Report from the Budget Committee

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ROLE OF BC: BUDGETARY OVERSIGHT

In addition to the information given in the 3-monthly financial indicators document, we look at:

• Contributions
• Changes in expenditures
• Supplementary funds overview
• Quarterly financial reports
• Type costing reports
• Detailed cash-flow

Reporting to the Executive Committee
ROLE OF BC: OTHER MANDATES

- Developing financial models
- Financial regulation
- Assignments from EC

Role is always advisory, decision power is in EC and GB

- Elected members: Chair and Vice Chairs
- Ordinary members (confirmed by EC)
- Ex officio members (GB Chair, Exec.Sec)
- Secretariat support: Financial Controller
- Ad hoc: external advisors

Care to join? The BC is looking for new members!
FINANCIAL REPORT 2017

Auditor’s report »will express a so-called “clean” opinion ... on the Financial Statements« in the 2017 Financial Report

Highlights in Financial Report 2017

• Of the €2,873,000 of expenditure outlined in the original (GB23) budget for 2017, we realized €2,910,320.
• On the income side, €2,635,626 was foreseen but €3,517,969 was received.
• This is due to: some VPs catching up with outstanding contributions, and new ones coming in.
• Year end result amounted to €518,979
• Nett capital carried over to the following year was €1,055,135
• The Supplementary Funds (€1,173,016 end of 2017) are greatly helping with liquidity, and buffer for timing problems in receiving contributions.

Upon recommendation of the BC, the EC recommends approval of the Financial Report for 2017
FINANCIAL INDICATORS 2018: CONTRIBUTIONS

• By deadline (31 March 2018) **only 41%** of budget received  
  (2016: 42%, 2017: 54%)  
Budget discipline is a problem!

• By 30 September 2018: **125% received**  
  (2016: 68%, 2017: 84%)  
This is not a problem!  
This is caused by re-entering countries and surplus payments.

Note: the 125% received is in fact based on a budget that amounts to only 85% of the financial model

[Source: Financial Indicators Q3/2016]
The budget 2018 was revised three times. This is part of the oversight role of the BC. We met 4 times (February, April, June, August) in virtual meetings.

BC recommended, EC approved the latest revised August 2018 budget (visible in the Budget Proposal 2019)
REVISED BUDGET 2018 (AUGUST) - CHANGES

• Substantially improved expected income by 909,914 euros, due to re-entering countries, and surplus payments, sponsorships (GBIC2). Note this masks the non-payment – or partial payments – of VP’s who have not met their obligations!

• Expenditures:
  – The operational cost of the total work programme increased by 239,000 euros.
  – Secretariat facilities (ICT facilities) increased by 167,000 euros

• Result of the year thus much better than originally expected: 319,690 instead of minus 185,224 euros

• “Net capital” (reserves): end 2018 originally forecast at 940,813 euros, became 1,374,825 euros
BUDGET PROPOSAL 2019

• Background information was discussed in the BC
• Insecurities continue as to fulfillment of commitments (contributions) for 2018 and commitments for 2019
• Budget and Work Programme are closely interrelated
• Budget proposal 2019 will be discussed later today together with Work Programme

The BC posits that the 2019 budget can be managed and recommends approval.
BC report *GB25 PRE_04* addresses:

- Late and incomplete contributions
- New contributions
- Adherence to Basic Financial Contributions table
- 2018 budget revisions
- Draft budget 2019
- Salary scales
- Financial Report 2017

Questions?
REPORT FROM THE BUDGET COMMITTEE

Voting

• Approval of the Financial Report for 2017 and the Auditor’s Report

• Approval of the BC Chair’s report