

**WADA FINANCE AND ADMINISTRATION COMMITTEE
MEETING MINUTES**

Tuesday, 23 July 2013
Lausanne, Switzerland

PRESENT: Craig Reddie, Chairman
Michael Gottlieb
Tomas Johansson
Austin Sealy
Barbara Spindler
Natalia Zhelanova
Trevor Burgess
Christoph Breuer

**ALSO IN
ATTENDANCE:** John Fahey
David Howman
Olivier Niggli
Maria Pisani
Christian Thill (Observer, IOC)

APOLOGIES: Patrick Chamunda

1. Welcome and Apologies

The Chairman welcomed the Committee members, in particular new member Christoph Breuer from Germany and IOC observer Christian Thill. The Chairman also welcomed WADA President Mr. John Fahey and thanked him for attending the meeting.

Apologies were received from Patrick Chamunda.

2. 2012 Audited Accounts and Internal Memorandum

The 2012 audited accounts and the auditors' detailed assurance report were presented to the Committee. It was noted that the detailed assurance report again highlighted no control deficiencies. The Committee was pleased with the clean assurance report WADA received.

It was noted during the review of the assurance report that this was the first year with the new auditing partner on WADA's mandate.

WADA Finance was asked if they were pleased with the services rendered, and responded that the audit went well and noted that the new auditing partner was very present during the year-end audit.



3. Government Contributions 2013

It was noted that the percentage of contribution received as of 22 July 2013 was lower than that received at the same time last year. Some concerns were raised, in particular with the Americas region.

It was observed that there was a shortfall on the United States contribution payment, and that Argentina, Brazil and Venezuela have yet to pay the 2013 contribution. The low rate of collection for Africa was also noted, and from the European region, the concern was that Portugal had not paid the 2013 contribution.

In response to these concerns, it was stated that the United States have sequestered funds in the past, but have since then paid all shortfalls. It was also noted by the committee member from the US that they are trying to release the remaining funds.

WADA noted that Argentina, Brazil and Venezuela, usually submit payment after 30 June and have always paid their contribution to WADA.

In the Africa region it was noted that South Africa pays above the invoiced amount to cover many countries. They have done this for many years and WADA is grateful for the additional contribution.

It was noted that Portugal also usually submits payment after the 30 June deadline, and has always paid its contribution to WADA.

In response to a query as to whether countries will pay their contribution to WADA, it was pointed out that WADA has attained 98% of budgeted contributions in recent contribution years. WADA is confident that it will attain the budgeted contribution income for 2013.

Additional contributions received from Public Authorities were noted. It was confirmed that the additional contribution from Russia is an ongoing commitment from them and not a onetime payment.

4. 2013 Accounts to June 30, 2013

The accounts as of June 30, 2013 were presented and reviewed by the Committee. It was noted that the accounts are reviewed quarterly by Craig Reddie together with WADA Finance.

Specific items noted:

Income:

- Additional Income received from Public authorities: JADA (Asia RADO): Australia (Oceania RADO) City of Lausanne (ADO Symposium) and the Russian Federation. Thanks were extended for the extra support given to WADA.

Expenditures:

- Litigation: costs are level when compared to previous years; however there is always a risk that this could change with the next unforeseen "big case". The increased cost of CAS appeals was also noted.
- Investigation: used as a clearing house on Information and the coordination of intelligence between ADO and various law enforcement agencies.



- Executive Committee and Foundation Board Meetings: November meeting to be held in Johannesburg, South Africa; portion of the costs is to be met by South Africa.
- IT: ADAMS Development was brought in-house; currently developing ADAMS Mobile app and the Steroid Passport.
- Independent observers program: is now under the department of Standards and Harmonization.
- Capital Expenditure: the largest investment is the continuous development of ADAMS as well as the Web site and the ADRQ project.

No other questions or concerns were raised.

5. 2013 Revised Budget

The 2013 revised budget was discussed and reviewed in detail. A discussion took place on the additional income received, and as last year it was felt that as long as the revised budget does not increase the deficit approved by the Foundation Board in November, the funds should be allocated as needed.

Exchange rate was adjusted to reflect the market value at the time of the revised budget review.

Income was increased by US \$739,425 due to contributions received from 2012 dues and additional grants received from Public Authorities mentioned above.

Expenditures were reduced overall. The largest savings coming from the decrease in management services cost due to the new IT service provider contract, while depreciation expense increased due to the increase in capital expenditures. Capital expenditure increased mainly due to ADAMS development with the Mobile app and the Steroid Passport, the Anti-Doping Results Questionnaire (ADRQ) project and the new Web site.

The revised budget was approved by the Finance Committee for referral to the Executive Committee in September.

It was requested that mention be made within an accompanying document of the changes by department of WADA staff in order to follow the ensuing reallocation of costs in each department.

6. 2014 Draft Budget

Two options were presented to the Finance Committee for the 2014 Draft Budget. The range of options was 0%, and 2% increase in contribution with the same level of expenditures.

Both the 0% and 2% options, together with the Strategic and Operational plan explanations, were discussed in detail by Committee members.

Specific items noted:

- The increase in staff numbers budgeted was noted. The Committee understands the need due to the increase in tasks for WADA under the revised code.
- The cost of the Athlete Outreach program was questioned. It was noted and agreed that the Athlete Outreach program is the most visible program for athletes that WADA has, and that it yields positive results.
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- The Athlete Committee meeting was also looked at with the intent to reduce the number of meetings held. The President stressed that the Athlete committee is vital as it represents the



voice of the Athletes. Two meetings annually are required to work and understand the needs of Athletes particularly with the development of ADAMS.

- The need to rationalise the numerous meetings in Science by trying if possible to organise more meetings at the same time.
- It was also requested that an analysis of what other contributions are now made into each RADO be studied in order to compare these figures with what WADA is contributing.
- It was noted that Depreciation expense had increased substantially. The Committee suggested that the amortization period of the Intangible Assets (ADAMS) be extended from 4 years to 6 years. WADA Finance to consult if this was feasible under IFRS.
- The cost of meetings was reviewed and discussed. It was noted that WADA budgets a total of US \$1.985Mil for Executive Committee, Foundation Board, Standing Committees and Expert Groups meetings. The Committee felt that this is an area where savings could be made. It asked whether Public Authorities and the Sports Movement would cover the travel cost of their delegates for the Executive Committee and Foundation Board meetings. The Committee also considered recommending the reduction of the number of Standing Committee members by 1/3 over a two year period. This would result in a substantial reduction of expenditures for WADA.

After much discussion and debate, the Committee submitted the following recommendations:

- 1) Present both the 0% and 2 % budget increase to the Executive Committee;
- 2) The Finance Committee felt that the current deficit shown on the draft budget for both scenarios is too high and should be reduced.
- 3) The Committee is of the view that savings could be made in the following areas:
 - Have Public Authority and the Sports Movement cover the travel costs of their delegates to the Executive Committee and Foundation Board meetings.
 - Reduce the number of members on various committees to lower travel and meeting costs
 - Fund Capital Expenditures either through Public Authorities or the Sports Movement as an extra contribution allocated solely for the development of ADAMS or of specific projects.
- 4) The Committee is of the view that further cuts in other fields of activities would result in reduced activities for WADA and it is not in a position to make such recommendations.

In conclusion, though the Committee reviewed the 2014 draft budget and accepts the budgeting process, it has requested that a new draft budget be prepared with reduction in travel costs for the Executive Committee and Foundation Board meetings, as well as a reduction of committee members for Standing Committees.

The Committee felt it could not accept the present deficit and the drain on WADA's unallocated cash, however predicted that with the reduction of travel costs it would greatly improve WADA's deficit and available cash going forward.



7. 2013-2015 Forecast

The cash forecast for 2013-2015 was analysed and discussed. As mentioned above, the Committee is of the view that the unallocated cash should be used to subsidize a reasonable deficit, thus ensuring that WADA has sufficient cash reserves. It felt that the savings in travel costs would greatly improve the overall situation.

8. Investments Overview

The Committee reviewed WADA's investments and saw no reason for concern. Investments are held in bonds and structured products, and WADA continues to follow its policy of no-risk investments.

9. Other Business

No other business was discussed.

10. Future Meeting

A future meeting date was not established, however, tentative dates will be proposed to the Committee.
