

**Minutes of the
WADA Finance and Administration Committee Meeting**

**Monday 26 July 2010
Lausanne, Switzerland**

PRESENT : Craig Reddie, Chairman
Michael K. Gottlieb
Patrick Chamunda
Robert De Vries
Tomas Johansson
Natalia Zhelanova

**ALSO IN
ATTENDANCE:** John Fahey
David Howman
Olivier Niggli
Maria Pisani
Jon Kunzli (Observer)

APOLOGIES: Roberta Innamorati
Willi Kaltschmitt Lujan

1. Welcome and Apologies

The Chairman welcomed the Committee members and thanked them for changing the meeting date to accommodate an Olympic event in London.

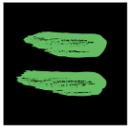
New member Natalia Zhelanova was welcomed to the Committee and in particular the Chairman thanked the WADA President for his presence at this meeting.

Apologies were received from Roberta Innamorati. She could not attend due to health reasons, and wishes for a speedy recovery were sent.

Apologies were received from Willi Kaltschmitt Lujan.

2. 2009 Audited Accounts and Internal Control Memorandum

The audited accounts and the Internal Control Memorandum (ICM) were reviewed by the Committee and accepted. The Committee acknowledged that there was no issue identified in the ICM, and that Management should be commended for the excellent results.



The Committee discussed the mandate of PriceWaterhouseCoopers (PWC) for auditing the WADA accounts. It was suggested by the Committee that PWC, in particular Felix Roth of PWC, be appointed for the 2011 Audit and that a tender process be put in place for the 2012 Audit. The bidding documents would be developed so that offers from Accounting firms were received prior to the next Finance Committee meeting in 2011 for a discussion to take place at that time.

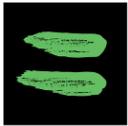
3. 2010 Accounts to 30 June 2010

The Balance Sheet, P/L and the Actual versus Budget Statements were reviewed by the Committee. The following points were discussed in detail:

- The high cost of litigation; in particular the new costs related to CAS cases, and the fact that WADA will not be awarded much of its costs when cases are won. A discussion on CAS will take place during the Ad Hoc Legal Working Group, and the issues will be brought to the attention of CAS once again.
- The expenses for ADAMS were discussed and the new strategy to purchase the source code was explained to the Committee. The Committee agreed with the strategy going forward.
- Research: it was highlighted that cooperation with other institutions, in particular within the EU and the USA, should be developed as much as possible, in order to acquire additional support for anti-doping research. Additionally, information on results, findings and the outcome of projects and their successes should be made more readily available.
- The RADO projects were discussed and questions were raised on the sustainability of these RADOs. Overall it was agreed by the Committee that the investment in RADOs was important to ensure that such sustainability occurs.
- The Code Compliance expenses were discussed and the amount revised. It was understood that 2011 will be a year where a compliance report will have to be issued.
- The cost of bank fees for investments was discussed under Operational Expenses and it was agreed that a discussion with the bank concerning the high cost of the fees should take place by year end.

4. 2010 Revised Budget

The revised budget was endorsed by the Finance Committee to be put forth to the Executive Committee for acceptance. It was agreed that the increase in the litigation budget would be taken from the litigation reserve if, the overall 2010 budget was exceeded at year end. If on the other hand, the 2010 litigation budget was not exceeded, litigation costs would be covered by the approved budget.



The Athlete Committee expenses were also discussed, in particular the number of members on the Committee, as the revised budget was increased by 45,000USD. The importance of having the athletes involved in the anti-doping movement was however, recognized by all and the necessity to have a world representation was also highlighted.

The increase in budget for changes to ADAMS and the acquisition of the source code was accepted, in particular in light of the reorganization of the entire IT budget which shows an overall decrease of 12% to year end.

A capital expenditure in the amount of 510,000USD for Leasehold Improvements to create additional workspace in the Montreal office was approved by the Committee. It was noted that the lease renewal will, over the term of the lease, produce a savings of just under 1.8M USD and a tenant improvement allowance of 360,000USD would be allocated to WADA in 2012.

5. Governments Contribution 2010

An error had occurred by the Council of Europe on the calculation of the 2010 share split, and therefore a re-issuance of contribution invoices for Europe had been required to be executed by WADA. This might explain the delay in receiving European contributions.

Furthermore, it was noted that the economic crisis is having a clear impact on the speed in which payment is made to WADA, and there is a concern that Greece may not meet its dues for 2010.

6. 2011 Draft Budget

The 2011 draft budget was studied by the Committee. This budget foresees an increase of 2 percent of contributions, and a deficit of 1.8M for the year. The main issues discussed were as follows:

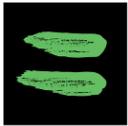
a. Legal and Finance

The cost of litigation has significantly increased over the past years. A number of the costs were directly related to CAS, and include the following issues:

- Appeal from NADOs and national federations are no longer free of charge
- Procedures have become lengthier and more complex
- Award for costs have not been increased by CAS

b. Independent Observers

Given that it is a non Olympic year, the budget for independent observers was increased to encompass an extra mission.



- c. The Athlete Committee meeting budget has increased to include the cost of two meetings instead of one. It was a need clearly felt by the Executive Committee to engage more athletes in WADA's mission.
- d. The Social Science Research budget was increased by \$100,000. There is a question on whether all research budgets, Scientific and Social Science, should be grouped into one single budget. This is to be reviewed by Management.
- e. During the budget discussion, a European representative indicated that the EU members wish WADA to consider a 0% increase in the 2011 budget. It was however clearly highlighted that a 0% increase would in fact mean a lower working budget in 2011 than in 2010. A 2% increase would simply cover the rate of inflation, while WADA will have to assume the cost of a number of tasks, such as important investments in improvements on ADAMS, monitoring of the Athlete Passport, increase funding of Social Science Research, increase in litigation costs, and lastly, the pressing need to be more active in the area of investigations.

The Finance Committee, based on these discussions, recommends to the Executive Committee the adoption of the 2011 budget with a 2% increase in contributions.

7. 2010-2012 Forecast

These forecasts were discussed and showed that by the end of 2012, WADA will have depleted its reserve to an amount of 2.8M. The Finance Committee was comfortable with the rate of depletion of cash reserves, and the level it will attain by 2012.

8. Other business

The impact of a certain Board or Executive Committee decision on the cost of anti-doping is a matter of concern for some stakeholders. The WADA Director General agreed to work on developing a process whereby some evaluation of the cost impact of such a decision could be presented to the Executive Committee prior to a final decision being taken.

9. Future Meeting

A date will be set by the Chairman of the Committee at the beginning of 2011.