

Report of the Financial and Administrative Ad Hoc Committee Review of IAI 2016-2017 Core Budget Request

The Financial and Administrative Committee (FAC) operates as a committee of the Executive Council, providing advice to the IAI and EC on administrative and financial matters. The FAC received and has reviewed the IAI's core budget request for the coming fiscal year, and recommends that the Executive Council forward it to the Council of the Parties for approval.

Budget

The FAC found the budget request to be responsive to the evolving nature of IAI operations, and the proposed expenses reasonable and appropriate. The budget proposes no increase in country contributions for the coming year with expenses roughly steady at about \$1,400,000.

Audit Report

The FAC recently received the independent audit report on the IAI financial statement for fiscal year 2014-15. The FAC was pleased with the unqualified finding that the IAI's financial statement presented fairly in all material respects the financial position of the IAI. IAI staff are deserving of recognition for their efforts to reconcile past issues resulting in this clean audit.

Country Contributions

As an international organization, the IAI relies on the voluntary contributions of its members to support day-to-day operations and oversee research activities. IAI staff will present more information on the status of contributions and arrears.

Renewal of FAC Charter

The FAC is a subcommittee of the Executive Council, and has typically has a charter renewed every two years. The current charter expires at the conclusion of the first EC meeting in 2016 (June 14, 2016 in this case). Membership on the FAC is established by country instead of by individual, and all countries are invited to participate. Typical duties include reviewing budget documents, audit reports, and working with the IAI on administrative matters such as refining procedures and operating manuals, thus individuals with a financial and management background are most frequently identified to participate. Most FAC business is conducted via e-mail and telephone although in person meetings are sometimes held; in the case of in person meetings, each country is expected to accommodate the cost of attendance.

A draft FAC charter extending the committee for an additional two years is attached for consideration. Countries interested in participating on the FAC are asked to contact the chair of the Executive committee.

William Smith, FAC Chair

FINANCIAL AND ADMINISTRATIVE AD HOC COMMITTEE

Expires at the conclusion of the first meeting of the Executive Council in 2018

Charter: The Financial and Administrative Ad Hoc Committee (FAC) is charged with acting on behalf of the Executive Council in matters related to planning, preparation and implementation of IAI financial, administrative and project management issues. These responsibilities include:

- Review and approve terms and conditions of IAI Directorate staff salaries and benefits;
- Review and approve policies for cost of living and merit increases;
- Recommend to EC changes to member country contributions;
- Review financial accounts and cash flow against approved Core Budget, Programmatic Budget and Other Funds;
- Review draft Core Budget prior to presentation to EC and CoP;
- Review and approve changes to IAI administrative and financial procedures and manuals; and
- Other duties as assigned by the Executive Council.

Composition and Mode of Operation: Membership is open to all EC member countries and is for a two-year period, with the IAI Financial Officer as a member *ex-officio*. The members of the Financial and Administrative Ad Hoc Committee elect the Chair. The Charter and membership will be reviewed every two years.

The FAC will interact regularly with the IAI Directorate through the Director. If such consultations identify an issue regarding which the FAC and the Directorate cannot agree, the issue will be referred to the Executive Council or to the Bureau, whichever is most timely. The Financial and Administrative Ad Hoc Committee will report to the Executive Committee at each EC meeting.

FAC members typically pay the costs associated with attending meetings of the FAC. However, the Directorate may, based on need and availability of funds, support expenses for the attendance at Financial and Administrative Ad Hoc Committee meetings.

Current Membership: Canada, United States, and IAI Financial and Administrative Officer (*ex officio*)