

65th Annual Meeting of the International Whaling Commission

BUDGETARY SUB-COMMITTEE

16.00 Hrs Thursday 11 September 2014

PROVISIONAL AGENDA
and annotations

Items 3, 4 and 5 will be addressed by correspondence in advance of the Sub-committee meeting.

1. INTRODUCTORY ITEMS

- 1.1. Appointment of Chair *[Martin Krebs, Switzerland, is proposed]*
- 1.2. Appointment of Vice Chair *[Lisa Phelps, USA, is proposed]*
- 1.3. Appointment of rapporteurs
- 1.4. Review of documents

2. ADOPTION OF AGENDA

3. AUDITED FINANCIAL STATEMENTS FOR PREVIOUS FINANCIAL YEARS

The IWC's financial year runs from 1 September to 31 August. Accounts for two financial years have been produced since the Committee last met.

The accounts for both years have already been circulated to Contracting Governments by the Commission's auditors. This agenda item gives an opportunity for the Budgetary Sub-committee to comment upon the accounts.

- 3.1. Audited accounts for financial year ending 31 August 2012
 - 3.1.1. Introduction by Secretary
 - 3.1.2. Committee discussion and recommendations
- 3.2. Audited accounts for financial year ending 31 August 2013
 - 3.2.1. Introduction by Secretary
 - 3.2.2. Committee discussion and recommendations

4. PROVISIONAL FINANCIAL STATEMENT YEAR ENDING 31 AUGUST 2014

The provisional statement is an estimate of the financial position at the end of the year based upon income and expenditure to date.

The 2014 financial year will have ended prior to the meeting of this Committee but not enough time will have elapsed to complete the detailed year end accounting procedures. Thus the provisional statement will be an estimate of the eventual closing position.

- 4.1. Introduction by Secretary
- 4.2. Committee discussions and action arising

5. SCIENTIFIC COMMITTEE FUTURE WORK PLAN AND RESEARCH BUDGET

The Budgetary Sub-committee will receive the Scientific Committee's two year work plan and associated request for use of research funds.

- 5.1. Report of the Scientific Committee
- 5.2. Discussions and action arising

6. REVIEW OF PROPOSED BUDGET

An important function for the Budgetary Sub-Committee (BSC) is to make recommendations on the Commission's future budget to the Finance and Administration Committee.

The Chair of the BSC provided an initial draft budget for comment by correspondence in June 2014. Comments from BSC members were incorporated and the draft budget was provided to Commission members on 17 July 2014 in accordance with Financial Regulation D.2.

The Commission has recently moved to a biennial meeting cycle, and has also proposed to move the timing of its financial year from 1 Sept - 31 August (as at present) to 1 Jan – 31 December.

To be consistent with these changes the budget is presented for a two year period 1 January 2015 to 31 December 2016. A forecast budget for the following biennial period 2017-2018 is also provided.

Finally, an estimate of income and expenditure for the four month 'bridge' period 1 Sept 2014 – 31 Dec 2014 created by the change of financial year is also provided. Arrangements for invoicing this four month period can be discussed at Item 7 below.

- 6.1. Secretary's introduction to the budget 1 January 2015 to 31 December 2016
- 6.2. Secretary's introduction to income and expenditure for bridge period 1 Sept 2014-31 Dec 2014
- 6.3. Committee discussions and action arising

7. CHANGE TO THE COMMISSION'S FINANCIAL YEAR

At IWC/63 in 2011 the Commission adopted a recommendation from the F&A Committee to separate the meetings of the Scientific Committee and Commission by a period of 100 days or longer, with the best time for the Scientific Committee meeting being late May to early June.

In practice this means the earliest time the Commission can meet is from mid-September onwards which is after the start of the present financial year which commences on 1 September. Therefore the Commission would need to approve a budget for a financial period which had already commenced.

To overcome this issue, in 2012 the Commission adopted an F&A Committee recommendation that the financial year should change to run 1 January – 31 December, starting in 2015. This would have the additional benefit of being contemporaneous with the financial year timings of many IWC Contracting Governments.

This item will allow the Budgetary Sub-committee to develop its proposals for enacting the change.

7.1. Adjustment of timings in the Commission's financial regulations

The Commission's financial regulations describe the timing of the financial year and also give a calendar due date for payment of invoices. The Secretary will propose the necessary changes to the regulations.

7.2. Approach for providing invoices for the bridge period

The Bureau has proposed an approach for instructing the Secretariat to generate the additional invoice needed to cover the four month bridge period 1 September 2014 to 31 December 2014. This item will allow the BSC to review the approach and make a recommendation to the F&A Committee.

7.3. Anticipation of the effect of the Commission's general fund

The Bureau's proposed approach to invoicing the bridge period anticipates that Contracting Governments may wish to spread the cost of the period over the next four financial years. This will allow Governments to maintain a relatively stable level of annual contributions.

However any deferral of payment will reduce the level of the Commission's general fund. The Secretariat will provide a forecast for the expected level of reduction.

8. BUDGETARY SUB-COMMITTEE MEMBERSHIP

Membership of the BSC is through rotation of Contracting Governments. Two seats are allocated to Contracting Governments in each capacity to pay group, and Governments serve for three years with membership then passing on in alphabetical order. Two open seats are also available to any Contracting Government.

The Secretary will introduce a list of current and future Budgetary Sub-committee members.

9. SUMMARY OF RECOMMENDATIONS TO THE F&A COMMITTEE

The BSC is tasked with developing the Commission's budget. Accordingly its recommendations must include:

- 9.1. A recommendation in regard to the Provisional Financial Statement for the current year ending 31 September 2014.
- 9.2. A recommendation in regard of the level for the NGO, Observer and Media fees for the biennial period 2015-2016
- 9.3. A recommendation in regard to the proposed budget for 2015-2016
- 9.4. A recommendation to the approach for invoicing the four month period 1 Sept – 31 Dec 2014

10. ADOPTION OF REPORT

The Chair will propose to adopt the report by correspondence.

TERMS OF REFERENCE

At IWC 51 in 1999 the Commission agreed to establish a Budgetary Sub-committee to review income and expenditures and proposed budgets to help expedite the work of the full Finance and Administration Committee (*Ann. Rep. Intl. Whaling Comm. 1999: 46*). It first met at IWC 52 in 2000.

ADMISSION OF OBSERVERS

Rule of Procedure C.2

Observers accredited in accordance with Rule [of procedure] C.1.(a) and (b) are admitted to all meetings of the Commission and Technical Committee, and to any meetings of subsidiary groups of the Commission and Technical Committee, **except the Commissioners-only meetings and the meetings of the Finance and Administration Committee.**

Since the Budgetary Sub-Committee supports the work of, and considers matters relevant to, the Finance and Administration Committee observers are not admitted.

Contracting Governments as Observers to the Budgetary Sub-committee

- Contributing countries who are not members of the BSC can attend as observers
- Non BSC members do not receive documents intersessionally but all documents are available to observers at the meeting itself
- Observers are not eligible for appointment as Chair or Vice-Chair
- The Chair has discretion to invite comments from observers