



Minutes of the WADA Finance and Administration Committee Meeting held in Lausanne on 24th. August 2002.

Present: Craig Reddie (Chairman), Tomas Johansson, Craig McLatchey, Ole Sorensen, Peter Tallberg.

In Attendance: Harri Syväsalmi, Olivier Niggli, Regula Menotti

1. **Apologies:** There were no apologies for absence.
2. **Audited Accounts:** The accounts for the year to 31st December 2001, having been adopted by the WADA Board were tabled along with the internal memorandum from the WADA Auditors.
3. **The half-yearly figures to 30th June 2002 were tabled and the following observations were made:**
 - Recruitment costs were high but the Committee were assured that these costs were in line or even slightly lower than the market rate for these services.
 - The number of members on the Ethics and Education Committee should be reduced to 11 as per the recommendation made last year.
 - The Committee received details of the expenditure on the clearing house and the existing contract with the IADA programme.
 - The Committee wished to ask the Board to consider whether ad hoc committees should still be operating.
4. **Revised Budget 2002.**

A revised budget for the second 6 months of 2002 was tabled along with a report from Olivier Niggli. The following issues arose and were discussed:

- The cash flow situation was discussed at length with particular reference to the possibility of unpaid contributions by Governments with a corresponding knock-on effect from the IOC.
- The absolute priority for WADA would be the collection of unpaid contributions by Governments;

-It was agreed that it would be prudent to create within the budget a provision for unpaid contributions and to review this on a monthly basis before the Executive Committee Meeting in October and the Board Meeting in November.

-The Committee decided to reduce the 2002 Research Budget to \$1.5m as it was clear that no further research projects would be approved for payment by the end of 2002. The figure of \$1.5m represented the second instalments of grants approved in 2001 and committed in the WADA financial statements.

-The Committee wished to encourage Governments to review their division of contributions for 2003 as a matter of urgency, taking into account the reality of the situation.

-The Committee wished to liaise with Governments in order to obtain firm commitments and precise dates when payments will be made.

-The Committee wished to accept and apply the recommendations numbered 8 to 12 in the report by Olivier Niggli - strict monitoring of new recruitment, strict monitoring of office running costs, strict monitoring of IT costs, evaluation of WADA representation at meetings and reduce travel costs accordingly, and evaluate the need for regional offices.

-The Committee wishes the Executive Committee to examine the WADA committee structure to determine whether reductions in size and the number of meetings can be achieved.

-The Committee wished to reduce expenditure so that a cash balance for working capital of around \$3m would be available at the end of the year.

5. Draft Budget 2003.

A first draft budget for 2003 was tabled and considered by the Committee. This budget reflected the wishes of the Chairmen of WADA Committees and Directors. However, it was agreed that the budget should be set at a level which is within the ceiling agreed with Governments when the 5 year figures were discussed. For 2003 the ceiling was \$20,253,000.

The Committee also discussed the position of possible underpayment of contributions and at this stage decided to introduce a provision of \$6m into the budget. This was a cautious approach and would require the identification of a number of priorities on expenditure which the Executive Committee would have to decide before agree a final budget to go to the Foundation Board.

The Committee decided to list its own order of priorities as follows: Completion of the Code: The World Conference: The List of substances: Laboratory Accreditation: The out of Competition Testing Programme. These were first priorities. The second priorities were the Youth Awareness Programme, Research, Independent Observers and the development of National Anti-Doping Agencies. These would have to be reduced until full contributions were received.

Based on these priorities the Committee produced a draft budget for consideration by the Executive Committee which contained reduced expenditure under the following headings:

-For all departments, the number of meetings was reduced from 2 to 1 with a recommendation that the Board conduct a review of the whole Committee structure

-A reduction of \$80,000 in expert services and travel costs in the legal and finance department.

-Special Projects: No new staff appointments. The costs of the World Conference to be reduced to \$200,000 after negotiations with the Danish Hosts. Board Members travelling to the World Conference should meet their own travel and subsistence costs.

-Independent Observers: A reduction to \$300,000 which might mean smaller teams and/or attending fewer events. The Athletes Passport Programme to hold only 1 meeting rather than 2.

-Standards and Harmonisation: The code budget to be reduced by \$159,000 to recognise the reduction in consultancy fees after the World Conference. The Out of Competition Testing Programme to be reduced in cost by \$800,000. The number of tests to be retained but all of the savings to come from a decision not to take the programme in-house into the Montreal Office but to negotiate another year contract with the present consortium. The proposed additional IT costs of \$ 400,000 would also be reduced but Rune Anderson will be invited to examine this proposal to determine any possible alternative courses of action.

-Information and Communication Department: A saving of \$100,000 in website development. New proposals to be discussed between the WADA IT Manager and Craig McLatchey. A further saving of \$100,000 to be made from protection of logo costs, media costs and general corporate communications.

-General Directors Office: A reduction in travel with only one Board Meeting and two Executive Committee Meetings scheduled. This represents savings of around \$200,000. If a Board Meeting is held at the time of the World Conference an additional \$150,000 will have to be added.

-Ethics and Education: The number of meetings reduced to one. The content for the various projects should be produced in-house without the necessity to seek outside consultant assistance. The proposed Social Science and Humanities Research Fund is considered important but a budget of \$100,000 is thought to be appropriate. Additional funding for this project might be sought from outside sources.

A budget for the education programme, its development and production was limited to \$50,000 with the content to be produced in house. The resource kit was retained at \$35,000. The proposed symposium with the International Olympic Academy was costed at \$35,000 but further information on this project was required. The E-Learning project was maintained but further development would require outside funding e.g. further project funding from the EU. Ethical reviews of research projects should be done in-house.

-Health Medical and Research: Meetings reduced to one, but two meetings of the List Committee would be retained. Laboratory Accreditation was maintained at the requested level but the Aladin Project and the Lab. Directors Conference would not be continued. Research Grants would be reduced to \$2,265,000

-Operational Costs: IT Costs to be reduced by \$100,000

6. **Regional Offices:** The Committee recommends that the development of the proposed regional offices in Africa and Asia be postponed until 2004 and that no amount be budgeted in 2003. These developments should continue on receipt of the required funds.
7. **Government Funding:** The government representatives on the Committee expressed the view that the timing of the 2003 contributions was still an issue. Europe will have to decide how to organise its contributions as it appears that some European countries will not contribute under the Council of Europe Formula. This situation may also arise in the America's as far as South American countries are concerned. The Executive Committee should consider this issue.
8. **IOC Athletes Commission:** Peter Tallberg, the retiring Chairman of the IOC Athletes Commission, offered to ask members of the IOC Athletes Commission from countries where their governments had not made contributions to encourage these governments to make the payments as soon as possible. This offer was accepted with thanks.

The draft budget would be presented in a new format as requested by the Foundation Board to align the budget headings with departmental cost headings as shown in the quarterly and annual accounts.

There was no further business and the meeting closed at 16.00 hours.