

## **REPORT OF THE FINANCE COMMITTEE**

1. The Finance Committee composed of Australia (Chair), China, India, Japan, Korea, Pakistan and Thailand met on 17 May 2016 to review (a) the finances of the Union as reported by the Secretary General in EC 2016 Doc 5; and (b) the APPU Bureau proposed Administrative Section Budget for 2017. The APPU Bureau was represented by the Director and the Manager, Administrative and APPU Affairs.
2. The Committee also considered the audit report provided by IAC Audit for the period ending 31 December 2015 and noted the following:
  - (a) the expenditure of the Administrative Section of the Union for 2015 in the amount of US\$141,093.16 was lesser than the approved 2015 budget of US\$141,185.00; and
  - (b) the audit report provided adequate assurance that the receipts and expenditures of the APPU were duly accounted for and complied with the requirements of Article 117 of the General Regulations.
3. In reviewing the proposed 2017 APPU Bureau (Administrative Section) Budget, the Committee noted the following:
  - (a) The proposed budget for the Administrative Section for 2017 is in the amount of US\$169,348. Under Article 117.1 of the General Regulations, the maximum amount for the annual expenditure for the Administrative Section is US\$80,000. However, under Article 117.5 of the General Regulations, that limit may be exceeded to enable the recruitment of personnel or otherwise to provide for the efficient operation of the Administrative Section if a majority of APPU member countries agree. As the proposed budget for 2017 was in line with the expectations of APPU member countries and it represented an increase of approximately 12.34% on the 2016 Administrative Section budget, the APPU Executive Council should be called to approve it.
  - (b) The increase of budgeted costs was largely attributed to the engagement of a consultant to further develop the APPU Reform proposal (requiring additional funding of US\$20,000), and the scheduled pay scale increase and CPI adjustments for staff costs.
  - (c) As a consequence of the proposed budget of US\$169,348 in 2017 for the Administrative Section, the amount of contribution share per unit had to be increased to US\$2,150 for 2017. This represented a marginal increase of US\$200 on the current US\$1,950 contribution share per unit for 2016.
  - (d) That the outcomes of the discussions on APPU Reform later this week may impact the proposed 2017 budget.

#### Recommendations

4. The Finance Committee recommends the following to the Executive Council:
  - (a) Consideration and approval of the audit report for the period ending 31 December 2015.
  - (b) The proposed 2017 APPU Bureau (Administrative Section) Budget of US\$169,348 be approved as well as the proposed increase in the contribution share per unit to US\$2,150.

Siva Somasundram  
Chair, APPU Finance Committee  
Thursday, 19 May 2016