

**MINUTES - WADA FINANCE AND ADMINISTRATION COMMITTEE
MEETING HELD IN LAUSANNE ON 20 AUGUST 2005**

PRESENT: Craig Reddie, Chairman
Valéry Genniges
Tomas Johansson
Mehrzaad Khalilian
Sue Neill
Willi Kaltschmitt

OBSERVER: Thierry Sprunger

**ALSO IN
ATTENDANCE:** David Howman
Olivier Niggli
Maria Pisani

APOLOGIES: Raja Randhir Singh

1. 2004 Audited Accounts

- No particular comments were made on the accounts.
- The internal control memorandum produced by PriceWaterhouseCoopers was presented to members:
 - All past recommendations from 2004 have been fully implemented
 - All new recommendations have been discussed and addressed by the Committee
 - The accounting for the laboratory revenue will be kept on a cash basis, unless this is deemed by the auditors to be against IFRS.
 - The use of WADA credit cards by employees has been discussed and the Finance Committee has clearly recommended to adhere to the existing policy so that such cards will only be used for personal expenses on very exceptional circumstances.

2. 2005 QUARTERLY ACCOUNTS

- The mid-year accounts were accepted with the following comments or explanations.
 - Despite substantial cash in bank available at mid-year, the cash not committed to WADA projects amounts to approximately 6.8 million



USD. Given the percentage of collection at mid-year, this is in line with WADA forecasted spending and does not represent, in any way, an important surplus.

- Explanations were given on the ongoing procedures to try to get GST reimbursed and the explanation of the provision of bad debt in relation to GST was disclosed.
- The A/R employees account is closely monitored by the Finance Department. All outstanding items at year-end have been cleared, with the exception of Andreas Hoistad, who has agreed to repay his debt by monthly installments.
- The Finance Committee highlighted the fact that the actual vs. budget figures were not showing the true spending pattern, and therefore actual expenses were giving an impression of low activity in some departments. It was agreed that WADA would try to produce in 2006 quarterly budgets against which quarterly expenses could be matched.

3. 2005 REVISED BUDGET

The provisions in the 2005 Budget were extensively discussed by the Finance Committee. Following are the major changes:

- Litigation has been increased by 100,000 USD due to a number of cases in which WADA is involved. A list of these cases has been presented to the Executive Committee.
- The Independent Observer budget has been increased by 90,000 USD to cover, in particular, the World Games Audit Mission in accordance with the WADA Board decision.
- A breakdown of the costs related to ADAMS was requested. This was provided as follows:
 - CGI hosting and desktop services: 761,000 USD
 - ADAMS Application Call Centre: 35,000 USD
 - ADAMS software development, 305,300 USD
 - Free phone worldwide: 23,000 USD
 - Maintenance support: 27,000 USD
 - General requests to ADAMS: 154,000 USD
 - Contingency: 194 700 USD
- An amount of 160,000 USD has been allocated to the Gene Doping Symposium that will take place in Sweden. This event is also supported by the Swedish government.
- Forecasted income from laboratory accreditation has also been reduced by 55,000 USD on the assumption that fewer laboratories will be accredited this year.



- The amount allocated for testing is 500,000 USD higher than the initial budgeted amount. The anti-doping development budget has been reduced by 100,000 USD due to certain activities being postponed until 2006.
- The regional office in Montevideo has been included in the budget for the last month of the year.
- The operational costs have been reduced due to better control on telecommunication and office supplies expenses.
- Although the insurance premium is stable; insurance remains an ongoing concern, particularly in light of recent litigation case in which WADA participates.

4. Government Contributions 2004-2005

In 2004 WADA has collected 94.95% of its budget. This is the best collection rate since WADA's inception and shows the high level of commitment on the part of governments.

As of 10 August 2005, the collection rate was at 77.71% and it is forecasted that WADA will achieve the same level of collection as in 2004. The issues in relation to contributions remain in Latin America and Asia, with Mexico having paid a portion of its contribution, and Venezuela and Argentina, not having paid at all.

5. 2006 Draft Budget

The 2006 Draft Budget was discussed at length. The Committee agreed that an increase of 3% of the budget was justified by the cost of the extra activities and responsibilities taken on by WADA. This includes, in particular, the following areas:

<i>Litigation:</i>	+ 100,000 USD
<i>Turin Olympic Games:</i>	+ 641,000 USD
<i>Lab Proficiency Testing:</i>	+ 500,000 USD
<i>Montevideo Office:</i>	+ 153,000 USD
<i>ADAMS:</i>	+ 500,000 USD

It is obvious from the above numbers that the increased activities will not be covered solely by the budget increase but mainly by the reduction in other activities which have been deemed to be less of a priority.

The following points were also highlighted:

- Income: The forecasted amount for interest was increased due to market trends of rising interest rates.
- Legal: The litigation budget is increased in light of present and forecasted future WADA involvement in litigation



The Independent Observer Mission and the associated costs were discussed. It is the Finance Committee's view that the amount for 2006 should probably be reduced. However, the Committee is satisfied with the accuracy of the forecasted expenditure for each mission. This means that the cost can only be reduced by restricting the size of the mission or by suppressing one or more missions. The Committee agrees that it will be difficult to reduce the Turin mission given the geographical dispersion of the various competition sites.

The ADAMS budget was discussed and the 2 million USD budget breakdown is as follows:

<i>CGI hosting and desktop services:</i>	720,000 USD
<i>ADAMS application call centre:</i>	304,000 USD
<i>Free plan worldwide:</i>	240,000 USD
<i>Maintenance support:</i>	94,280 USD
<i>Changes requested to ADAMS:</i>	380,850 USD
<i>Contingency:</i>	260,870 USD

In 2007 and 2008, the budget is likely to remain at the same level as in 2006, with the variable being the free telephone number and any changes to the system.

Health, Medical and Research

The income for laboratory accreditation and re-accreditation is maintained at 200,000 USD based on two new laboratories in 2006.

Research is budgeted at 6.180 million USD. In 2005 it was 6.80 million. Both the 2005 and 2006 amounts include the distribution of 3.9 million USD of funds collected from previous years. The amount for research may be increased further if WADA can negotiate better rates for the laboratory proficiency testing. This negotiation is ongoing.

Standards and Harmonization

The amount for Standards and Harmonization Department includes an additional 440,000 USD and therefore, will maintain the level of 3,000 or more tests.

Operational Costs

WADA intends to maintain its operational costs at the same level as in 2004. However, some uncertainty, particularly in light of insurance premiums, remains.

Regional Offices

The Finance Committee accepted the budget for the Regional Offices, but insisted on the fact that it would be extremely useful to obtain more information on the work actually achieved by the Regional Offices.



7. UK Trust Fund

The UK proposal for a trust fund which would raise money for research was tabled at the meeting for information purposes only.

8. Private Donation Policy

The Committee discussed the possibility for WADA to accept private donations. It was agreed that due to potential conflicts of interest WADA would not accept private donations but would refer donors to their national anti-doping agency.

9. Other Business

Tomas Johansson tabled a document in relation to the process for the approval of the List. This document requires that WADA evaluate better the cost of substances that are on the List. WADA Director General expressed his concern about such measures being appropriate within the context of a scientific elaboration of the List. Furthermore, WADA does not have all relevant information in relation to the cost of analyzing every substance, such costs differing from one country to another.

Finally, it is clear that WADA does not intend to elaborate the List based on financial considerations. However, the letter tabled by Tomas Johansson was taken by WADA Director General for further study.

10. Future meetings

The date of a future meeting was not discussed at the meeting. A proposal will be made by WADA Management early next year.