

## Finance Subcommittee

Adam Jastrzebski

### Goals

- Assist Region 8 Treasurer in preparation of the annual budget
- Monitor Region 8 financial performance against budget
- Develop short- and long-term financial projections and plans
- Develop proposals for improvements in the financial operations of the Region and its organisational units

### Points of Concern

The transition of duties to the new Treasurer was difficult and took a lot of time and effort.

### Evaluation of the Region 8 financial performance against the budget

The expenses to-date in all eight main budget lines are within the assigned limits. There has been some overspend in two of the budget codes in SAC, but they can be easily compensated from other SAC budgets. As of the end of September, 45% of the budget had been spent.

### Audit results

- The IEEE Internal Audit of Region 8 finances in 2018 was completed on 25 July 2019 with the Satisfactory result. Some of the findings and recommendations are listed below:
  - Financial results were not submitted timely.
  - Region continues to submit the legacy L50 forms to report its financial details to IEEE headquarters.
  - Signers of the three NatWest bank accounts included former Director from 1994.
- Ensure that at least three IEEE Volunteer Officers have legal access to the Unit Funds
- Differences in the local financial statements maintained in SAGE as compared to NetSuite were noted.
- Changes or adjustments to the financials by IEEE should be reflected in the local records to ensure they remain in agreement.
- There were no contracts to two disbursements above \$25k.
- There should be contracts with the vendors for total payments of \$25k or more.
- Contracts valued \$25k or more need to be provided to IEEE Contracting Services for review, approval, and execution by an authorized IEEE signer.

### Evaluation of the Region 8 financial processes and operations

There has been marked improvement in financial processes and operations of the Region. The most important was introduction of budget management with regular budget reports and different budget codes for different lines of activity. Paper documentation was replaced by electronic storage with indexing. The same reference code is being assigned to all the documentation, bank records, Sage records and email communication related to the same transaction.

### Short- and long-term financial projections and plans

The immediate task for the Finance Subcommittee is to evaluate the submitted budget proposals for 2020 and prepare recommendations for the next OpCom meeting at the beginning of November. These recommendations will take into account the budget discussion at 113th R8 Committee Meetings.

One of the issues which needs to be addressed in the 2020 budget is a long-term sustainability of the current income and expenses structure. New sources of income will need to be found, such as conferences and sponsorships. To seed-fund these initiatives we might use part of our Long Term Investment Fund, which is currently at the level of a 100% of the annual revenue.

### Proposals for improvements

Work with IEEE Finance on integration of the local financial accounting software used for budget management (e.g. Sage) with the central IEEE financial reporting system (e.g. NetSuite).

### Other Issues to report