

**MINUTES - WADA FINANCE AND ADMINISTRATION COMMITTEE
MEETING HELD IN LAUSANNE ON 12 AUGUST 2006**

PRESENT: Craig Reddie, Chairman
Valéry Genniges
Tomas Johansson
Sue Neill

OBSERVER: Thierry Sprunger

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

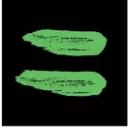
APOLOGIES: Willi Kaltschmitt

1. AUDITED ACCOUNTS AND INTERNAL MEMORANDUM

- The Committee went through the internal memorandum prepared by PriceWaterhouseCoopers. The Finance Committee is satisfied that the recommendations made in the internal memorandum have been taken into consideration and implemented by WADA management. There are no further pending issues.

2. 2006 QUARTERLY ACCOUNTS / CASH POSITION

- The Committee acknowledged the impact of exchange rates on salaries, linked to the appreciation of the Canadian dollar vs. the US dollar.
- The Committee insisted on the fact that, as substantial investments had been made for scientific research, it was now time to ensure that the outcome of the research projects funded be presented to the WADA Executive Committee.
- It was agreed that WADA management should show on a separate line on the balance sheet all funds earmarked for research, in order to facilitate the understanding of WADA's financial commitments by the Executive Committee and Foundation Board.
- The Committee went through the departmental actual vs. budget statement and the following was discussed:



Legal and Finance

It was highlighted that the amount for litigation is only an estimate and that should this money not be required, it will of course not be spent. The selection process for outside counsel was discussed and WADA management explained that WADA had regular counsel in some countries, and was selecting additional counsel on a case by case basis in other countries. These lawyers were being selected based on their particular competence in the required fields.

Executive Office

The IO program, and its structure and mission were raised by WADA's Director General. The Finance Committee acknowledged that the concept might change in the future, and that the mission in Turin came in under budget.

IT

Questions were raised by the Finance Committee on the situation of ADAMS and on the forecast of expenditure for the next year. The requirement to have a long-term plan was emphasized in particular.

Communication

A question was raised by the Finance Committee on whether we had any feedback on the effectiveness of the Play True Magazine. WADA's Director General confirmed that in accordance with questions asked to those who receive the publication, Play True was in effect a useful communication tool. However, it was identified that WADA should revise its mailing list to ensure that only one Play True is sent to each recipient.

Ethics and Education

The Finance Committee acknowledged that the first six months of the year reflect a lower level of activity, due, to the fact that the new Education Director joined WADA in the month of May. It was agreed that, in the same manner as the scientific research, an evaluation should be done of the outcome of the funds invested in sociological research.

Standards and Harmonization

The RADO program is essentially over budget. The success of this program was acknowledged by the Committee which understands its importance, and has agreed to an increase in the revised budget.



3. 2006 REVISED BUDGET

The 2006 Revised Budget was presented to the Finance Committee. The Committee, after having looked at it carefully, recommended it for approval by the WADA Executive Committee. There was no particular remark on any specific item, save for highlighting again that the difference in salaries is a result of a significant difference in exchange rates between the US and Canadian dollar.

4. 2007 DRAFT BUDGET

The 2007 Draft Budget was reviewed. The question as to whether WADA should again propose a 5-year ceiling was discussed. It was acknowledged that so far, WADA's budget has always been under the ceiling which was initially agreed by the WADA Foundation Board. However, rather than going with a ceiling of expenditure, it was proposed to look at the picture globally, including the cash flow situation and to try to project what the situation would look like over a five-year period. This is what WADA management will try to achieve at the next WADA Executive Committee.

The Finance Committee also proposed that WADA have a cash reserve over and above the actual capital of the Foundation. The amount of such a reserve was not determined, but it should relate to a sum necessary to maintain WADA's activities for a certain period. It was noted that the routine monthly costs are presently 1,700,000 USD.

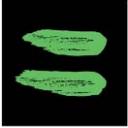
Overall, the Finance Committee had no problem in recommending the adoption of the 2007 Draft Budget, including the 3 % increase on contributions. This, however, will need to be discussed at the next WADA Executive Committee meeting to ensure that the Executive Committee is comfortable with the proposal.

The Committee had no particular changes to make on the proposed budget. However, it was highlighted that should the Executive Committee decide not to increase the contributions, there would be three possible scenarios to consider to amend the budget.

The first scenario would be a reduction in activities, in the amount of the proposed increase of 670,684 USD.

The second scenario would be a reduction in research, both scientific and sociological, in the amount of the proposed increase of 670,684 USD.

The third scenario would be to increase funding from WADA's cash reserve, bringing the total amount of funding to 3,757,684 from 3,087,000. However, this scenario would have the consequence of depleting WADA's cash reserves after a short period of two years.



5. INVESTMENTS

The Chairman reported that he, together with Olivier Niggli and Maria Pisani had a meeting with the Swiss Bank Lombard Odier Darier Hentsch in relation to potential investment. Further information needs to be given to the bank and they will come back with a proposal. On that basis, and most likely in November, the Chairman will make a recommendation to the WADA Executive Committee.

6. OTHER BUSINESS

No other business was discussed.

7. FUTURE MEETING

It was agreed that the next meeting of the Finance Committee take place on Thursday, 16 August 2007, in Lausanne