



ORIGINAL: ENGLISH

24 May 2019

**EXECUTIVE COUNCIL TO THE
INTER-AMERICAN INSTITUTE FOR GLOBAL
CHANGE RESEARCH
Forty-seventh meeting
Brasilia, Brazil, 4 June 2019
Agenda item 6**

Report of the Financial and Administrative Committee

1. This document has been prepared by the United States of America as Chair of the IAI Financial and Administrative Committee (FAC).

Background

2. The Terms of reference of the FAC include the following responsibilities.
 - a) *Review and approve terms and conditions of IAI Directorate staff salaries and*
 - b) *benefits;*
 - c) *Review and approve policies for cost of living and merit increases;*
 - d) *Recommend to EC changes to member country contributions;*
 - e) *Review financial accounts and cash flow against approved Core Budget,*
 - f) *Programmatic Budget and Other Funds;*
 - g) *Review draft Core Budget prior to presentation to EC and CoP;*
 - h) *Review and approve changes to IAI administrative and financial procedures and*
 - i) *manuals; and*
 - j) *Other duties as assigned by the Executive Council.*

Report of the Financial and Administrative Committee

3. In light of the above, the *Report of the FAC*, which is attached as an annex to this document, provides information on administrative and financial matters related to the IAI, its Directorate and activities.
4. The IAI Executive Council, at its 47th meeting, will take note of the *Report of the Financial and Administrative Committee* during its review and decisions on financial and administrative issues of the IAI.

Recommendation

5. The Conference of the Parties is invited to take note of this report.

Annex

Report of the Financial and Administrative Ad Hoc Committee

Review of IAI 2019-2020 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. Open to all member countries, the FAC presently is composed of two individuals from the United States and Argentina. 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 Auditors' report covering fiscal year 2017-18 gave an unqualified opinion that the IAI's financial statement presented fairly in all material respects the financial position of the IAI. Staff are commended for again receiving an unqualified audit opinion.

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.

William Smith, FAC Chair

FINANCIAL AND ADMINISTRATIVE AD HOC COMMITTEE

Expires at the conclusion of the first meeting of the Executive Council in 2020

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