

Treasurer's report 2007-2011

I acknowledge from the outset of this report that my predecessor maintained the ICA accounts and the relationship with the ICA bank in an exemplary fashion: this conclusion was also shared by the Honorary Auditors when they reported in Moscow in 2007. One of the roles of an outgoing Treasurer is to propose, from a position of full knowledge, a provisional budget for his successor. I am happy to report that the provisional budget has served me well during the 2007-2011 period, and I have been guided by the sound management recommendations laid out in 2007.

Since the 14th General Assembly in 2007, the financial situation of ICA has been reported at meetings of the Executive Committee, to the elected auditors, and to a professional auditing company. In addition, annually a form for tax declaration has been provided to the Swedish Tax Authority, in the form of an annual balance of assets, revenue and expenditure.

The following documents were maintained throughout the reporting period:

- Balance sheets indicating the current state of the three bank accounts which ICA manages, along with the cash-in-hand account and details of credit card transactions;
- Tables of subscription and membership status for all members of ICA, both national and affiliate;
- An annual form for tax declaration which is provided to the Swedish Tax Authority: ICA is registered as an idealistic society in Sweden and no tax is paid on its transactions.

On election in Moscow in 2007 I decided to maintain the ICA bank account with the ABNAMRO Bank branch in Zeist, Netherlands, where it had been maintained for the period 1999-2007 by my predecessor. This arrangement has proved workable, as Internet banking facilities have been easy to undertake, and (based on the good management of the account over a significant period) a credit card facility has been made available. This has eased transactions and reduced currency conversion costs for the Treasurer, who lives outside the Euro zone.

ICA maintains a current account in Euros, and a current account in US dollars. Members can elect to pay their subscriptions in either currency, although the accounts will show that the majority elect to remit in Euros, as the preferred currency. Charges for the Euro current account are levied under headings including postage, quarterly dues and card fees, but no interest has been earned on this account since the end of 2008 when interest rates fell to zero. However, ICA does manage a Euro savings account which does earn interest and in which the majority of funds are invested. An arrangement has been set up such that end-of-month balances in the current Euro account above 10,000 Euros are automatically transferred to the savings account to earn interest. The US dollar current account similarly does not earn interest, but the balance in this account has been rising regularly. I recommend to my successor that a significant proportion of the balance in the US dollar current account be transferred to the Euro savings account at a time in the near future when the exchange rate is optimal. Any exchange fluctuations are considered by the professional auditors in their final statement, and recorded as 'exchange difference'.

It should be noted that charges are also levied on a regular basis for the ICA credit card, but it is felt that the existence of this facility is more economical than currency transactions in the home

currencies of the Secretary-General and the President, and it has proven valuable in overseas transactions of all types.

Maintaining any further accounts would be expensive for ICA, in the form of significant monthly charges. Thus no US dollar savings account has been opened, and the dedicated account for the Solidarity Fund was closed due to high regular charges. The concept of the Solidarity Fund is recognised in a ring-fenced amount held in the accounts of the Euro savings account, and expenditure from this Fund is directed to support for Travel Award winners. The Executive Committee has recommended that the underwriting of workshops and training seminars be an additional role for the Solidarity Fund, and as Treasurer I am happy to support this expenditure of funds in the future.

Due to the very tight schedule for reporting the accounts to their desired end date of 30 June 2011 (the full four years after the previous report), the professional auditors have been able to give full accounts only to the period ending 30 April 2011. However, I have supplied to the Executive Committee a report for the full period 1 July 2007 to 30 June 2011, and this has been submitted to the elected auditors, who have been given an opportunity to examine the accounts, and the delegates of the General Assembly are given here an indication of the liabilities and assets to include the last two months. These accounts include some comments where appropriate, and some guidance for my successor.

income (actual to 30/04/2011 € 184,298; budgeted: € 210,000)

- **membership fees:** the figure indicated in the account at the end of this report - € 169,952 – does not reflect a number of national and affiliate members who have not yet paid their 2011 subscription. I am confident that the estimated revenue under this heading will match the budget of € 190,000 by the end of 2011.
- several nations have **not paid** any subscriptions in the 2007-2011, and it is proposed that voting rights are removed from these 11 members. This equates to approximately € 11,000 Euros in lost revenue. A further 8 countries are recommended for exclusion as there has been no contact with them since 1999. The result is that 61 national members can be considered as 'in good standing' and we are grateful to those countries which have paid on a regular basis. We continue to receive subscriptions from our generous affiliate members also, and these funds support the work of ICA.
- **Publications revenue:** Income from royalties has benefitted from a few recent publications which attract a good rate of revenue.
- **Interest:** the large amount of money in the savings account has resulted in interest revenue being maintained. Interest rates are on a downward trajectory, but if some of the surplus US dollars currently in the US dollar current account were to be used to buy Euros for the Euro savings account, then interest revenue will be maintained further.

expenses (actual to 30/04/2011 € 130,911; budgeted € 200,000)

- **Costs** for the three main office holders were kept below budget, despite the geographical distance of travel for the President, as a result of their ability to call on funds other than ICA. I am grateful to the President and Past-President for their modest claims on the ICA budget.
- **Other travel and meeting** costs covered the main EC meetings, including the annual honoraria paid to vice-presidents, but also some other meetings dealing with strategy and joint board business.
- **Office costs** include accounting costs, translation fees, expenses related to the ICA bank, web site fees, and the costs of assisting with the ICA conferences.
- **Commissions and Working Groups:** Of the budgeted €54,000 only one half was actually used. Insufficient claims were made on the Treasurer to use these funds fully, and Commission and Working Group chairs should be continually encouraged to make use of the budgeted amount available to them. My policy during the period 2007-2011 has been to be as flexible as possible, within the ICA guidelines, in meeting the costs incurred by Commissions. In the past, Commission budgets were solely used for costs of publication and hiring meeting rooms. During 2007-2011 I was able to support other activities, including web site development, catering at Commission and Working Group meetings, a limited contribution to travel for the Commission or Working Group chair, and liaison with related organisations.
- **Solidarity fund:** The maintenance of the Travel Award scheme is a vital part of ICA activity. 7 awards were made for Santiago 2009, and 8 have been made for Paris 2011. Whilst such activity is commendable, the 2007-2011 EC recommended that the Solidarity Fund also be used to support workshops in the Third World. Thus the budget for the Solidarity Fund has been expanded.
- **Publications expenditure:** ICA has an excellent arrangement for production of *ICA News* which makes use of lower costs of printing and posting in Hong Kong.
- The **Promotion budget** during the 2007-2011 period included costs associated with the celebration of the ICA's 50th birthday. In the next four-year period the Promotions budget should be spent on publicity, including brochures, and advertising material for display at workshops, symposia and events.
- The item **Miscellaneous** is mainly constituted by membership dues paid to ICSU

Reminding members that the presentation of the accounts below are for the period July 2007 to April 2011, it is clear that there are outstanding amounts to be paid for out of the ICA budget. Some of these are listed as liabilities in the accounts, but members are cautioned that this is not a complete list. There are significant extra costs which are not included in this list, including printing costs related to the General Assembly, pin badges for office holders, translation costs for the General Assembly, extra costs for accommodation for the Travel Award winners, the 2011 vice-presidents honoraria, and outstanding claims for travel from the three main office holders. My

successor should estimate that up to € 27,500 will accrue during the period from 30 April up to and beyond the Paris conference.

It is clear that ICA is in a healthy financial position. However, it is in this position mainly because Commissions and Working Groups, the main working parts of ICA, are not claiming their full budgeted amounts from ICA funds. As the amount claimed is often directly proportional to the work done by the group, it should be a priority of the EC 2011-2015 to ensure that the amount being spent by Commissions and Working Groups is increased. In addition, it should be noted that ICA's tax-free status is dependent on following the rules of the Swedish Tax Authorities. Our organisation should not be regularly accumulating surpluses, and it is expected that we spend the majority of our revenue on our developmental activities. It is important that we continue to support our Commissions and Working Groups, increase the profile of our Solidarity Fund, and engage in more collaborative activity in the international scientific community to ensure that we meet such targets.