



Minutes of the WADA Finance and Administration Committee Meeting held in Montréal on 15th. August 2003.

Present: Craig Reddie (Chairman), Tomas Johansson, Jacobo Beltran, Sue Neill, Willi Kaltschmidt, Thierry Sprunger (Observer).

In Attendance: Harri Syväsalmi, David Howman, Olivier Niggli, Andrew Belton

1. ***Apologies:*** Raja Randhir Singh

2. ***Audited Accounts:***

The accounts for the year to 31st December 2002, having been adopted by the WADA EC were tabled along with the internal memorandum from the WADA Auditors. It was requested that for next year we distinguish within the research funds between what is already committed through contractual agreements and what is only accrued.

It was clarified that the contribution to another institution was recording the amount paid by WADA to IADA.

3. ***2003 Quarterly accounts + cash flow position***

The half-yearly figures to 30th June 2003 were tabled and the following observations were made:

- The EU projects income represents the balance of projects conducted through the year 2001 to 2002.
- The travel costs are, for the moment, within budget. However, the committee highlighted the fact that we should expect increases in travel costs as it is a trend in the market.
- It was suggested, from a practical point of view, to rearrange some of the headings. In particular IT headings should clearly distinguish and group together all IT costs for services and all IT cost for hardware and software for next year. It was also highlighted and requested that the balance sheet be reduced to match the paid research grants as stated in the P&L account.

- The comparison of expenditures vs. budget was also tabled and the following observations made:
 1. The detail of each monthly period is not necessary and the figures after six months should be sufficient. To this table should be added a percentage of what has been spent to date towards the budget as well as the revised figures within the budget, if any.
 2. On at least a yearly basis the budget should be revised by WADA management in order to create available funds for projects that appear to be higher than projected and in order to reduce the allocation of funds for projects that can be done more economically.

AB brought to the attention of the committee a few headings where items had been misclassified and updated the committee on the exact figures. This would include the World Conference, the Board and ExCo expenses, the miscellaneous operational costs, the Lausanne insurance and the Lausanne miscellaneous.
 3. The cash flow reveals that WADA has sufficient funds available, at the moment, to perform its obligations.

4. Revised 2003 Activity Plan

A document showing the minimum activities set until the end of the year, as discussed by the Executive Committee in June, was tabled for the Committee's consideration.

- It was asked that the accounts towards budget document be matched so that all figures can be seen on one single document.
- ON took the committee through the document and explained what was already achieved since the 12th of May 2003

5. Government Contributions 2002- 2003.

Document prepared during HS holidays outlining the status of government contributions was tabled for the group.

- The actual situation of government contribution collection for 2002-2003 was presented and discussed within the group.
- From the figures presented for 2003 the following appears; Africa has paid a little more than 30% of its contribution. The Americas have paid 14.8%, Asia has paid 77.8% of its share, Europe has paid 80.4% and Oceania has paid 100%.
- The question on how to deal with Africa was put on the table for consideration by the committee. It was suggested that Africa be approached in order to have them divide the whole African share amongst only a few countries that would deliver.
- JB highlighted the fact that he was not in favour of a regional office when the continent could not deliver its share.

- It was suggested that maybe we should explore whether some collection could be done through the CONFEJES.
- David Howman will go to South Africa to discuss the regional office and the issue of money collection within that region and Craig Reedie will write to Mr Diallo, IOC member for Guinea.
- HS confirmed that letters had been sent out to NOC's while he was away requesting their help in obtaining contributions from their governments.
- Asia will divide the share into 9 countries; this was agreed by the Asian, WADA Foundation Board member. Invoices have been sent to these Asian countries.
- Next year Asia is planning on dividing the share among 27 countries.
- For the Americas, Sue Neill reported that still no one formula has been agreed by the Americas. An informal ministers' meeting took place during the PanAmerican games but there were no further advances in the direction of an agreement in the region. The next Ministers' conference will take place in Panama in February 2004. There will be an officials' meeting in late 2003, possibly in Canada, to prepare documents and the agenda for the Ministers' meeting.
- It was highlighted by the Chair that Canada had reduced its share from the previous year by half to \$435 000, while USA has committed to pay one million dollars i.e. about \$200 000 US more than the previous year. Sue Neill indicated that the \$800,000 paid by both Canada and the USA was according to her understanding a one time commitment to assist WADA in the first year. The Canadian amount paid in 2003 was based on the formula agreed by those present at the Santo Domingo meeting of Ministers in February 2003.
- WK clearly mentioned that in February 2003, during the Sports Meeting in Santo Domingo, a formula for the Americas was agreed upon based on OAS. This agreement also included recommendations for pending payments. 21 Ministries did sign the Agreement but USA was not represented at this meeting or could not agree with the new formula.
- It was suggested that maybe through PASO some action could be taken to collect more money within the Latin American countries.
- WK will undertake necessary action to take care of the Central Americas. He also suggested that we try to get Cuba more involved as they could help; he will undertake to work with them.
- A simple calculation with the major countries still to pay i.e. USA, Italy (for 2002-2003), China (second part), Turkey and Ukraine lead the group to believe that the collection forecast for the end of the year is around \$17.5 million, of which another \$500 000 from Italy will be for the 2002 contribution. This represents 80% of WADA's budgeted income.

6. 2004 Draft Budget:

- The first draft budget for 2004 was tabled and considered by the committee. This budget reflects the wishes of the WADA Management Team. However, this budget tries to accommodate, depending on the level of income (100%, 85%, 75%), most of the activities without clear priorities.
- The income ceiling for 2004 is \$22,907M USD, this includes contributions from IOC and governments of \$21,704M USD, Montreal International contribution of \$948K and some revenue generated by the laboratory accreditation and reaccreditation of \$255K.
- Based on the forecasted income for the year 2003 it appeared prudent and reasonable to the committee that the foreseen expenditures for 2004 should be limited to \$17.5 million. The remaining amount i.e. \$5.4 million would be accounted for as a reserve for non-payment and could be allocated to the following areas: 70% research, 15% out of competition testing and 15% education, should the agency receive any additional income.
- ON took the committee through all details of the budget. The following comments were made:
- The presence in Athens of both the Executive team and the IO team should be reduced to a strict minimum.
- DH undertook to have a review of the program and to come back with a new plan for the Executive committee meeting.
- It was clearly asked by TS (representing the IOC as an observer) that an IO team be present at the games.
- TS highlighted the fact that the agency should be extremely careful with its IT costs which have increased greatly and are always difficult to control.
- The amount for the auditing of the accounts to be reduced to a 100 000USD, and it was agreed that PWC fulfil its mandate within that amount or WADA would tender out to other service providers in the future.
- No new staff hiring was accepted unless for Science and for DH and ON to recruit a new assistant.
- Re-allocation of staff within the office was perceived as a good move in terms of bringing more efficiency and reducing costs. All proposals made in that retrospect by DH were accepted by the group and seen as going into the right direction in terms of cost control. The out of competition testing program should be limited to a lesser number with higher quality and therefore the option proposed of 2 400 samples was retained. However, it was proposed that with maintaining the same staff number the amount of tests should be increased as much as possible.

- It is the view of the committee that the structure of the S&H department is too hierarchical with one director plus a deputy director and that department should be restructured, to be as flat as possible.
- The amount for office fitting out was also reduced greatly in relation to the staff re-allocation which avoids the recruitment of new staff and therefore the fit out of new offices.
- The group agreed that the priority, if some further money was collected, would be for research, out of competition testing, education and if not already reconstituted to the capital reconstitution of the foundation.
- Once again it was highlighted that the focus should be on collection of contributions from governments.
- It was suggested that to "top up" the governments' and subsequent IOC's non-payment the agency should try looking at education and ethics funding which may be available throughout the world for specific projects.

7. *Various:*

Reports were made on the IFRS (International Financial Reporting Standards) implementation, which is underway. It was also agreed that for the 2005 budget the timing will be that a provisional budget will be set up in April while a final budget will be considered by this committee after the games in Athens. However, the governments will be able to start their budget exercise based on the numbers of the provisional budget.

8. *Policy Issue — School Fees:*

The committee discussed privately without the presence of WADA staff whether school fees should be paid to employees. They arrived to the conclusion that the clause in the contract wasn't clear enough and should be redrafted. In the future, the policy would be that school fees will not be granted to any staff member and should expatriates come to Montréal this will be dealt with within the overall package.

9. *Mobile Phones:*

The expenses for mobile phones are extremely high. The concerns were shared by TS which faces the same challenge at the IOC. The next steps agreed will be that WADA will study carefully all mobile phone invoices since September and will try to define very strict budget for each individual in order to reduce the overall costs.

10. *Other business:*

Andrew Belton explained that a private donation of 900 euros was received by WADA recently. It appears that such donation was given by an individual which happens to be the CEO of a pharmaceutical industry which has applied for two research grants. The committee recommended that such grants be sent back until a proper policy is put in to place.

11. *Date of next meeting:*

No dates have been fixed but it was agreed that the F&A Committee meeting would take place after the Athens Olympic Games.