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IPC Plenary Meeting 2012, Buenos Aires, Argentina

FINANCE SECRETARY REPORT

Attached to this report are an October 31, 2011 Balance Sheet and a Profit and Loss Statement for the ten months then ended. At the Plenary Meeting, you will be provided with schedules updated to December 31, 2011 and an updated 2012 and proposed 2013 Budget.

Any spending or budget requests for 2012 must be submitted in writing in accordance with the Internal Regulations.

Last year I advised that FAI were looking at a levy on ASC incomes in order to fund FAI general operations. This has not been implemented. Instead a Working Group - the Finance and Reporting Task Force (FRTF) – was set up to examine all aspects of FAI Financial Reporting and Governance. The FRTF work was completed in the first quarter of 2011 and in June 2011 a document entitled “ASC Budget Submission Guidelines” was issued. It should be noted that no ASC Treasurers were given the opportunity to comment on this before issue.

Unfortunately this document included the phrase “resource sharing mechanisms” which really meant that the FAI Executive Board (EB) intended to use IPC and other ASC funds as it saw fit without IPC having any say in the matter. This issue was put to rest at the General Conference in Belgrade when the EB made a commitment that no ASC funds could be used for common purposes without the express agreement of the ASC concerned.

The document also introduced the notion that, even though an ASC budget had been approved by the EB, any expense that exceeded the approved budget figure by so much as one Euro required either Finance Director or EB approval. This is bureaucratic micromanagement of the worst kind. At the time of writing a proposal has been submitted to the EB that would get rid of this overkill and would provide for a quarterly review process of the kind used by any modern organization.

As I advised last year, FAI has brought its financial reporting into line with current international standards and as part of that process IPC is required to submit a budget to FAI two years in advance. This means that I will be submitting a budget for 2013 for approval at the 2012 IPC plenary.

As you will remember, a resolution was passed at the last meeting requiring IPC to pay to Judges at 2010 FCEs the amount of their travel costs exceeding the limits provided for in SC5. Unfortunately the resolution provided no direction as to the process to be followed. In conjunction with the Judges’ Committee, the Bureau decided to allow some time for Judges to submit travel receipts not submitted by reason of exceeding the provided limit. One judge availed himself of this. It was also decided that the necessary payments would be added to the claims made in 2011, so as to minimize the administrative burden on FAI.

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Any remaining amounts owing will be paid in November. Almost 2800 Euro will be paid in accordance with the resolution, but the monetary value of the administrative burden imposed upon those involved far exceeds this relatively small sum.

At the last Plenary, the Finance Working Group was directed to review the current policy of maintaining a minimum equity balance of Euro 100,000. The conclusion reached was that, while there was no immediate need for the funds, it would not be wise to reduce the amount unless some investment of long-lasting benefit was made.

I wish to thank my colleagues on the Finance Working Group: Doris Merz, Pål Bergan and Johann Gritsch, for their assistance during the year.

Richard ‘Buzz’ Bennett
IPC Finance Secretary