

## FINANCES OF THE UNION

*Memorandum by the Secretary General of APPU*

<b>Subject</b> Presentation of the finances of the Union	<b>References/Paragraphs</b> §§ 1-4 and Annex 1-2
<b>Decision expected</b> 1. Approve the 2017 auditor's financial report 2. Approve the proposed 2019 budget 3. Approve the adjustment of staff medical benefit, as appears in Staff Regulations of the APPU Bureau	Annex 1 Annex 2 Annex 3

1. By virtue of Article 117.3 of the General Regulations of the Asian-Pacific Postal Union, the Bureau shall prepare a report of the Administrative Section to which shall be attached a detailed final account of the preceding year and all documents regarding receipt and expenditure. This report shall be submitted to the Executive Council or to the Congress for approval. The report of the certified public accountant is thus submitted as **Annex 1** for consideration and approval.
2. The annual expenditure of the Union shall be separate for the Administrative Section and for the Training Section. The maximum amount for the annual expenditure for the Administrative Section as stipulated in Article 117.1 of the General Regulations is US\$ 80,000. However, Article 117.5 stated that the limit laid down in Article 117.1 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 the member countries agree.
3. The expenditure for the Administrative Section is shared by all member countries, in accordance with the UPU contribution class of that member, as prescribed in Article 116. The 2017 APPU Congress in Tehran thus approved the recommendations of the Finance Committee to raise the contribution share per unit to US\$ 2,650 so as to cover additional expenditure for the implementation of APPU reform; and 2018 annual budget for Administrative Section of US\$ 189,797.
4. Recognising the fact that staff's medical budget has not been adjusted since the year 2002 (16 years ago), adjustments of medical benefit is proposed to allow staffs to cope with increasing medical expenses as well as for staff's preventive medical plan.
5. The adjusted medical benefits shall cover (i) annual medical expenses up to Baht 40,000 (from Baht 30,000) for staff and entitled dependents; and (ii) annual medical check-up scheme for staff varying on ages i.e. Baht 10,000 for staff aged 40 and

above; Baht 5,000 for staff aged below 40; and Baht 3,000 for successful candidate, prior to issuing the letter of appointment.

6. In summary, for the year 2019, the Bureau has prepared budget for the Administrative Section and submitted herewith for consideration and approval as **Annex 2** at the amount of **US\$ 207,547**. And APPU's staff regulation amended in track-changes appears as **Annex 3**.

**ASIAN - PACIFIC POSTAL UNION**  
**REPORT OF CERTIFIED PUBLIC ACCOUNTANT**  
**AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**



บริษัท ไอเอซี ออดิท จำกัด  
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## **REPORT OF CERTIFIED PUBLIC ACCOUNTANT**

### **To Executive Council of Asian-Pacific Postal Union**

#### **Opinion**

I have audited the financial statements of Asian-Pacific Postal Union, which comprise the statement of financial position as at December 31, 2017, and the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Asian-Pacific Postal Union, as at December 31, 2017, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

#### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Union in accordance with the Federation of Accounting Professions of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.



Apinya Rungsimontuchat

Certified Public Accountant (Thailand) No. 5080

IAC Audit Limited

Bangkok, Thailand

February 9, 2018

**ASIAN-PACIFIC POSTAL UNION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**  
(In US \$)

<b>ASSETS</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2.2 and 3	266,698.31	322,274.49
Account receivables on contribution shares	4		
- 2013 contribution shares		1,500.00	4,500.00
- 2014 contribution shares		3,700.00	3,700.00
- 2015 contribution shares		7,400.00	11,100.00
- 2016 contribution shares		13,650.00	21,450.00
- 2017 contribution shares		21,500.00	-
Others		19,713.31	6,083.17
<b>TOTAL CURRENT ASSETS</b>		<b>334,161.62</b>	<b>369,107.66</b>
<b>NON - CURRENT ASSETS</b>			
Retirement funds	5	60,381.64	48,037.64
<b>TOTAL NON - CURRENT ASSETS</b>		<b>60,381.64</b>	<b>48,037.64</b>
<b>TOTAL ASSETS</b>		<b>394,543.26</b>	<b>417,145.30</b>

The accompanying notes are an integral part of the financial statements.



Secretary General



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**ASIAN-PACIFIC POSTAL UNION**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2017**  
(In US \$)

<b>LIABILITIES AND EQUITY</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>CURRENT LIABILITIES</b>			
Contribution shares received in advance	6	99,100.00	112,450.00
Due to APP		-	5,000.00
Accrued expenses		15,289.53	43,688.29
Unidentified remittance		1,780.70	1,780.70
<b>TOTAL CURRENT LIABILITIES</b>		<b>116,170.23</b>	<b>162,918.99</b>
<b>EQUITY</b>			
Reserve fund		217,991.39	206,188.67
Reserve for retirement fund and tax		60,381.64	48,037.64
<b>TOTAL EQUITY</b>		<b>278,373.03</b>	<b>254,226.31</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>394,543.26</b>	<b>417,145.30</b>

The accompanying notes are an integral part of the financial statements.



Secretary General



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**ASIAN-PACIFIC POSTAL UNION**  
**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US \$)

	<u>2017</u>	<u>2016</u>
<b>Cash, Beginning Balance</b>		
Petty cash	1,625.98	851.98
SCB - TOT branch No. 198 - 2 - 01649 - 0	38,329.79	87,197.85
SCB - Rutchayothin branch No. 111 -200071 - 5 - 840	330,356.36	258,341.12
	<u>370,312.13</u>	<u>346,390.95</u>
<b><u>Add : Receipts (Contribution shares)</u></b>		
<b>2013 contribution shares</b>		
Tonga	3,000.00	-
<b>2014 contribution shares</b>		
Tonga	-	3,700.00
<b>2015 contribution shares</b>		
Bhutan	-	1,739.62
Solomon Islands	-	1,850.00
Tonga	3,700.00	-
<b>2016 contribution shares</b>		
Brunei Darussalam	-	3,900.00
Indonesia	-	5,850.00
Myanmar	-	1,950.00
Maldives	3,900.00	-
Nepal	-	3,900.00
Pakistan	-	5,850.00
Philippines	-	3,900.00
Solomon Islands	-	1,950.00
Sri Lanka	-	5,850.00
Tonga	3,900.00	-
Vietnam	-	3,900.00

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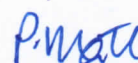


**ASIAN-PACIFIC POSTAL UNION**  
**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US \$)

	<u>2017</u>	<u>2016</u>
<b>2017 contribution shares</b>		
Afghanistan	2,150.00	-
Australia	-	10,750.00
Bangladesh	-	4,300.00
Bhutan	-	2,150.00
Brunei Darussalam	-	4,300.00
Cambodia	2,150.00	-
China	-	10,750.00
Fiji	-	4,300.00
India	-	10,750.00
Indonesia	6,450.00	-
Iran	-	6,450.00
Japan	-	10,750.00
Korea	-	10,750.00
Lao	-	2,150.00
Maldives	4,300.00	-
Myanmar	-	2,150.00
Nepal	4,300.00	-
New Zealand	-	10,750.00
Pakistan	900.00	-
Philippines	4,300.00	-
Samoa	-	2,150.00
Singapore	-	4,300.00
Sri Lanka	6,450.00	-
Thailand	4,300.00	-
Vanuatu	-	2,150.00
Vietnam	-	4,300.00




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**ASIAN-PACIFIC POSTAL UNION**  
**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US \$)

	<u>2017</u>	<u>2016</u>
<b>2018 contribution shares received in advance</b>		
Australia	13,250.00	-
Bhutan	2,650.00	-
China	13,250.00	-
Iran	7,950.00	-
Japan	13,250.00	-
Korea	13,250.00	-
Maldives	5,300.00	-
Myanmar	2,650.00	-
New Zealand	13,250.00	-
Singapore	5,300.00	-
Thailand	5,300.00	-
	<u>145,200.00</u>	<u>147,539.62</u>
Interest received	295.38	434.41
Service for APP	5,000.00	5,000.00
Other income	-	71.82
Gain on exchange rate	2,580.26	296.52
Due to APPC	1,199.24	27,125.83
Due to RTCAP	4,787.00	-
Other	96.93	-
	<u>529,470.94</u>	<u>526,859.15</u>
<b>Total cash &amp; cash receipts carried forward</b>		



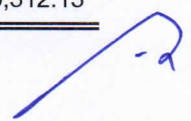
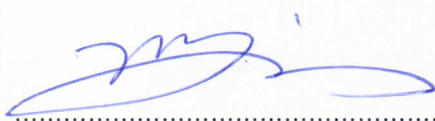
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**ASIAN-PACIFIC POSTAL UNION**  
**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US \$)

	<u>2017</u>	<u>2016</u>
<b><u>Less : Expenditure</u></b>	*	
Staff cost	91,570.25	88,573.68
Overtime	101.93	692.81
Retirement fund	-	14,481.98
Travel expenses	19,678.18	19,482.68
Medical expenses	1,491.86	273.63
General operations	21,062.48	19,422.89
Consultancy fee for APPU Reform Proposal Development	14,569.44	-
Bank charges	804.78	882.51
Other	-	96.93
Due from APPC	28,398.76	1,199.24
Due from APP	24,713.31	6,153.67
Due from RTCAP	-	5,287.00
	<u>202,390.99</u>	<u>156,547.02</u>
 <b>Cash, Ending Balance</b>	 <u><u>327,079.95</u></u>	 <u><u>370,312.13</u></u>
 <b>Breakdown of Cash , Ending Balance :</b>		
Petty cash	5,102.30	1,625.98
SCB - TOT branch A/C No.198 - 2 - 01649 - 0	52,154.97	38,329.79
SCB - Ratchayothin branch A/C No. 111 - 200071 - 5 - 840	269,822.68	330,356.36
	<u><u>327,079.95</u></u>	<u><u>370,312.13</u></u>

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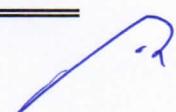
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**ASIAN-PACIFIC POSTAL UNION**  
**STATEMENTS OF CASH RESERVE FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US \$)

	<u>2017</u>	<u>2016</u>
<b>Cash, Beginning Balance</b>	206,188.67	191,044.12
<u>Add</u> : Excess income over expenditure	4,731.86	10,224.31
Interest earned on savings deposits	295.38	434.41
Gain on exchange rate	2,580.26	296.52
Other income	-	71.82
Service for APP	5,000.00	5,000.00
Sub total	<u>218,796.17</u>	<u>207,071.18</u>
<u>Less</u> : Bank charges	<u>804.78</u>	<u>882.51</u>
<b>Cash, Ending Balance</b>	<u><u>217,991.39</u></u>	<u><u>206,188.67</u></u>




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**ASIAN-PACIFIC POSTAL UNION**  
**SOURCES AND APPLICATION OF FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US \$)

	<u>2017</u>	<u>2016</u>
<b>Sources of Funds</b>		
2017 Contribution shares		
Received in 2015	108,750.00	100,900.00
Received in 2016	35,300.00	27,800.00
Accounts receivable	21,500.00	21,450.00
	<u>165,550.00</u>	<u>150,150.00</u>
<b><u>Less Application of Funds</u></b>		
Staff cost	91,570.25	88,573.68
Overtime	101.93	692.81
Travel expenses	19,678.18	19,482.68
Retirement fund and tax	12,344.00	11,480.00
Medical expenses	1,491.86	273.63
General operations	21,062.48	19,422.89
Consultancy fee for APPU Reform Proposal Development	14,569.44	-
	<u>160,818.14</u>	<u>139,925.69</u>
 Excess income over expenditure	 <u><u>4,731.86</u></u>	 <u><u>10,224.31</u></u>



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**ASIAN-PACIFIC POSTAL UNION**  
**COMPARISON OF EXPENDITURES WITH APPROVED BUDGET FOR 2017**  
(In US \$)

	Budget	Expenditure	
	2017	2017	2016
Salary :			
- Secretary General	58,038.00	58,038.00	54,966.00
- Manager Administration & APPU Affairs	9,167.00	9,181.55	11,368.05
- Senior Administrative Officer	5,758.00	5,766.88	5,222.31
- Secretary	5,372.00	5,372.40	5,442.98
- System Support Officer	5,365.00	5,372.40	4,600.02
- Administrative Support Officer	3,536.00	3,542.66	3,185.41
- Office Assistant	1,316.00	1,318.63	1,125.17
- Driver 1	1,579.00	1,577.79	1,417.27
- Driver 2	1,401.00	1,399.94	1,246.47
Overtime		101.93	692.81
Traveling expenses	22,530.00	19,678.18	19,482.68
Retirement fund *	10,599.00	10,599.00	10,436.00
Retirement tax for local staff**	1,745.00	1,745.00	1,044.00
Medical expenses	1,500.00	1,491.86	273.63
General operations***	21,443.00	21,062.48	19,422.89
Consultancy fee for APPU Reform Proposal Development	20,000.00	14,569.44	-
Total	169,349.00	160,818.14	139,925.69

\* Transferred to Reserve for Retirement Fund - accumulative funds

\*\* Transferred to Reserve for Retirement Fund - accumulative retirement tax



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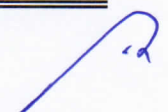


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**ASIAN-PACIFIC POSTAL UNION**  
**COMPARISON OF EXPENDITURES WITH APPROVED BUDGET FOR 2017**  
**(In US \$)**

\*\*\* Details are as follows:-

	Budget 2017	Actual 2017	Actual 2016
Auditing	1,350.00	974.21	888.83
Electricity	9,000.00	9,302.72	9,175.08
Postage	500.00	588.04	776.73
Printing	1,953.00	1,107.94	1,528.82
Stationery	2,500.00	2,620.57	2,867.15
Telecommunication	3,265.00	2,720.72	2,186.54
Cleaning	2,875.00	2,795.40	1,999.74
IT security	-	952.88	-
	<u>21,443.00</u>	<u>21,062.48</u>	<u>19,422.89</u>



Secretary General



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**ASIAN-PACIFIC POSTAL UNION**  
**SCHEDULE OF 2015 CONTRIBUTION SHARES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

(In US \$)

Seq.	Member Country	Units	Amount	Paid in 2016	Paid in 2017	Due in 2018
1	Afghanistan	1	2,150.00		2,150.00	-
2	Australia	5	10,750.00	10,750.00		-
3	Bangladesh	2	4,300.00	4,300.00		-
4	Bhutan	1	2,150.00	2,150.00		-
5	Brunei Darussalam	2	4,300.00	4,300.00		-
6	Cambodia	1	2,150.00		2,150.00	-
7	China	5	10,750.00	10,750.00		-
8	Fiji	2	4,300.00	4,300.00		-
9	India	5	10,750.00	10,750.00		-
10	Indonesia	3	6,450.00		6,450.00	-
11	Iran	3	6,450.00	6,450.00		-
12	Japan	5	10,750.00	10,750.00		-
13	Korea	5	10,750.00	10,750.00		-
14	Lao	1	2,150.00	2,150.00		-
15	Malaysia	2	4,300.00			4,300.00
16	Maldives	2	4,300.00		4,300.00	-
17	Mongolia	2	4,300.00			4,300.00
18	Myanmar	1	2,150.00	2,150.00		-
19	Nauru	1	2,150.00			2,150.00
20	Nepal	2	4,300.00		4,300.00	-
21	New Zealand	5	10,750.00	10,750.00		-
22	Pakistan	3	6,450.00	5,550.00	900.00	-
23	Papua New Guinea	2	4,300.00			4,300.00
24	Philippines	2	4,300.00		4,300.00	-
25	Samoa	1	2,150.00	2,150.00		-
26	Singapore	2	4,300.00	4,300.00		-
27	Solomon Islands	1	2,150.00			2,150.00
28	Sri Lanka	3	6,450.00		6,450.00	-
29	Thailand	2	4,300.00		4,300.00	-
30	Tonga	2	4,300.00			4,300.00
31	Vanuatu	1	2,150.00	2,150.00		-
32	Vietnam	2	4,300.00	4,300.00		-
	Total	77	165,550.00	108,750.00	35,300.00	21,500.00

Secretary General

Manager Administration & APPU Affairs

**ASIAN-PACIFIC POSTAL UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

**1. GENERAL INFORMATION**

The Asian-Pacific Postal Union (APPU) is an inter – governmental organization of 32 postal administrations of the Asia-Pacific region. APPU is affiliated to the Universal Postal Union which is a specialized agency of the United Nations. The purpose of the APPU is to extend, facilitate and improve postal relations between member countries and to promote cooperation in the field of postal services.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Income and expenditure recognition**

The financial statements have been prepared on an accrual basis.

**2.2 Foreign currencies**

Foreign currency transactions incurred during the year have been converted into US Dollars at the rates ruling on the transaction dates. Assets and liabilities in foreign currencies outstanding on the balance sheet date have been converted into US Dollars at the rates ruling on the balance sheet date.

Exchange gains and losses are included in determining earnings.

**2.3 Retirement funds**

Retirement funds are expensed when incurred.

**3. CASH AND CASH EQUIVALENTS**

	(Unit : US \$)	
	2017	2016
Petty cash	5,102.30	1,625.98
Bank accounts		
- SCB TOT branch A/C No. 198-201649-0	52,154.97	38,329.79
- SCB Ratchayothin branch A/C No. 111-20071-5-840	269,822.68	330,356.36
Total	327,079.95	370,312.13
<u>Less Retirement funds</u>	<u>(60,381.64)</u>	<u>(48,037.64)</u>
Net total	<u>266,698.31</u>	<u>322,274.49</u>



Secretary General



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**ASIAN-PACIFIC POSTAL UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

**4. ACCOUNT RECEIVABLES ON CONTRIBUTION SHARES**

	(Unit : US \$)	
	2017	2016
2013 Contribution shares		
Nauru	1,500.00	1,500.00
Tonga	-	3,000.00
2014 Contribution shares		
Fiji	3,700.00	3,700.00
2015 Contribution shares		
Mongolia	3,700.00	3,700.00
Nauru	1,850.00	1,850.00
Tonga	-	3,700.00
Vanuatu	1,850.00	1,850.00
2016 Contribution shares		
Fiji	3,900.00	3,900.00
Maldives	-	3,900.00
Mongolia	3,900.00	3,900.00
Nauru	1,950.00	1,950.00
Papua New Guinea	3,900.00	3,900.00
Tonga	-	3,900.00
2017 Contribution shares		
Malaysia	4,300.00	-
Mongolia	4,300.00	-
Nauru	2,150.00	-
Papua New Guinea	4,300.00	-
Solomon Islands	2,150.00	-
Tonga	4,300.00	-
Total	47,750.00	40,750.00



Secretary General



Manager Administration & APPU Affairs



**ASIAN-PACIFIC POSTAL UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

**5. RETIREMENT FUNDS**

	(Unit : US \$)	
	2017	2016
Cash, Beginning Balance	48,037.64	51,039.62
Add : reserve for retirement fund (US\$ 10,599.00) and Tax (US\$ 1,745.00)	12,344.00	11,480.00
Total	60,381.64	62,519.62
Less Retirement funds and tax (for Miss Araya)	-	(14,481.98)
Total	60,381.64	48,037.64

**6. CONTRIBUTION SHARES RECEIVED IN ADVANCE**

	(Unit : US \$)	
	2017	2016
Australia	13,250.00	10,750.00
Bangladesh	-	4,300.00
Bhutan	2,650.00	2,150.00
Brunei Darussalam	3,700.00	8,000.00
China	13,250.00	10,750.00
Fiji	-	4,300.00
India	-	10,750.00
Iran	7,950.00	6,450.00
Japan	13,250.00	10,750.00
Korea	13,250.00	10,750.00
Lao	-	2,150.00
Maldives	5,300.00	-
Myanmar	2,650.00	2,150.00
New Zealand	13,250.00	10,750.00
Pakistan	-	5,550.00
Samoa	-	2,150.00



Secretary General



Manager Administration & APPU Affairs

**ASIAN-PACIFIC POSTAL UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

	(Unit : US \$)	
	2017	2016
Singapore	5,300.00	4,300.00
Thailand	5,300.00	-
Vanuatu	-	2,150.00
Vietnam	-	4,300.00
	99,100.00	112,450.00

**7. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Secretary General of the Union for the approval of the Executive Council.



Secretary General



Manager Administration & APPU Affairs

**ASIA PACIFIC POST (APP) COOPERRATIVE**  
**STATEMENTS OF CASH RECEIPT AND DISBURSEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US\$)

Cash, Beginning Balance

SCB - Ratchayothin branch No. 111-200072-3-840

1,236,424.16

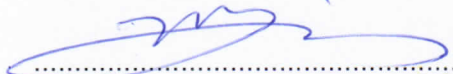
Add Receipts

Membership Fees for 2017

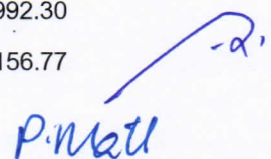
Australia	64,950.97	
Bhutan Post	2,556.41	
Cambodia Post	2,561.47	
China Post	32,451.89	
Japan Post	65,000.00	
Pos Malaysia	25,970.67	
Mongolia Post	2,600.00	
Nepal	2,590.09	
New Zealand	12,985.70	
Pakistan Post	2,581.48	
Papua New Guinea	2,557.12	
Philippines	3,862.32	
Sri Lanka Post	3,880.27	
Vietnam Post	3,859.33	228,407.72

2018 membership fees received in advance

Australia	79,949.65
Bhutan Post	3,180.74
India Post	15,974.65
Iran	4,773.04
Pos Indonesia	4,800.00
Korea Post	80,001.66
Lao Post	3,175.79
Macau, China	16,000.00
Maldives Post	4,776.03
New Zealand	15,992.30
Papua New Guinea	3,156.77



Secretary General



Manager Administration & APPU Affairs

**ASIA PACIFIC POST (APP) COOPERRATIVE**  
**STATEMENTS OF CASH RECEIPT AND DISBURSEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US\$)

Add Receipts

2017 membership fees received in advance

Singapore	40,000.00	
Sri Lanka Post	4,778.02	
Thailand Post	4,800.00	
Vietnam Post	4,763.06	286,121.71

UPU reimbursement Funds Tripartite Agreement		26,216.54
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Due to APPU		2,290.86
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Due to APPU - New Zealand contribution for 2018		13,242.30
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Due to APPU - Nepal contribution for 2017		4,290.09
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Due to APPC - New Zealand Cash contribution for 2018		24,984.60
--	--	-----------

Due to RTCAP - Nepal voluntary for 2017		490.09
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Interest earned on savings deposits		594.24
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Total cash & cash receipts carried forward		1,823,062.31
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Less Disbursements

Reimbursement to APP

4 <sup>th</sup> quarter, 2016	121,089.01	
1 <sup>st</sup> quarter, 2017	136,726.21	
2 <sup>nd</sup> quarter, 2017	115,873.38	
3 <sup>rd</sup> quarter, 2017	161,518.75	535,207.35

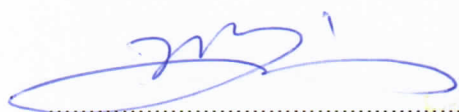
Due from APPU		4,773.04
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Bank charges		1,498.16
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Cash, Ending Balance		1,281,583.76
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Breakdown of Cash , Ending Balance :

SCB - Ratchayothin branch No. 111-200072-3-840	1,281,583.76
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Secretary General



Manager Administration & APPU Affairs

**REGIONAL TECHNICAL CENTRE FOR ASIA PACIFIC (RTCAP)**  
**STATEMENTS OF CASH RECEIPT AND DISBURSEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(In US\$)

Cash, Beginning Balance

SCB - Ratchayothin branch No. 111-200073-1-840

253,171.17

Add Receipts

Voluntary contributions for 2017

Bhutan	476.41	
Japan	40,000.00	
Nepal	490.09	
Sri Lanka Post	1,981.46	
Vietnam	991.41	43,939.37

2018 contribution shares received in advance

Bhutan	480.74	
China Post	4,967.55	
Lao	475.79	
Singapore	5,000.00	
Sri Lanka Post	1,980.81	
Thailand Post	1,500.00	14,404.89

Interest earned on savings deposits

124.07

Total cash & cash receipts carried forward

311,639.50

Less Disbursements

Reimbursement to RTCAP

4 <sup>th</sup> quarter, 2016	15,399.92	
1 <sup>st</sup> quarter, 2017	12,097.80	
2 <sup>nd</sup> quarter, 2017	22,036.55	
3 <sup>rd</sup> quarter, 2017	15,238.59	64,772.86



Secretary General



Manager Administration & APPU Affairs



REGIONAL TECHNICAL CENTRE FOR ASIA PACIFIC (RTCAP)

STATEMENTS OF CASH RECEIPT AND DISBURSEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

(In US\$)

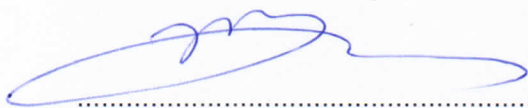
Less Disbursements

Due to APPU	4,787.00
Due from APP (Nepal-RTCAP 2017)	490.09
Bank charges	333.35


Cash, Ending Balance	241,256.20
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Breakdown of Cash , Ending Balance :

SCB - Ratchayothin branch No. 111-200073-1-840	241,256.20
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Secretary General



Manager Administration & APPU Affairs

Proposed 2019 APPU (Administrative Section) Budget

**Income**

Contribution share @ US\$ 2,650 x 77 Units US\$ 204,050

APP financial management charge US\$ 5,000

		<b>2019 Budget US\$</b>		<b>2018 Budget US\$</b>		<b>2017 Actual US\$</b>	
<b>Expenditure</b>							
Staff cost		104,143		97,498		91,570.25	
- Secretary General	64,818		62,100		58,038.00		50% of Salary, Post Adj. & Dependency Allowance
- Manager Administration & APPU Affairs	11,134		9,848		9,181.55		30% of Salary
- Senior Administrative Officer	6,561		5,989		5,766.88		20 % of Salary
- Secretary	6,120		5,586		5,372.40		20 % of Salary
- System Support Officer	6,113		5,579		5,372.40		20 % of Salary
- Administrative Support Officer	4,105		3,747		3,542.66		15 % of Salary
- Office Assistant	1,758		1,487		1,318.63		15 % of Salary
- Driver 1	1,799		1,642		1,577.79		10% of salary
- Driver 2	1,735		1,520		1,399.94		10% of salary
Overtime		200				101.93	
Travel expenses		32,360		30,131		19,678.18	
Retirement fund		15,306		8,041		10,599.00	
Retirement tax for local staff		1,200		1,200		1,745.00	
Medical expenses		1,500		1,500		1,491.86	
General operations		52,838		51,427		35,631.92	
<b>Total</b>		<b>207,547</b>		<b>189,797</b>		<b>160,818.14</b>	



**TRAVEL EXPENSES**

Unit : US\$

Destination	Person traveling	Purpose	Benefit to the APPU/ reasons	Cost of airfares	Subsistence Allowance	Other Expenses	Total cost
Bern, Switzerland	Secretary General	Attend UPU POC meeting	Represent APPU on various matters. Regional projects, inputs into QSF discussions, technical cooperation and networking with service providers. Could present on regional issues and utilize knowledge in Bureau activities e.g. research project, future regional projects, etc.	5,000  BKK-Zurich- BKK	3,080  (7 days at US\$ 440 per day)	400  Train from/to Zurich-Bern-Zurich and others	8,480
Bern, Switzerland	Secretary General	Attend UPU CA meeting	Represent APPU on various matters in the POC and CA sessions as well as represent the APPU in the Restricted Union Conference.	5,000  BKK-Zurich- BKK	3,080  (7 days at US\$ 440 per day)	400  US\$ 400 train from/to Zurich-Bern-Zurich and others	8,480
Japan	Secretary General	Attend APPU Executive Council and Related Meetings	Requirement of the position to assume the task of Secretary General	650  50% of airfare	4,830  (7 days at US\$ 690 per day)		5,480
	Manager, Administration	Attend APPU Executive Council and Related Meetings	Provide support to the Secretary General Render secretariat service to the members and the meetings	650  50% of airfare	5,520  (8 days at US\$ 690 per day)		6,170
Asia	Secretary General	Contingency	Raise the profile of APPU	1,000	2,750  (5 days at US\$ 550 per day)		3,750
<b>TOTAL</b>				<b>12,300</b>	<b>19,260</b>	<b>800</b>	<b>32,360</b>

### RETIREMENT FUND

Unit : US\$

Position	2019 Salary	Monthly Salary	Years of Service	Retirement Fund
<i>Secretary General</i>	64,818	5,402	6	32,409
<i>Manager Administration &amp; APPU Affairs</i>	11,134	928	3	2,784
<i>Senior Administrative officer</i>	6,561	547	31	16,949
<i>Secretary</i>	6,120	510	14	7,140
<i>System Support Officer</i>	6,113	509	19	9,679
<i>Admin. Support Officer</i>	4,105	342	15	5,130
<i>Office Assistant</i>	1,758	147	5	733
<i>Driver 1</i>	1,799	150	24	3,598
<i>Driver 2</i>	1,735	145	12	1,735
<b>Total</b>				<b>80,156</b>

Retirement fund at 31 December 2017	56,809
Allocated Retirement fund in 2018	8,041
Proposed retirement fund for 2019	15,306
	<b>80,156</b>

### GENERAL OPERATIONS

Items	Budget 2019	Budget 2018	Actual 2017	Remark
Audit	1,000	1,000	974.21	Only bureau office
Electricity	9,000	9,000	9,302.72	
Postage	500	500	588.04	Rental fee of photocopier
Printing	1,700	1,700	1,107.94	
Stationery	2,500	2,500	2,620.57	
Telecommunication charge	3,000	3,300	2,720.72	
Cleaning	2,800	2,875	2,795.40	
IT security		-	952.88	
Consultancy fee for APPU Reform Proposal Development	32,338	30,552		
<b>Total</b>	<b>52,838</b>	<b>51,427</b>	<b>21,062.48</b>	

### 2019 Contribution Shares

Unit : US\$

<i>No.</i>	<i>Member Country</i>	<i>Contribution Unit</i>	<i>Contribution Share</i>
1	Afghanistan	1	2,650
2	Australia	5	13,250
3	Bangladesh	2	5,300
4	Bhutan	1	2,650
5	Brunei Darussalam	2	5,300
6	Cambodia	1	2,650
7	China	5	13,250
8	Fiji	2	5,300
9	India	5	13,250
10	Indonesia	3	7,950
11	Iran	3	7,950
12	Japan	5	13,250
13	Korea	5	13,250
14	Lao	1	2,650
15	Malaysia	2	5,300
16	Maldives	2	5,300
17	Mongolia	2	5,300
18	Myanmar	1	2,650
19	Nauru	1	2,650
20	Nepal	2	5,300
21	New Zealand	5	13,250
22	Pakistan	3	7,950
23	Papua New Guinea	2	5,300
24	Philippines	2	5,300
25	Samoa	1	2,650
26	Singapore	2	5,300
27	Solomon Islands	1	2,650
28	Sri Lanka	3	7,950
29	Thailand	2	5,300
30	Tonga	2	5,300
31	Vanuatu	1	2,650
32	Vietnam	2	5,300
<b>Total</b>		<b>77</b>	<b>204,050</b>

**Contribution share @ US\$ 2,650 per unit**

## 2018 Contribution Shares

Unit : US\$

<i>No.</i>	<i>Member Country</i>	<i>Received</i>	<i>Bank Charges</i>	<i>Owing</i>
1	Afghanistan	2,580.61	69.39	-
2	Australia	13,199.65	50.35	-
3	Bangladesh	5,271.79	28.21	-
4	Bhutan	2,630.74	19.26	-
5	Brunei Darussalam	5,300.00	-	-
6	Cambodia		-	2,650.00
7	China	13,209.61	40.39	-
8	Fiji	5,252.83	47.17	-
9	India	13,223.98	26.02	-
10	Indonesia		-	7,950.00
11	Iran	7,919.71	30.29	-
12	Japan	13,234.60	15.40	-
13	Korea	13,234.66	15.34	-
14	Lao	2,625.42	24.58	-
15	Malaysia	5,300.00	-	-
16	Maldives	5,274.78	25.22	-
17	Mongolia		-	5,300.00
18	Myanmar	2,605.77	44.23	-
19	Nauru		-	2,650.00
20	Nepal	5,294.84	5.16	-
21	New Zealand	13,242.30	7.70	-
22	Pakistan	7,919.14	30.86	-
23	Papua New Guinea		-	5,300.00
24	Philippines	5,256.83	43.17	-
25	Samoa	2,615.54	34.46	-
26	Singapore	5,300.00	-	-
27	Solomon Islands		-	2,650.00
28	Sri Lanka	7,924.00	26.00	-
29	Thailand	5,300.00	-	-
30	Tonga		-	5,300.00
31	Vanuatu	2,615.58	34.42	-
32	Vietnam	5,286.75	13.25	-
<b>Total</b>		<b>171,619.13</b>	<b>630.87</b>	<b>31,800.00</b>

**Contribution share @ US\$ 2,650 per unit**

## 2017 Contribution Shares

Unit : US\$

<i>No.</i>	<i>Member Country</i>	<i>Received</i>	<i>Bank Charges</i>	<i>Owing</i>
1	Afghanistan	2,081.22	68.78	-
2	Australia	10,701.05	48.95	-
3	Bangladesh	4,279.28	20.72	-
4	Bhutan	2,111.41	38.59	-
5	Brunei Darussalam	4,300.00	-	-
6	Cambodia	2,150.00	-	-
7	China	10,700.06	49.94	-
8	Fiji	4,287.00	13.00	-
9	India	10,723.90	26.10	-
10	Indonesia	6,450.00	-	-
11	Iran	6,420.63	29.37	-
12	Japan	10,735.92	14.08	-
13	Korea	10,735.64	14.36	-
14	Lao	2,126.62	23.38	-
15	Malaysia	-	-	4,300
16	Maldives	4,287.89	12.11	-
17	Mongolia	-	-	4,300
18	Myanmar	2,150.00	-	-
19	Nauru	-	-	2,150
20	Nepal	4,290.09	9.91	-
21	New Zealand	10,735.84	14.16	-
22	Pakistan	6,441.50	8.50	-
23	Papua New Guinea	-	-	4,300
24	Philippines	4,261.32	38.68	-
25	Samoa	2,101.54	48.46	-
26	Singapore	4,279.27	20.73	-
27	Solomon Islands	-	-	2,150
28	Sri Lanka	6,425.77	24.23	-
29	Thailand	4,300.00	-	-
30	Tonga	4,269.30	30.70	-
31	Vanuatu	2,126.40	23.60	-
32	Vietnam	4,279.28	20.72	-
<b>Total</b>		<b>147,750.93</b>	<b>599.07</b>	<b>17,200</b>

**Contribution share @ US\$ 2,150 per unit**

### 2016 Contribution Shares

Unit : US\$

<i>No.</i>	<i>Member Country</i>	<i>Received</i>	<i>Bank Charges</i>	<i>Owing</i>
1	Afghanistan	1,881.59	68.41	-
2	Australia	9,700.97	49.03	-
3	Bangladesh	3,880.28	19.72	-
4	Bhutan	1,950.00	-	-
5	Brunei Darussalam	3,900.00	-	-
6	Cambodia	1,931.66	18.34	-
7	China	9,700.08	49.92	-
8	Fiji	-	-	3,900.00
9	India	9,725.86	24.14	-
10	Indonesia	5,850.00	-	-
11	Iran	5,820.99	29.01	-
12	Japan	9,735.94	14.06	-
13	Korea	9,736.10	13.90	-
14	Lao	1,926.62	23.38	-
15	Malaysia	3,900.00	-	-
16	Maldives	3,887.89	12.11	-
17	Mongolia	-	-	3,900.00
18	Myanmar	1,950.00	-	-
19	Nauru	-	-	1,950.00
20	Nepal	3,900.00	-	-
21	New Zealand	9,735.81	14.19	-
22	Pakistan	5,815.71	34.29	-
23	Papua New Guinea	-	-	3,900.00
24	Philippines	3,862.32	37.68	-
25	Samoa	1,901.65	48.35	-
26	Singapore	3,880.27	19.73	-
27	Solomon Islands	1,882.78	67.22	-
28	Sri Lanka	5,826.16	23.84	-
29	Thailand	3,900.00	-	-
30	Tonga	3,900.00	-	-
31	Vanuatu	1,926.54	23.46	-
32	Vietnam	3,890.25	9.75	-
<b>Total</b>		<b>135,899.47</b>	<b>600.53</b>	<b>13,650.00</b>

**Contribution share @ US\$ 1,950 per unit**

**STAFF REGULATIONS  
OF  
THE BUREAU OF THE ASIAN-PACIFIC POSTAL UNION**  
**(Da Nang, June 2018)**

**Article 1 : Scope**

These Regulations are complementary to the General Regulations of the Asian-Pacific Postal Union and the General Regulations of the APPU Bureau. They provide for general and specific matters in relation to the staff employed at the Bureau and include reference to good governance and accountability as a reflection of current-day best managerial practices. In this regard, by accepting appointment, staff members of the Bureau pledge themselves to discharge their functions and to regulate their conduct with the interest of the Bureau only in view. Their conduct includes, but is not limited to, non private use of APPU assets, no conflict of interest, and only spending funds in accordance with approved activity plan/budget and APPU regulations. They shall not engage in any activity which is incompatible with the proper discharge of their duties or which may adversely reflect on the integrity, independence and impartiality which are required of the Bureau personnel. The staff members are subject to the authority of the Council (administrative section) and the Governing Board (training section) and responsible to the Secretary General in the exercise of their functions. To ensure the good governance and accountability, a check and balance system is undertaken by the Governing Board with necessary functions assigned to the Chairman of the Local Executive Committee.

**Article 2 : Definitions**

In these Regulations:

1. "Bureau" means the Head Office of the Asian-Pacific Postal Union which comprises the training section and the administrative section under Article 12 of the Constitution of the Asian-Pacific Postal Union;
2. "Board" means the Governing Board of the training section of the Bureau, constituted under Article 111 of the General Regulations of the Asian-Pacific Postal Union;
3. "Committee" means the Local Executive Committee, constituted by virtue of Article 111 paragraph 10 of the General Regulations of the Asian-Pacific Postal Union;
4. "Secretary General" means the Secretary General of the Union;
5. "Administrative Staff" includes Manager Administration & APPU Affairs, Administrative Officer, Administrative Support Officer, System Support Officer, Secretary, Office Assistant and Drivers;
6. "Teaching Staff" means Lecturers;
7. "Home Country" means the country of the staff member's nationality;
8. "Duty Station" means the territory of the Kingdom of Thailand.

**Article 3 : Salaries and Allowances**

- (a) The salaries that will be paid to the Bureau staff in accordance with the established salary scale may be varied by the Board at its discretion and approved by the Council;
- (b) Post adjustment allowances will be paid to internationally recruited staff members (i.e. the Secretary General and Lecturers) in accordance with the established post adjustment system;
- (c) Salaries and post adjustment allowances will be increased by the CPI each year;
- (d) Dependency allowance will be paid to internationally recruited staff members for their eligible dependants in accordance with approved Governing Board's dependency allowance. Claims for dependency allowances shall be supported by satisfactory

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evidence. A dependent child is an unmarried child under the age of 18 years or under the age 21 if undergoing full time education at a school or university. Only two eligible dependent children will be entitled for dependency allowance;

- (e) Locally recruited staff members will be paid dependency allowances under the same conditions as those applied by the Postal Administration of Thailand;
- (f) No income tax will be paid for staff of Thai nationality recruited after 18 May 2012.

#### Article 4 : Salary Increment

Salary increments are based upon performance and merit. The salary increment shown for each position will be given to a Bureau staff member who has completed twelve consecutive months of service if performance appraisal is satisfactory. No increment will be given if performance is unsatisfactory. The Secretary General is required to report to the Council and the Governing Board all instances where increments have been withheld and/or where increments have been doubled (two-step increments).

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#### Article 5 : Medical Expenses

- (a) The Bureau will assume responsibility for the reimbursement of medical expenses incurred by staff members, dependent spouse and children who reside with him/her at his/her duty station are entitled to dependency allowances, either in Thailand or while on travel on official mission, subject to the following limitations:

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- (i) The Bureau will not assume responsibility for the treatment of illnesses (or conditions) chronic or otherwise which were present prior to appointment;
- (ii) The Bureau will not assume responsibility for medical expenses incurred by personnel after termination of their services with the Bureau;
- (iii) The Bureau will not assume responsibility for medical expenses exceeding Baht 40,000 per annum per individual. In exceptional cases, the Council may authorize the limit of this amount to be exceeded;
- (iv) Dependent children who are entitled to a dependency allowance shall be covered by medical expenses; and

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- (v) The Bureau shall assume responsibility for the reimbursement of expenses from annual medical check-up, not exceeding:

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a. Baht 3,000 for selected candidate, prior to the appointment;

b. Baht 5,000 for staff aged below 40; and

c. Baht 10,000 for staff aged 40 and above.

- (b) Medical expenses will not be reimbursed in connection with:

- (i) Illness or injury arising out of accidents occasioned by the willful misconduct or injudicious behavior of staff members;
- (ii) Corrective surgery or remedial treatment to an established condition preexisting as the date of appointment;
- (iii) Special nursing care;
- (iv) The charge for gold teeth or gold filling and dento-facial modontics.

#### Article 6 : Exceptional Medical Expenses

- (a) Any medical expenses which exceed the maximum amount of Baht 40,000 fixed for medical expenses as laid down in Article 5 paragraph (a)(iii) may be assumed as exceptional medical expenses. It is applied to staff members who are not covered by medical insurance.
- (b) The Council may authorise expenditure for exceptional medical expenses within the limit of maximum Baht 60,000 per annum per individual.

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#### Article 7 : Medical Insurance

- (a) Subject to the approval of the Council, every staff member of the Bureau and his/her spouse and a maximum of two eligible dependent children shall be, at the Bureau's expense, insured against accidents and sickness, according to the rates to be determined by the [Secretary General](#).
- (b) The [Secretary General](#) may terminate the medical insurance coverage referred to above and institute medical charge reimbursement to a staff member and/or his/her eligible dependants, as and when the [Secretary General](#) deems appropriate.

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#### Article 8 : Education Grant

- (a) No education grant entitlement is paid to internationally recruited staff's child(ren).
- (b) The education grant for children of locally recruited staff members who are Thai nationals will be paid under the same conditions as those in the Postal Administration of Thailand.

#### Article 9 : Hours of Duty

Working hours shall be 08.00 – 11.45 hours and 12.45 – 16.30 hours, Monday to Friday inclusive. The [Secretary General](#) may, at his discretion, vary the rostered hours of staff member provided that the stretch of shift does not exceed five hours without a meal break.

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#### Article 10 : Overtime

- (a) Administrative staff who are required to work in excess of any normal working hours shall be given compensatory time off, or may receive additional payment at the normal rate of remuneration which applies to the staff concerned.
- (b) Should the exigencies of the service permit, and subject to the prior approval of the [Secretary General](#), occasional compensatory time off may be granted to teaching staff who have been required to work substantial or recurrent periods of overtime.

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#### Article 11 : Public Holidays

The Public Holidays to be observed by the Secretariat shall be those prescribed by the [Secretary General](#) but normally will follow those undertaken by the Postal Administration of Thailand.

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#### Article 12 : Annual Leave

- (a) Staff members shall be entitled to annual leave accruing at the rate of 20 working days per year of service. Unless the circumstances are exceptional, annual leave may be accumulated to a maximum of 40 working days.
- (b) A staff member who is on probation is not entitled to annual leave. His/her entitlement shall be effective as from the time he/she is no more on probation and that the period of his/her probation shall be taken into account in the application of his/her leave entitlement.
- (c) Annual leave may be taken in units of days or half-days. All arrangements as to leave shall be subject to the exigencies of the service but the personal circumstances and preferences of the individual staff member will, as far as possible, be considered.
- (d) Leave must be requested and approved in advance by the [Secretary General](#). Any absence from duty not specifically covered by other provisions in these Regulations shall be charged to the staff member's accrued annual leave, if any. If he/she has no accrued annual leave, absence will be regarded as leave without pay.
- (e) Extra payment in lieu of leave will not be considered, except when the Bureau is not able to grant accrued annual leave which has already been approved by the [Secretary](#).

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General in the interest of the service. In the latter case, additional payment of not more than 10 working days at the normal rate of remuneration which applies to the staff member concerned shall be made and shall apply to locally recruited staff only.

- (f) A staff member may, in exceptional circumstances, be granted advanced annual leave up to a maximum of 6 working days, provided that his/her service is expected to continue for a period beyond that necessary to accrue the leave so advanced.

#### Article 13 : Home Country Leave

- (a) Subject to the conditions laid down in paragraph(b), home country leave shall be granted to international staff members and their eligible dependants, if any, who come to live with him/her at his/her duty station, at the expense of the Bureau once every completed two years of service, to permit them to spend a regular period of accrued annual leave in their home country.
- (b) An eligible staff member and his/her eligible dependants shall be granted home country leave provided that the staff member's service is expected to continue at least 6 months beyond the date of his/her return from any proposed home country leave. Furthermore his/her expected length of service must also be at least 30 months beyond the date of appointment in the case of the first home country leave.
- (c) Home country leave shall be taken within one year in which it falls due. Any such leave which is not taken within the prescribed one year period shall be forfeited.
- (d) The place of home country leave of the staff member and his/her eligible dependants within his/her home country shall be, for purposes of travel and transportation entitlements, the city of his/her place of residence in his/her home country.
- (e) Travel of eligible dependants shall be in conjunction with the approved home country leave of the staff member provided that exceptions may be granted if the exigencies of the service or other special circumstances prevent the staff member and his/her eligible dependants from traveling together.
- (f) Dependent children who live with the staff member at his/her duty station and who are entitled to dependency allowance shall be entitled for home country leave.

#### Article 14 : Sick Leave

- (a) Personnel who are unable to perform their duties because of injury or illness or whose attendance at work is prevented by public health requirement may be granted sick leave up to three months on full salary and up to three months on half salary in any period of twelve consecutive months, provided that the amount of sick leave permitted in any period of four consecutive years shall not exceed eighteen months; nine months of full salary and nine months on half salary.
- (b) Where the absence is for five consecutive working days or longer, it shall be supported by a certificate from a qualified member of the medical profession. The certificate shall indicate the nature of the illness or injury and shall state the individual was unable to perform his/her duties during the period.
- (c) Where the absence due to public health requirements, the certificate shall indicate that public health restrictions prevented the individual's attendance at work. A medical certificate shall be produced in respect of absences of less than five consecutive working days if requested by the Secretary General. Sick leave applications shall be considered null and void by the Secretary General when the circumstances are found inappropriate and the period involved deducted from annual leave credits or granted as special leave without pay.

#### Article 15 : Maternity Leave

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A female staff member who has worked for the Bureau for ten months or more is entitled to maternity leave of absence of up to sixty calendar days. The absence will be charged to sick leave, annual leave and leave without pay in that order. She shall be entitled to absent herself from her duties upon producing a medical certificate acceptable to the Secretary General.

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#### **Article 16 : Special Leave**

Members of the Bureau staff may be allowed up to five working days special leave in any one year, without deduction from annual leave credits, for special circumstances such as the death of a member of his/her immediate family. In the event of leave in excess of five days being required the balance may be taken from accrued annual leave and deducted from annual leave credits accordingly. The Secretary General shall approve the granting of special leave and shall decide the circumstances in which it should be granted.

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#### **Article 17 : Retiring Age**

The maximum retiring age of staff shall be 60 years unless the Council decides to extend it on a yearly basis.

#### **Article 18 : Retirement Benefits**

- (a) All non probationary staff members are entitled to retirement benefits computed by multiplying the amount of the last month's salary of the staff member concerned in case of locally recruited staff or the amount of the last month's salary and post adjustment allowance in case of internationally recruited staff by the number of years of service. In counting the number of years of service, 6 months or more shall be taken as a whole year.
- (b) Staff members who are on probation are not entitled to retirement benefits. The entitlement shall be effective as from the time they are no longer on probation and that in the application of retirement benefits the period of probation shall be taken into account.

#### **Article 19 : Travel Arrangements**

##### **(a) Official Travel of Staff Members**

Subject to the conditions laid down in these Regulations, the Bureau shall pay the travel expenses of a staff member under the following circumstances:

- (i) On initial appointment and completion of contract provided the staff member normally resides outside Thailand;
- (ii) On home country leave in accordance with the relevant provisions; and
- (iii) On official business of the Bureau.

##### **(b) Official Travel of Dependants**

Subject to the conditions laid down in these Regulations, the Bureau shall pay the travel expenses of a staff member's eligible dependants who come to live with him/her at his/her duty station for 12 months and who normally reside outside Thailand under the following circumstances;

- (i) On the initial appointment of a staff member;
- (ii) After the initial appointment of such a staff member if, at the time of appointment, the travel of the dependant was not possible;
- (iii) On completion of contract of such a staff member;
- (iv) On home country leave in accordance with the relevant provisions;
- (v) Dependants, for the purposes of official travel, mean spouse and children in respect of whom a dependency allowance is payable.

(c) Travel Expenses

- (i) Travel shall be by the most direct and economical route, unless the staff member agrees to pay the additional expenses resulting from a diversion from the agreed route. The expenses to be borne by the Bureau shall not exceed the cost of an economy class return air ticket, or expenses for travel by any other means subject to the condition that the amount does not exceed the price of the economy class return air ticket between the home country and the duty station. The Secretary General and dependents in respect of whom a dependency allowance is payable, when authorized to travel for APPU business, may travel business class for trips longer than 9 hours, in line with UPU policy.
- (ii) Travel costs may include fares, terminal expenses, baggage insurance and the cost of exceed baggage actually incurred up to a maximum of 30 kg for the staff member, 20 kg for the spouse and 10 kg for each child. Although the cost of baggage insurance may be borne by the Bureau, it is the staff member's responsibility to arrange the insurance of his baggage prior to undertaking the journey.

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- (d) Dependent children who are entitled for dependency allowance shall be entitled for official travel expenses.

**Article 20 : Transportation of Decedents**

Upon the death of a staff member or of a recognized dependant, the Bureau shall pay the expenses of the transportation of the body from the place of death to the staff member's home country. The expenses shall include reasonable costs for the preparation of the body.

**Article 21 : Shipment of Personal Effects and Household Goods**

On termination of the service, staff members who are appointed for at least 12 months may be authorized the shipment of personal effects and household goods by the most economical mode of transportation up to a maximum, including the weight or volume of packing or crating of 600 kg (or 132 cubic feet) for the staff member himself/herself; 400 kg (or 88 cubic feet) for the first recognized dependant; 200 kg (or 44 cubic feet) for each additional dependant authorised to travel at the Bureau's expense.

Staff members may, if they wish, send their personal effects and household goods by air at the Bureau's expense, provided the cost of sending them by this means does not exceed that of the maximum weight to which they are entitled according to the above provision. If the cost of the maximum weight is exceeded, the staff members concerned must bear the additional cost.

Dependent children who are entitled for a dependency allowance shall be entitled to the said cost.

**Article 22 : Termination of Appointment**

- (a) An appointment may be terminated as provided hereunder:
  - (i) Upon expiration of contract;
  - (ii) Prior to the expiration of the contract if the services of the staff member prove unsatisfactory or if the necessities of the Bureau require the abolition of the post or reduction of the staff;
  - (iii) By mutual agreement.
- (b) A staff member may be dismissed for the following reasons:

- (i) Refusal to carry out instructions or insubordination;
- (ii) Abandonment of post or absence for more than one week without the prior approval of the [Secretary General](#);
- (iii) Commission of an offense punishable under the local penal laws;
- (iv) Reckless or disorderly behavior or gross negligence in the performance of his/her duties;
- (v) Serious misconduct of any kind.

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- (c) A staff member dismissed for any of the above reasons shall not be entitled to any period of notice, pay in lieu or retirement benefits thereof.
- (d) A staff member whose appointment is terminated under the conditions of paragraph (a) (ii) above, will be given one month's notice in writing or one month's salary in lieu thereof.
- (e) A locally recruited staff member may resign by giving notice in writing no less than the minimum period provided for in the relevant Thai Labour Laws, excluding the accrued annual leave intended to be availed of. As for internationally recruited staff members, at least six months' notice in writing is required to be given by the staff member concerned before resignation.

#### **Article 23 : Date of Effect**

These Regulations shall be effective as from [28 June 2018](#). In the event of conflicts between these Regulations and the employment contracts in force as of [28 June 2018](#), the latter shall, however, prevail.

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## Finances of the Union

### Proposed Increase in Bureau Staff Medical Expenses Allowance: Supporting Material

#### Document Prepared by APPU Bureau

#### 1. Background

- 1.1 Article 5 of the Staff Regulations (most recently revised at Hong Kong EC, 2012), provides, subject to certain conditions, for the Bureau to assume responsibility for the reimbursement of medical expenses incurred by staff members, dependent spouses and children.
- 1.2 The limit per staff member per annum is 30,000 Baht (approximately \$US 930). This limit was set in 2002.

#### 2. Proposal

- 2.1 The proposal is for the allowance to increase to 40,000 Baht per staff member per annum, and for related variations to the allowance to move in similar proportion (as set out in the proposed amendment to the Staff Regulations in the final seven pages of EC 2018 Doc 5).

#### 3. Statement of Case

- 3.1 In the 16 years since 2002 the Consumer Price Index (CPI) has risen by 42.55% as set out in the table below.<sup>1</sup> There can be valid arguments for CPI not being a main reason for adjusting a personnel allowance. However, given the observation that the 2002 allowance has not moved in 16 years, plus the fact that CPI has moved by 42.55%, the proposal for the 33% increase is not unreasonable.

Inflation in Thailand: Base Year 2002		
Year	CPI	Index
2002		100.00
2003	1.80	101.80
2004	2.80	104.65
2005	4.50	109.36
2006	4.60	114.39
2007	2.20	116.91
2008	5.50	123.34
2009	-0.80	122.35
2010	3.20	126.27
2011	3.80	131.06
2012	3.00	135.00
2013	2.20	137.97
2014	1.90	140.59
2015	-0.90	139.32
2016	0.20	139.60
2017	0.70	140.58
2018*	1.40	142.55

<sup>1</sup> Source: <http://www.factfish.com/statistic-country/thailand/inflation>

#### **4. Financial Impact**

- 4.1 If approved, the total maximum annual financial impact is 100,000 Baht per annum (i.e., 10 staff @ 10,000 Baht each). This is \$US 3,100 approximately.

#### **5. Approval Process – The Principles**

- 5.1 According to the Bureau, the approval process involves the Executive Council and the Governing Board.

- 5.2 In the first place, Article 13 (Conditions of Employment) of the General Regulations of the Bureau of the APPU specifies as follows:

“The conditions of employment including the salary scales for the Bureau staff shall be established by the Governing Board and the Council and recorded in the Staff Regulations of the Bureau.”

- 5.3 Then the General Regulations of the APPU, Article 106 (Composition, functioning and meetings of the Executive Council) sets out in § 9 (d):

“9. The functions of the Council are:

- (d) To prescribe rules for the administration of the Bureau and to supervise the activities of the Bureau;”

- 5.4 Finally, the General Regulations of the APPU, Article 111 (Governing Board of the training section of the Bureau) sets out in § 2 (e):

“2. In the discharge of its responsibilities to Congress, the functions of the Governing Board are:

- (e) To establish the scales of salaries and conditions of service for the training section.”

#### **6. Approval Process – The Practice**

- 6.1 All Bureau personnel have some part of their employment duties in both Sections. The greater part of personnel costs is incurred in the Training Section (in the range of 85-90%). The Administrative Section accounts for the balance.

- 6.2 The practice for dealing with personnel cost increases is to initiate the approval process through the Training Section management line (i.e., Bureau → Local Executive Committee (LEC) → Governing Board). In fact, that process commenced with the Medical Allowance whereby the most recent meeting of the LEC approved the increase in the Allowance being tabled to the GB at its meeting in Da Nang on 25 June.

- 6.3 Such a process leaves the EC with little option but to also approve the increase in respect of the Administrative staff component. Hence, the referral of this matter to the Finance Committee of the APPU EC is for approval in respect of the Administrative Section but it is, in reality, a formality as opposed to a considered decision.



**7. Approval Process – Comment**

- 7.1 The view is that the approval process works through a “majority rules” influence i.e., the Training Section is 85-90% of the total cost of salaries, therefore the Training Section management line sets the benchmark for the other 10-15% of the salary component.
- 7.2 While the situation in paragraph 7.1 might be a practical way to proceed, it does reflect a system of management that may need to be reviewed in terms of governance. This is the subject of discussion under a separate agenda item.

## Finances of the Union

### APPU Bureau Response to Finance Committee Requests at APPU Tehran Congress

(Document prepared by APPU Bureau)

<p><b>1. Subject</b></p> <p>Informing the EC on:</p> <ul style="list-style-type: none"> <li>- the two matters that the Finance Committee at the Tehran Congress requested the APPU Bureau to review</li> <li>- the outcomes of the work done by the Bureau in relation to the two requests</li> </ul>	<p><b>References/paragraphs</b></p> <p>§ 1.1</p> <p>§§ 2 – 4, Annex 1</p>
<p><b>2. Decisions expected</b></p> <p>The EC is asked to:</p> <ul style="list-style-type: none"> <li>- <b>note</b> the background to the work undertaken by the APPU Bureau</li> <li>- <b>note</b> the improvement in the aging accounts receivables for 2013-2016</li> <li>- <b>note</b> the deterioration in the aging accounts receivables for 2013-2017</li> <li>- <b>note</b> that the Bureau will retain standard focus on more recent unpaid contributions and seek advice on older items</li> <li>- <b>approve</b>, in principle, the abolition of the concept and practice of an expenditure ceiling for the Union's expenses and that it be replaced by the annual budget (equally regarded as an annual ceiling).</li> </ul>	<p>§ 1.1</p> <p>§ 2.1, Annex 1</p> <p>§§ 2.2 – 2.3, Annex 1</p> <p>§§ 2.4, 4.1</p> <p>§§ 3.1 – 3.3, 4.2</p>

## 1. Introduction

1.1 APPU Congress 2017 Doc 23 Rev 1 (Report of the Finance Committee) requested the APPU Bureau to undertake two tasks i.e.,

- (i) to find appropriate measures to deal with aging accounts receivables on contribution shares that had accumulated between 2013 and 2016; and
- (ii) to review and propose an alternative to the current financial ceiling in the Union budget (the issue being that the ceiling was ineffective given use, over many years, of an exceptional clause to go above the ceiling).

## 2. Aging Accounts Receivables

2.1 The Bureau has focused its efforts on follow-up using standard procedures (written communication). This has had the effect of reducing the aging accounts receivables by 36% for the period 2013-2016 (i.e., down from US\$40,750 to US\$26,250).

- 2.2 While the situation for 2013-2016 has improved, the overall situation as at 31 December 2017 (i.e., now covering an additional year 2013-2017) has deteriorated. There is US\$17,200 unpaid for 2017. This puts the aging accounts receivables at US\$43,450 (up 7% from the position at 31 December 2016).
- 2.3 EC 2018 Doc 5.1, Annex 1 Rev 1 sets out the position in detail.
- 2.4 The Bureau is following up on the 2017 unpaid contributions as a matter of priority. It is still pursuing those relating to 2013-2016 and will seek advice on other measures available.

### **3. Alternative Approach to Budget Ceiling for Union Expenditure**

- 3.1 A simplistic approach has been taken to this matter. Firstly, the EC (and Congress where applicable) have been satisfied on every occasion a budget has been submitted that the exceptional provision to exceed the ceiling be used. Secondly, there has never been an issue with the expenditure practices of the Union whether operating within the ceiling or exceeding the ceiling. Therefore, the conclusion is that the budgeting and spending activities are acceptable – but the ceiling is irrelevant.
- 3.2 In today's business world the necessity for a ceiling as an overriding control mechanism is questionable. With technology and greater ease/frequency of communication, businesses operate far more in real-time. Financial matters in a business such as the APPU are straightforward – it is salaries, travel and low-cost consumables in the main. Technology and frequency of communication provide transparency; the nature of the business gives assurance that excessive expenditure in any area is not reasonably possible.
- 3.3 Based on the practice of consistently exceeding the ceiling as well as the views in paragraph 3.2 above, the Bureau believes that the need for a ceiling established to cover a future period is neither necessary nor useful. Rather, the development of the budgeting process, the ability to report in real-time in the case of an emergency, and the non-capital nature of the business should be seen as establishing the annual budget as an annual ceiling. In this context, the members can evaluate budgets on their merits year-by-year.

### **4. Conclusion**

- 4.1 The Bureau will pursue unpaid contributions for 2017 as a matter of urgency and seek advice on other measures regarding 2013-2016 contributions.
- 4.2 The Bureau favours abolishing the concept of an expenditure ceiling being set to cover future years, with the annual budget approved by Congress or the EC being regarded as the ceiling for the year in question.

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