

Finance Subcommittee

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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

Decreasing of the Region 8 Assessment income (Membership Dues Element).

Evaluation of the Region 8 financial performance against the budget

As of the end of 2019, the total spent from the planned budget of \$727,500 was \$524,635. However, savings towards 2020 activities, unclaimed travel expenses, postponement of some activities (e.g. Middle East SYP Congress) and various other liabilities (accruals) were \$197,694 nett. Therefore, the effective underspent was about \$5k, i.e. 1%.

Audit results

The IEEE Internal Audit of Region 8 finances in 2018 was completed on 25 July 2019 with the Satisfactory result. The details were reported at the 113th R8 Meeting in Valencia. The 2019 audit will be also performed by IEEE Internal Audit.

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. There have been some difficulties with the Sage system, which have delayed availability of detailed transactional reports for each line of activity. The IEEE Concur reimbursement system has been another great improvement. However, the link to the local account records is not automated and requires substantial manual work - every item of the reimbursement claim must be classified by the Treasurer manually.

Short- and long-term financial projections and plans

The 2020 budget has been discussed and agreed by OpCom. The decision to include accruals in the budget has enabled for far more realistic planning. The need for using Long Term Investment resources has been postponed. An issue which has been partially addressed in the 2020 budget is a long-term sustainability of the current income and expenses structure. The income from the membership dues (MGA Assessment) is decreasing and there are threats to decrease it even more rapidly. New sources of income have been proposed, i.e. wider conference co-sponsorship. We have avoided using Long Term Investment Fund this year to seed-fund these initiatives but may use it in future. Our current savings in LTIF are about 100% of the annual revenue, which is far more than typical in the commercial world.

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