

Report of the Financial and Administrative Ad Hoc Committee
Review of IAI 2015-2016 Core Budget Request
June 2015

The Financial and Administrative Committee (FAC) operates as a committee of the Executive Council (EC), 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 Request

The FAC found the budget request to be responsive to the evolving nature of IAI operations, and properly reflects the headquarters relocation and establishment of additional offices. It represents efforts to maintain operational expenses at a minimum, including temporarily suspending any further hiring by the IAI. The budget proposes that country contributions remain level this year and into the foreseeable future. The last increase in country contributions was last year (2014-15 budget year).

Audit Report

The 2013-2014 audit report has not yet been received. Past reports have found that the IAI's financial statement presented fairly in all material respects the financial position of the IAI. The FAC will review the Audit Report once it is submitted and provide further advice, as required.

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. The accumulation of arrears by nations has consistently been of interest to the EC and CoP. At the end of the last quarter, the total arrears of all countries was US\$1.33 million; an amount sufficient to support IAI operations for a full year. The accumulation of arrears (contributions due but not received in a given year) has put the IAI into a more difficult operating position where important activities such as outreach and oversight cannot be firmly scheduled and are subject to cancellation. Outreach has been a key portion of the IAI mission and oversight of research activities is essential if support of research is to continue.

Over the past year Venezuela and Argentina made substantial contributions to IAI erasing, in the case of Venezuela, several years of accumulated arrears. Without these payments IAI would have been forced to substantially curtail activities.

FAC Membership

The FAC is a subcommittee of the Executive Council. 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.

William Smith, United States of America
Chair of the Financial and Administrative Ad Hoc Committee

FINANCIAL AND ADMINISTRATIVE AD HOC COMMITTEE

Expires at the conclusion of the first meeting of the Executive Council in 2014

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