; the Conference Section provides services before, during and after IOPC Fund meetings.

With effect from the 1983 financial period a flat rate of £4 000 per annum, fixed for 10 years, has been agreed for general services rendered by IMO to the IOPC Fund.

(c) Consultants' fees

It was the decision of the IOPC Fund's Assembly to keep the IOPC Fund's permanent staff as small as possible and to allow the Director to employ consultants if some extraordinary work had to be done that could not be done by the permanent staff members. This may occur in connection with studies that have to be carried out by the IOPC Fund. As in the last two years, the level of appropriation should be maintained at £4 000. Fees for consultants who will be employed in connection with incidents will be charged against the claims accounts.

B CLAIMS

For the assessment of annual contributions the Assembly shall make an estimate in the form of a budget (Article 12.1 of the Fund Convention). A document to this affect is submitted by the Director to the Assembly (FUND/A.7/9).

INCOME - GENERAL FUND

I Surplus Fund from Preceding Years

| | | | |
|---|-----------|-----------|------------------|
| The surplus is arrived at as follows: | | £ | £ |
| Surplus account at 1 January 1984 | | | 2 454 828 |
| <u>Add</u> | | | |
| Contribution receivable in 1984 | | | 1 003 850 |
| Interest earned in 1984 | | | 300 000 |
| | | | <u>3 758 678</u> |
| <u>Less</u> | | | |
| Administrative expenditure | | | |
| Budget 1984 | 295 100 | | |
| Supplementary Budget | 26 800 | | |
| General Claims expenditure (see Annex of document FUND/A.7/9) | 1 544 219 | 1 866 119 | |
| | | | <u>1 892 559</u> |

II Any Other Income

The figure for interest to be earned in 1985 is estimated on an average principal of £1 800 000 generating interest of around £200 000 during the calendar year.
