

## 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

Region 8 financial operations are practically dependent on only one person - the Treasurer. This is a high-risk situation, in particular in the current pandemic period. The role and the composition of the Finance Subcommittee needs to be reconsidered in order to mitigate that risk, spread the Treasurer workload, and secure future smooth transition.

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

Covid-19 pandemic had a negative impact on our membership and therefore income from the Regional Assessment, which is lower by 6.8% from that assumed in the budget. At the same time, the pandemic travel and meeting restrictions have forced us to cancel some events or move them to virtual on-line platforms. Therefore, the total spending to-date is very low, just 18.4% of the annual budget. It is therefore anticipated that we will have a large budget surplus at the end of the year. An IEEE rule states that geographic organisational units (GOUs) can only transfer 50% of the budget surplus to the next year. However, Region 8 has secured an agreement that all surplus from 2020 can be transferred towards future years budgets. This is particularly important, as we anticipate a drop in IEEE membership in the coming years due to economic depression which will most likely follow the pandemic.

### Audit results

IEEE conducted the audit of the Region 8 2019 accounts in Spring 2020. The result was "Satisfactory", with some minor findings and recommendations, which were analysed by R8 Finance Sub-Committee and the required actions have been implemented.

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

Region 8 financial system works well. Payments are being made promptly and budget reports produced regularly to OpCom. A further improvement made by the Treasurer to the Sage accounting system was automatic generation of the budget reports. The format is somewhat different from the previous reports produced manually. Additionally, the budget codes are 4-digit long now - in most cases a 0 (zero) has been simply added at the end, e.g. old code 703 is now 7030. This change will be propagated into the Concur system as well.

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

We anticipate that due to the pandemic crisis and highly probable economic depression that will follow, Region 8 income will be much reduced in the next two years. However, Region 8 has large reserves and savings, which should help us to survive the difficult period and have resources to rebuild our activities and membership.

### Proposals for improvements

- Address the operational risks described in Points of Concern above.
- Continue working with IEEE Finance on the new financial system to be introduced in 2021 and 2022, which should simplify financial management of Regions and Sections.
- Improve the operation of the planning and approval of financially cosponsored conferences in order to mitigate financial risks for the Region.

### Other Issues to report

None.