

**IARU Region 1 Conference 2002**  
*San Marino 10 – 15 November*

SUBJECT	C 2 Part
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Committee	C 2
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# Papers of Committee C 2

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# IARU Region 1 Conference 2002

*San Marino 10 – 15 November*

SUBJECT	Restructuring of IARU Region 1 Financial System
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SOCIETY	DARC
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Committee	C2.3
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Resolving:

that now a days to keep the membership figures are a good result but a decrease has to be foreseen. On the other hands are the costs to run a Region increasing. This counts especially for visits to ITU and other meetings which are the main task of a Region to keep Amateur Radio alive. Some other costs we have right now might be reduced by asking i.e. societies nominating a chairman to an IARU WG to carry at least the administration costs of such persons. It should not happen that the Region buys computers or things like that to let a chairman work. It should not be that the travel costs of a chairman of a sub working group are born out of the regional budget. A lot of things could be done without deducting the Region's funds by letting the societies - delegating a volunteer – pay for little expenses like mailing costs, paper etc. Examples have proved that it works (FAG, CAM).

Further on it seems not correct to let larger societies pay nearly the whole bill, but to advise how the money has to be spent and for what.

To have a little bit more fairness in the financing of the Region DARC

Proposes:

**Membership fees per licensed member within a society as defined by the C & BL:**

**Class 1. a member society with up to 499 members )\*: 500.--- SFR lump-sum**

**Class 2. a member society with 500 to 999 members 1.50 SFR p. member**

**Class 3. a member society with 1000 to 9 999 members 1.25 SFR p. member**

**Class 4. a member society with 10 000 and more Members 1.00 SFR p. member**

**)\* under special defined conditions the EC may give a waiver or a reduction of this amount if such a case is requested by a member society and justified by extreme financial circumstances.**

*As reference the figures 2001: 43 societies < 100 members*

*21 societies < 1 000 members*

*19 societies < 10 000 members*

*04 societies > 10 000 members*

10. Oct. 2001

Hans Berg, DJ6TJ

DARC I L O

# IARU Region 1 Conference 2002

10-15 November, 2002

SUBJECT	C2 Recommendations (Lillehammer 1999)
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SOCIETY	Executive Committee
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Committee	C2.4
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## Recommendation C2.A

The IARU Region 1 EC proposes that the General Conference in San Marino 2002 withdraws the recommendation C2.5 (Lillehammer 1999) for the following reason and returns to existing Bye-Law B1.2.1.

The amount of CHF 1500 does not cover all the expenses a small society will need to send one representative to a Region 1 General Conference. This contradicts the idea that such financial assistance would inspire smaller societies to take part in the work of IARU Region 1.

## Recommendation C2.B

The IARU Region 1 EC proposes that the General Conference in San Marino 2002 withdraws the recommendation C2.11 (Lillehammer 1999) for the following reason:

- ❑ Regular contact with the other two regions has proved to be very productive
- ❑ In view of the improved financial situation, the EC considers it a justifiable expense and liaison with Regions 2 and 3 should be re-activated.

## Recommendation C2.C

The IARU Region 1 proposes that the General Conference in San Marino 2002 withdraws recommendation C2.12 (Lillehammer 1999) for the following reason:

- ❑ It has proved necessary to have the office manager or another person as minute taker to allow for an efficient EC meeting.
- ❑ There is no reason to exclude the chairman of the permanent HF Committee and the Chairman of the permanent VHF/UHF/Microwave Committee from the EC meeting, and that therefore, recommendation 1.4.25 (Torremolinos 1999) should be reconfirmed.

## Recommendation 2C.D

The IARU Region 1 proposes that the General Conference in San Marino 2002 withdraws the recommendation C2.15, C2.15.1, C2.15.2, C2.15.3 and C2.15.4 (Lillehammer 1999) for the following reasons and reconfirms existing Bye-Law C6.3

The EC considers that it is not necessary to amend the Bye-Laws and that instead these conference Recommendations will serve the same purpose. If amendments are necessary in the future it will be easier and faster to amend a recommendation than a Bye-Law.

The EC therefore proposes to use Recommendations instead of changes to the Bye-Laws for these matters and proposes the following amendments.

**Recommendation C2.E**

The IARU Region 1 EC proposes to the General Conference in San Marino 2002 that the recommendation C2.15.2 (Lillehammer 1999) is amended as follows:

Each year, at the end of February, the secretariat sends out a questionnaire to each member society regarding the number of licensed members. This questionnaire must be returned by the end of March. The EC, immediately after its meeting when it has had the opportunity to review the figures, shall present to all member societies for comment, the Proposed Annual Budget (PAB) and spending priorities for that year. The PAB shall be as much as possible in keeping with the principles of the long-term Budget approved for the relevant three-year period by the General Conference of the Region. However,, in proposing the PAB, the Executive Committee shall have reasonable discretion to make changes to the spending patterns, but within the pattern of priorities and spending limits agreed by the General Conference, as well as to propose reasonable amendments and additions to such allocations, should such variations, contingencies and additions be deemed required and necessary to meet the priorities and the unforeseen contingencies, if any, for that current year. The principle shall be maintained, however, that the spending limits set at the General Conference shall not be exceeded other than with the approval of the majority of member societies in the Region.

**Recommendation C2.F**

The IARU Region 1 proposes that the General Conference in San Marino 2002 that the recommendation.15.3 (Lillehammer 1999) is amended as follows:

Member Societies shall provide the EC with a reaction to the PAB within one month after the PAB was circulated. This should be a vote in favour or against. A simple majority of those member societies who vote are required to approve any material changes to the spending patterns agreed at the General Conference. The PAB shall be deemed as “not approved” should the simple majority of those member societies who vote, not vote for it. In such event, then the relevant yearly section of the long-term budget shall automatically apply.

**Recommendation C2.G**

The IARU Region 1 EC proposes that the General Conference in San Marino 2002 withdraws the recommendation C2.15.5 (Lillehammer 1999) for the following reason:

There is no need for this change because it is already adequately covered in the Region 1 Constitution and Bye-Laws.

## **IARU Region 1 Conference 2002**

*San Marino 10 – 15 November*

<b>SUBJECT</b>	Financial Situation for ARDF in IARU Region 1
<b>SOCIETY</b>	IARU Region 1 ARDF Working Group
<b>Committee</b>	<b>C2/C3.27</b>

### **Financial Situation of ARDF in IARU Region 1 (ARDF WG)**

Amateur Radio Direction Finding is a bridge between two worlds, the world of sports and the world of Amateur Radio. In the past ARDF has proved to have attracted young people to Amateur Radio by using sports as the medium.

Drawing attention to the following facts:

- That at the General Conference 1999 in Lillehammer / Norway a drastic cut in the financial support of ARDF-WG by IARU Region 1 was decided (Recommendation C 2.9).
- That this reducing of financial support caused big problems in carrying out the Region 1 ARDF activities in the past three years.
- That because of the difficult financial situation of IARU Region 1 at the time of the General Conference 1999 this step was accepted by the ARDF WG, realizing the necessity of stabilizing the financial resources of IARU Region 1.

#### **CONSIDERING**

- That the financial situation within IARU Region 1 has improved.
- That the number of participating societies and competitors at Regional and World Championships is increasing rapidly.
- That the Region 1 EC on proposal from the ARDF WG has established a Regional Youngsters ARDF Championship attracting young people to Amateur Radio (note: getting young people is the survival of Amateur Radio).
- That several IARU Region 1 member societies requested assistance to establish and improve ARDF and ARDF activities in their countries.
- That with the present financial support to the IARU Region 1 ARDF WG all necessary activities cannot be achieved.

**PROPOSING**

Taking into consideration all the above, it is proposed to withdraw the Recommendation C 2.9 (Lillehammer 1999) concerning financial support for ARDF activities. This will allow the General Conference and the EC to be free to budget the necessary financial support in line with the need to maintain and increase the Region 1 ARDF activity and at the same time take the Region 1 financial situation into account.

It is further proposed to the EC and the San Marino General Conference 2002, to take the above into consideration when the long-term IARU Region 1 General budget is made and approved.

# IARU Region 1 Conference 2002

10-15 November, 2002

SUBJECT	Report of the Financial Advisory Group
SOCIETY	Region 1 Financial Advisory Group

Committee	C2
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## 1 Introduction

At the IARU Region 1 Conference held at Lillehammer in 1999, considerable discussion took place on the financial position of the Region. This was against a background of a proposal from the Region 1 Executive Committee to increase the subscription level per member by 50%.

As a result of concerns expressed by a number of member societies, Committee C2 reviewed the financial status of the Region, and made a number of proposals, most of which were accepted by the final plenary meeting of the Conference. One of these proposals was for a "Financial Advisory Group" (FAG), comprising the members of Committee C2, to continue to work in the intervening three years until the 2002 Conference, to support efforts to restore the Region's financial health.

The terms of reference of the FAG were included in the Recommendation approved by the Conference:

*A special ad-hoc working group be set up under the name of "Financial Advisory Group" to monitor, support and report to member societies on the progress being made in restructuring the Region's finances and the processes of financial management. It is proposed that this ad-hoc working group should also advise and monitor the decision-making processes of the EC with respect to the implementation of resolutions contained in this report. It should also report to the next General Conference which will decide upon the continuance or otherwise of the Advisory Group. This ad-hoc working group will not incur costs for the Region. Should the General Conference believe that the current C2 Chairman should continue to chair this group, the Chairman of Committee C2 proposes that the Group should comprise:*

*DJ6TJ, ZS6ALJ, PA1LK, OY1A, ON500, LA9NT and I1RYS, with G4JKS as Secretary.*

This paper comprises the report to 2002 Conference, referred to in the above recommendation.

## 2 Overview of the work of the FAG since the 1999 Lillehammer Conference

The FAG is pleased to note that a number of the recommendations it made in 1999 have been implemented, and that the financial position of the region is now much improved. This is encouraging.

The workload of the FAG has been lightweight since 1999. There has been little involvement in the financial affairs of the Region, and little has flowed in the way of information about financial plans from the Executive Committee. The actions taken in respect of specific recommendations made at Lillehammer are covered in the Appendix to this report. Suffice to say at this stage that the FAG is a little saddened that there has not been closer involvement in the financial activities of the Region, and senses that the FAG may be seen by the EC as a threat, rather than as a supportive resource for the benefit of Region 1 as a whole.

### **3 General Observations**

The Appendix to this report shows the FAG's understanding of the status on the recommendations made by Committee C2 at Lillehammer. Many of the less contentious recommendations have been implemented. For various reasons, some of the more fundamental ones have been set aside or deferred.

The limited information that the FAG has received about the 2001 actual outcome, and the 2002 budget suggest that the Region's financial affairs are in reasonable shape for the present. However, of concern is an increasing level of risk to the income stream, arising from:

- reducing numbers of amateurs in member societies in some countries
- an increasing level of bad debt from member societies

A rough projection suggests that underlying income may be decaying at a rate of some 5% per annum. This has inevitable implications for the ability of the Region to fund its expenditure programme without an increase in member society subscriptions or further reductions in cost base.

FAG notes that the 2000 accounts are not yet audited. Delays of this nature are of concern. The EC attributes this to delays and staff changes in Deloitte Touche, the Region's Auditors. Whatever the reason, the extended period since the end of 2000 is not acceptable.

The FAG understands that the Region's Treasurer has had to cope with a number of pressures associated with his business, and as such, has found difficulty in devoting as much time as he would have liked to the Region's affairs. Had the FAG been advised of this, it, or individual members of the FAG could have helped and supported the Treasurer in an active way. It is a pity that no such requests were made of FAG. This serves to underline the view held by FAG that it is not seen by the EC as a support resource.

One final comment that serves to underline this view is the fact that C2 appears to have been used on some occasions by the EC as the rationale for not allowing expenditure. The FAG is saddened that it has been quoted as the reason for not permitting reasonable expenditure, when this was not the true position.

### **4 Summary**

This report from FAG summarises the views of the members of FAG on the main issues since the 1999 Lillehammer Conference. It will be for the 2002 Conference to decide whether there is a continuing role for FAG. Whatever that decision, any future role for FAG must be in an environment of co-operative interworking with the EC and Treasurer, rather than the environment of exclusion which has existed since 1999.

**Financial Advisory Group**

**June 2002**

## Appendix 1

### Progress on the specific C2 recommendations made at Lillehammer

***Recommendation C2.1: That Standing Recommendation 1.2.7.3.(iii) of Torremolinos 1990 be amended to read as follows:***

***1.2.7.3.(iii) the Credentials and Finance Committee (C.2) will adopt the hour of the opening of the first session of Committee C.2 at a General Conference as the deadline for confirming that a member society's financial contribution has reached the Regional Treasurer. In making this assessment, Committee C2 will require confirmation that the funds are in the possession of the Regional Treasurer in cash, or had reached the Region's bank account five working days before the start of the Conference.***

FAG understands that this will be implemented at future conferences

***Recommendation C2.2: The cost accounting as well as corresponding historic accounting files and related certified financial statements (for all the Region's funds – including Fund 4) for the years 1996, 1997 and 1998 be approved.***

No action is needed, although member societies of Region 1 should be aware that the accounts presented to Committee C2 at Lillehammer did not make clear that there were unpaid debts due to the IARU IS, and thus that the true cash balance was overstated

***Recommendation C2.3 The Treasurer be instructed to ensure that the full effects of the provision for future General Conferences be shown clearly as a proper accrual.***

FAG understands that this is not possible under Swiss Tax laws, but this does not prevent an appropriate memo item being included in the accounts of the Region

***Recommendation C 2.4: Papers for future General Conferences should be distributed only by e-mail.***

FAG understands that this is being actioned

***Recommendation C2.5: Section B.1.21 of the Bylaws be amended by the addition of the following words at the end of Section B 1.21:***

***“Subject to the aforesaid, the financial assistance shall be limited to a maximum of CHF 1,500 per delegation”***

***This was accepted as an standing recommendation but the exact way in which it is to be built into the re-write of the Constitution and Bylaws is to be considered by the Working Group set up to address that subject***

FAG understands that there are concerns amongst the EC about this recommendation

***Recommendation C2.6: E-mail and Internet technologies should be fully exploited in the management and administration of the Region, Committees and Working Groups, where this will give rise to cost savings. In particular, where practicable societies should receive all documentation electronically, with a significant reduction in Regional costs.***

PA0LOU commented in 2000: “This is already taking place and show promising results. Already during the 1999 book-year savings could be obtained by using more and more E-mail”.

***Recommendation C2.7: The savings which would arise from outsourcing the Secretariat should be fully investigated. The EC should be asked to develop a proper statement of secretariat service requirements and then seek tenders from both member societies of the Region and other commercial organisations, and plan to make the change no later than the end of 2000 in agreement with the Financial Advisory Group (See Recommendation 2.16).***

PAOLOU has commented: *“I consider it useful for the FAG to know some of the major arguments why the EC, being the body responsible for RI leadership in between General Conferences, and in the interest of serving the Region in the best way, has come to the conclusion that it is unable to implement in full the proposals of the 1999 Region 1 Conference relating to the Secretariat.*

*Although the idea of having the Region 1 Office located at one of the Region’s major Member Societies certainly received some support, the majority of the arguments against such a move quoted the many reactions received against this idea and the possible “signaling effect” this gives to Region 1’s independent status. Nevertheless the idea is not completely lost and it has been pointed out that e.g. Region 2 has found a workable solution where a Member Society has made a room available to the Region, for free and without demands for obtaining any privileges in return. Also Region 2 now has a paid assistant to the Secretary who is available when needed, and if need be also during the weekends and/or evenings.*

*This last aspect has weighed also heavily in our discussions. Our Office Manager is available on that basis and recent happenings, when SP5FM needed support from the Region 1 Office while being at the WRC 2000 in Istanbul, showed how valuable this is for our organisation.*

*This opportunity might be lost when the Region 1 Office would move to a Member Society’s office or to a commercial organisation/external agency.*

*Also weighing heavily is the wish to maintain the knowledge, experience, loyalty and competence of our Existing Office Manager with regard to IARU matters as well as with the liaison with all our Member Societies. This will be lost when we would move to an external agency. Moreover the Region already owns considerable assets such as office furniture and equipment, still representing a value which should not be wasted.*

*Another matter is the role of our Secretary who, according to our Constitution, is responsible for the Secretariat and at all times therefore should have control over what is happening at the Region 1 Office.*

*One of the major stumble blocks we have not been able to solve is “how to calculate the man-hours involved” in case we would ask for an offer from an external agency. These are impossible to be predicted as they depend on too many variable circumstances. Professional practice has taught that under such circumstances no external agency will be willing to make an offer.*

*From the concluding “Summary” (15.4) in the Summary Record you will note that the EC remains committed to reduce the total Office/Secretariat expenditure by at least CHF 30.000. We expect already a reduction during the present year 2000, and a further major reduction starting 2001, if the discussions with our Office Manager, concerning a new and different agreement, can be concluded with success”.*

***Recommendation C2.8: Over the next three years consideration should be given by the EC and the Treasurer to adopting a “project accounting” approach, which would show the true costs of each major activity or project under a single heading. A proposal should be available to the 2002 General Conference.***

The FAG is not aware of progress in this issue

***Recommendation C2.9: The level of financial support for ARDF and HST, together with the donations to AMSAT and 4U1ITU be set at CHF 1,500 each year. The EC should also review whether donations should cease entirely in the current financial climate.***

The budgets for 2000 and 2001 showed:

	2000	2001
AMSAT:	Nil	Nil
4U1ITU:	1,500	1,500
ARDF:	2,400	3,400
HST:	4,100	3,100

***Recommendation C 2.10: For the avoidance of all possible doubt, that the class of travel for all those travelling on Regional business should be confirmed as Economy, using the lowest available fare type.***

FAG believes that this is current practice

***Recommendation C 2.11: Attendance of Region 1 EC members at Region 1 expense at the ECs or General Conferences of other Regions is not a justifiable expense at the moment and should be discontinued with immediate effect. Attendance at ACs should be limited to no more than two members of the EC. Attendance at Regional Conferences when held in conjunction with ACs is also justifiable on the same basis.***

FAG believes that this has been implemented

***Recommendation C2.12: Attendance at working meetings of the EC should be limited to members of the EC only. Standing Recommendation 1.4.2.5. (Torremolinos 1990) should also remain in place, so that the EC may invite the Chairman of the permanent HF Committee and the Chairman of the permanent VHF/UHF/SHF Committee to attend EC meetings. It is recommended that the EC give consideration to limiting such invitations to occasions where a written report from these Chairmen would not be adequate.***

FAG understands that this was planned to be progressed as part of the review of the Constitution (CAM-WG)

***Recommendation C2.13: The recommendations of the STARS Working Group with respect to the transfer of STARS and ADP seminar costs to Fund 4, and the increase of the “voluntary” levy for Fund 4 to CHF 0.10 per year per licensed member be approved.***

This has been implemented

***Recommendation C2.14: All agreed expenditure by the Regional officers on behalf of the International Secretariat should be reimbursed directly by the International Secretariat. The cash flow of Region 1 should not be adversely affected by these activities.***

FAG understands that this has been implemented

***Recommendation C2.15: The Committee therefore recommends to the General Conference that the following changes be made to the Bylaws of the Region:***

**Recommendation C2.15.1: Paragraph B.6.3 should be amended to read: “The long-term IARU Region 1 General Budget shall be proposed by the Executive Committee and approved by the General Conference. The principle of this budget shall be that the income and expenditure of the Region are matched over the budget period.”**

***Recommendation C2.15.2: A new paragraph B.6.4 shall be added:***

**“Each year, not later than the end of the first month of the new financial year, the Executive Committee shall present to member societies for comment, the Proposed Annual Budget ("PAB") and spending priorities for that year. The PAB shall be as much as possible in keeping with the principles of the long-term Budget approved for the relevant three-year period by the General Conference of the Region. However, in proposing the PAB, the Executive Committee shall have reasonable discretion to make changes to the spending patterns, but within the pattern of priorities and spending limits agreed by the General Conference, as well as to propose reasonable amendments and additions to such allocations, should such variations, amendments and additions be deemed required and necessary to meet the priorities and the unforeseen contingencies, if any, for that current year. The principle shall be maintained, however, that the spending limits set at the General Conference shall not be exceeded other than with the approval of the majority of member societies in the Region”**

**Recommendation C2.15.3: A new paragraph B.6.5 shall be added:**

*"Member societies shall provide the Executive Committee with a reaction to the PAB within and not later the end of the second month of the financial year by direct notification of vote in favor and/or against. A simple majority of those member societies who vote are required to approve any material changes to the spending patterns agreed at the General Conference. The PAB shall be deemed as "not approved" should the simple majority of those member societies who vote, not vote for it. In such event, then the relevant yearly section of the long-term budget shall automatically apply."*

*Recommendation C2.15.4: Existing paragraph B.6.4 shall be renumbered B.6.6 and subsequent paragraphs in this section shall be likewise renumbered.*

*Recommendation C2.15.5: The Committee, noting that there are insufficient member societies represented at the 1999 General Conference to approve a change to the Constitution, suggests that the following proposal be referred to the Working Group set up to review the Constitution and Bylaws of IARU Region 1: Article A.4.1 shall be amended to read: "The Executive Committee is the General Executive and managing body and it shall have full executive powers between General Conferences. These powers may not be delegated, and members of the Executive Committee individually and severally carry the collective responsibility for the proper management of the affairs of IARU Region 1 as defined below (A.4.3)"*

*It was agreed at the Final Plenary that these recommendations should not at this time be adopted into the bylaws of the Region, as the Working Group set up to consider that matter will take the recommendations C2.15.n into account in framing their proposals. In the meantime, these become standing recommendations which the Executive Committee will operate to.*

The FAG notes that these recommendations do not seem to have been fully implemented. It also notes that Paper 2.4 for the San Marino IARU Region 1 Conference 2002 includes proposed revisions to these recommendations. This paper was not been discussed with FAG prior to publication, and FAG comments on it are contained in a separate paper submitted to the San Marino Conference.

*Recommendation C2.16: A special ad-hoc working group be set up under the name of "Financial Advisory Group" to monitor, support and report to member societies on the progress being made in restructuring the Region's finances and the processes of financial management. It is proposed that this ad-hoc working group should also advise and monitor the decision-making processes of the EC with respect to the implementation of resolutions contained in this report. It should also report to the next General Conference which will decide upon the continuance or otherwise of the Advisory Group. This ad-hoc working group will not incur costs for the Region. Should the General Conference believe that the current C2 Chairman should continue to chair this group, the Chairman of Committee C2 proposes that the Group should comprise:*

*DJ6TJ, ZS6ALJ, PA1LK, OY1A, ON500, LA9NT and I1RYS, with G4JKS as Secretary.*

*The membership of this Group was agreed under Agenda item 8 of the Final Plenary, and other societies were invited to consider whether to nominate other candidates for the Working Group. The Chairman of the Working Group explained he would welcome other input, but would hope to keep the size of the Group to a reasonable number.*

To the extent possible, the FAG has been working by e-mail.

*Recommendation C2.17: The Treasurer and the EC be authorised to investigate the outsourcing of the "book-keeping" activities, to allow the Treasurer to focus on areas of financial governance. Subject to an appropriate arrangement being agreed at a cost which can be sustained within the budget, the EC be authorised to implement such an arrangement as soon as practicable, in agreement with the Financial Advisory Group proposed in Recommendation C2.15.*

FAG understands that this is now being performed by a member of the Treasurer's staff.

*Recommendation C2.18: Active steps be taken by the EC to obtain commercial sponsorship for support of General Conference costs (Fund 2) and also the promotion of amateur radio (Fund 4)*

FAG understand that no action has yet been taken here

***Recommendation C2.19: In the event of succession between Treasurers, the past Treasurer is formally requested to bring the current financial year of the Region to a proper closing including a clean audit. The EC should make appropriate arrangements for the transfer of signatory authorities as appropriate, consistent with this Recommendation.***

FAG notes that this process was completed, although rather more slowly than planned

***Recommendation C2.20.1: The EC be authorised to operate the Region to the attached revised financial projections and notes, which are made an integral part of this recommendation, and to take actions on the recommendations in this report as approved by the General Conference***

***Recommendation C2.20.2: Having regard to the revised financial projections, membership dues for the years 2000 through and including 2002 should increase to CHF 1.80 p.a. for licensed members. Should additional increases be deemed necessary and justified during such a period by the EC of the Region in order to meet unforeseen circumstances, this will be only with the approval of the proposed ad-hoc working group and a simple majority of the member societies of the Region duly notified and requested to vote.***

FAG understands that this represents the current position

***Recommendation C2.21.1: It be unanimously agreed and confirmed that the elected currency of the Region be the Swiss Franc***

***Recommendation C2.21.2: It be unanimously agreed that members societies within the European Union, whose national currency has been replaced by the Euro be able to elect irrevocably as from 30 March 2002***

- (a) whether to start transacting their account with the Region in Euro (EUR) or***
- (b) to continue permanently to transact in Swiss Francs (CHF)***

***Recommendation C2.21.3: Should a member society irrevocably elect option (a) then the Treasurer of the Region shall determine as from 30<sup>th</sup> day of March of every financial year the official exchange rate between the Euro and the Swiss Franc to be applied to all transactions entered into during that financial year between the Region and the requesting member society. Such exchange rate shall be communicated to the requesting member society and applied thereon.***

***Recommendation C2.21.4: Invoices shall, in any event, indicate the membership contributions due in both CHF and EUR, regardless of Recommendation C2.21.3 above and members societies shall be free to select the currency of payment on the same basis as in Recommendation C2.12.2***

FAG understands that this will be incorporated in the new constitution

**IARU Region 1 Conference 2002**  
*10-15 November, 2002*

SUBJECT	Financial Advisory Group commentary on Paper C2.4 for the 2002 Regional Conference
SOCIETY	Region 1 Financial Advisory Group

Committee	C2
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## **1 Introduction**

At the IARU Region 1 Conference held at Lillehammer in 1999, considerable discussion took place on the financial position of the Region.

Committee C2 reviewed the financial status of the Region, and made a number of proposals, most of which were accepted by the final plenary meeting of the Conference. The Financial Advisory Group (FAG) was set up at that Conference to “monitor, support and report to member societies on the progress being made in restructuring the Region’s finances and the processes of financial management.”

For the 2002 San Marino Conference, the Executive Committee has submitted paper C 2.4. FAG was not consulted on the preparation of paper C2.4 and so it believes that it should provide some commentary on the proposals in the paper, so that the Conference may have an understanding of the full facts before discussing paper C2.4.

## **2 The proposals in paper C 2.4**

The following paragraphs relate the proposals in paper C 2.4 (in italics) to the original C2 proposals, and add commentary from FAG on its view of the C 2.4 proposals (in bold).

### **Paper C 2.4 recommendation C2.A**

*The IARU Region 1 EC proposes that the General Conference in San Marino 2002 withdraws the recommendation C2.5 (Lillehammer 1999) for the following reason and returns to existing Bye-Law B1.2.1.*

*The amount of CHF 1500 does not cover all the expenses a small society will need to send one representative to a Region 1 General Conference. This contradicts the idea that such financial assistance would inspire smaller societies to take part in the work of IARU Region 1.*

The original proposal stated:

“The Committee considered that some limit should be placed on the level of subsidy provided to delegations under B.1.21 of the Bylaws. It was noted that opportunities might be available for commercial or government sponsorship for such delegates. The level of financial assistance provided under this clause is at the discretion of the EC, having regard to the financial resources available.

Recommendation C2.5: Section B.1.21 of the Bylaws be amended by the addition of the following words at the end of Section B 1.21:

“Subject to the aforesaid, the financial assistance shall be limited to a maximum of CHF 1,500 per delegation””

This was accepted as a standing recommendation but the exact way in which it was to be built into the re-write of the Constitution and Bylaws was to be considered by the Working Group set up to address that subject

**FAG Comment:**

**The FAG believes that this proposal is still appropriate. Firstly, the implication in paper C2.4 is that it is necessary to cover ALL the costs of a delegate for whom financial assistance is provided. The FAG does not agree with this policy. It believes that any financial assistance should cover part, but not all, of the costs of attending the Regional Conferences. The FAG notes that air flights are available between London (for example) and a number of African cities at less than CHF 1,000.**

**Whilst it is not necessarily the case that fares in the opposite direction will be the same, the above gives some indication of the air fare costs likely to be involved**

**Given that there will be additional costs for accommodation at the conference, the figure of CHF 1,500 still seems appropriate for covering the majority of the costs of many delegates from Africa. FAG believes, therefore, that the EC proposal is not appropriate.**

**Paper C 2.4 recommendation C2.B**

*The IARU Region 1 EC proposes that the General Conference in San Marino 2002 withdraws the recommendation C2.11 (Lillehammer 1999) for the following reason:*

- Regular contact with the other two regions has proved to be very productive*
- In view of the improved financial situation, the EC considers it a justifiable expense and liaison with Regions 2 and 3 should be re-activated.*

The original proposal stated:

“The Committee reviewed the volume of travel, noting that there is significant cost involved in travel outside the Region. Whilst attendance at meetings of the AC is essential, the Committee recommends to General Conference that:

Recommendation C 2.11: Attendance of Region 1 EC members at Region 1 expense at the ECs or General Conferences of other Regions is not a justifiable expense at the moment and should be discontinued with immediate effect. Attendance at ACs should be limited to no more than two members of the EC. Attendance at Regional Conferences when held in conjunction with ACs is also justifiable on the same basis.”

**FAG Comment:**

**From the above, it will be seen that 1999 Committee C2 agreed that EC travel should take place to ACs twice per year. This would allow significant opportunities for face-to-face interaction with delegates from other IARU Regional teams and with the IS. Given that the normal practice is for one AC each year to coincide with a Regional Conference, this means that two Region 1 EC members have the opportunity each year to attend two ACs and one Regional Conference. The FAG believes that this is more than adequate for face-to-face interaction. Other interaction can of course take place by e-mail.**

**Paper C 2.4 recommendation C2.C**

*The IARU Region 1 proposes that the General Conference in San Marino 2002 withdraws recommendation C2.12 (Lillehammer 1999) for the following reason:*

- ❑ *It has proved necessary to have the office manager or another person as minute taker to allow for an efficient EC meeting.*
- ❑ *There is no reason to exclude the chairman of the permanent HF Committee and the Chairman of the permanent VHF/UHF/Microwave Committee from the EC meeting, and that therefore, recommendation 1.4.25 Torremolinos 1999) should be reconfirmed.*

The original proposal stated:

“The Committee noted that the costs of EC meetings could be reduced as the meetings were normally attended by the Office Manager as minutes taker, in addition to the Secretary. From time to time, there are also invited guests at the EC meetings, incurring Regional expense.

Recommendation C2.12: Attendance at working meetings of the EC should be limited to members of the EC only. Standing Recommendation 1.4.2.5. (Torremolinos 1990) should also remain in place, so that the EC may invite the Chairman of the permanent HF Committee and the Chairman of the permanent VHF/UHF/SHF Committee to attend EC meetings. It is recommended that the EC give consideration to limiting such invitations to occasions where a written report from these Chairmen would not be adequate.”

**FAG Comment:**

**There are two aspects to the EC proposal. Firstly, it seems to suggest a misunderstanding of the original C2 proposal, as far as attendance of the HF and VHF/UHF/Microwave Committee Chairmen is concerned. The C2 proposal confirms that these should be allowed to attend EC meetings, but suggests that the EC limits their attendance to instances when a written report would not be adequate. The matter is therefore at EC discretion, and does not require that recommendation C 2.12 be withdrawn.**

**The second aspect relates to the need for an office manager at a working meeting of the EC. FAG believes that this is unnecessary, and that the Region 1 Secretary (using a laptop, or tape recorder) should be perfectly capable of taking such minutes as are needed. This is normal practice in other meetings, and the FAG sees no reason to incur extra cost in this area.**

## **Paper C 2.4 Recommendations C2.D/E/F**

### **Recommendation C2.D**

*The IARU Region 1 proposes that the General Conference in San Marino 2002 withdraws the recommendation C2.15, C2.15.1, C2.15.2, C2.15.3 and C2.15.4 (Lillehammer 1999) for the following reasons and reconfirms existing Bye-Law C6.3*

*The EC considers that it is not necessary to amend the Bye-Laws and that instead these conference Recommendations will serve the same purpose. If amendments are necessary in the future it will be easier and faster to amend a recommendation than a Bye-Law.*

*The EC therefore proposes to use Recommendations instead of changes to the Bye-Laws for these matters and proposes the following amendments.*

### **Recommendation C2.E**

*The IARU Region 1 EC proposes to the General Conference in San Marino 2002 that the recommendation C2.15.2 (Lillehammer 1999) is amended as follows:*

*Each year, at the end of February, the secretariat sends out a questionnaire to each member society regarding the number of licensed members. This questionnaire must be returned by the end of March. The EC, immediately after its meeting when it has had the opportunity to review the figures, shall present to all member societies for comment, the Proposed Annual Budget (PAB) and spending priorities for that year. The PAB shall be as much as possible in keeping with the principles of the long-term Budget approved for the relevant three-year period by the General Conference of the Region. However, in proposing the PAB, the Executive Committee shall have reasonable discretion to make changes to the spending patterns, but within the pattern of priorities and spending limits agreed by the General Conference, as well as to propose reasonable amendments and additions to such allocations, should such variations, contingencies and additions be deemed required and necessary to meet the priorities and the unforeseen contingencies, if any, for that current year. The principle shall be maintained, however, that the spending limits set at the General Conference shall not be exceeded other than with the approval of the majority of member societies in the Region.*

### **Recommendation C2.F**

*The IARU Region 1 proposes that the General Conference in San Marino 2002 that the recommendation.15.3 (Lillehammer 1999) is amended as follows:*

*Member Societies shall provide the EC with a reaction to the PAB within one month after the PAB was circulated. This should be a vote in favour or against. A simple majority of those member societies who vote are required to approve any material changes to the spending patterns agreed at the General Conference. The PAB shall be deemed as "not approved" should the simple majority of those member societies who vote, not vote for it. In such event, then the relevant yearly section of the long-term budget shall automatically apply.*

The original recommendations stated:

“The Committee reviewed the budgeting process for the Region. It was noted that efforts had been made to improve the budgeting process over recent years, although paper 3.27 proposed further transparency and member society involvement in the process. The Committee reviewed paper 3.27 and agreed that it should be supported.

Recommendation C2.15: The Committee therefore recommends to the General Conference that the following changes be made to the Bylaws of the Region:

Recommendation C2.15.1: Paragraph B.6.3 should be amended to read: “The long-term IARU Region 1 General Budget shall be proposed by the Executive Committee and approved by the General Conference. The principle of this budget shall be that the income and expenditure of the Region are matched over the budget period.”

Recommendation C2.15.2: A new paragraph B.6.4 shall be added: “Each year, not later than the end of the first month of the new financial year, the Executive Committee shall present to member societies for comment, the Proposed Annual Budget ("PAB") and spending priorities for that year. The PAB shall be as much as possible in keeping with the principles of the long-term Budget approved for the relevant three-year period by the General Conference of the Region. However, in proposing the PAB, the Executive Committee shall have reasonable discretion to make changes to the spending patterns, but within the pattern of priorities and spending limits agreed by the General Conference, as well as to propose reasonable amendments and additions to such allocations, should such variations, amendments and additions be deemed required and necessary to meet the priorities and the unforeseen contingencies, if any, for that current year. The principle shall be maintained, however, that the spending limits set at the General Conference shall not be exceeded other than with the approval of the majority of member societies in the Region"

Recommendation C2.15.3: A new paragraph B.6.5 shall be added: "Member societies shall provide the Executive Committee with a reaction to the PAB within and not later than the end of the second month of the financial year by direct notification of vote in favor and/or against. A simple majority of those member societies who vote are required to approve any material changes to the spending patterns agreed at the General Conference. The PAB shall be deemed as "not approved" should the simple majority of those member societies who vote, not vote for it. In such event, then the relevant yearly section of the long-term budget shall automatically apply."

Recommendation C2.15.4: Existing paragraph B.6.4 shall be renumbered B.6.6 and subsequent paragraphs in this section shall be likewise renumbered.”

**FAG Comment:**

**The FAG has no problem, if the EC believes it more appropriate, for these original decisions to stand in the form of recommendations, rather than amending the Constitution.**

**However, The FAG is seriously concerned about the new EC proposals. If put into effect, the programme for budget preparation for each year would be:**

- End-February: Questionnaire to member societies**
- End-March: Responses received**
- April: EC determines Proposed Annual Budget (PAB)**
- Beginning May: PAB circulated to member societies for comment**
- Beginning June: Comments from member societies on PAB**

**By this time nearly half the year has passed, and there is little opportunity to take action if the budget is not approved.**

**The FAG therefore believes that there are only two options open to Conference on this proposal:**

- a) To eliminate the requirement for the PAB to be approved by member societies**
- b) To operate to a different timescale as follows:**

**Year 1**

- April: Questionnaire to member societies about membership levels**
- August: Questionnaire returned**
- October: EC determines Proposed Annual Budget (PAB) for Year 2**
- November: PAB for Year 2 circulated to member Societies for comment**
- End- December: Comments from member societies on PAB for Year 2**

**This timetable results in approval (or otherwise) of the PAB at the beginning of the budget year, allowing plenty of time for corrective action. It does, however, mean that membership levels and subscriptions are based on the society membership levels one year previously. This should not be a major problem for societies in the Region.**

**Paper C2.4 recommendation C2.G**

*The IARU Region 1 EC proposes that the General Conference in San Marino 2002 withdraws the recommendation C2.15.5 (Lillehammer 1999) for the following reason:*

*There is no need for this change because it is already adequately covered in the Region 1 Constitution and Bye-Laws.*

The original recommendation stated:

“Recommendation C2.15.5: The Committee, noting that there are insufficient member societies represented at the 1999 General Conference to approve a change to the Constitution, suggests that the following proposal be referred to the Working Group set up to review the Constitution and Bylaws of IARU Region 1: Article A.4.1 shall be amended to read: “The Executive Committee is the General Executive and managing body and it shall have full executive powers between General Conferences. These powers may not be delegated, and members of the Executive Committee individually and severally carry the collective responsibility for the proper management of the affairs of IARU Region 1 as defined below (A.4.3)””

**FAG Comment:**

**The FAG can find no overt reference to the collective responsibility of the EC in the Current Constitution, and it was for this reason that Recommendation 2.15.5 was made. The background to the recommendation was that at Lillehammer there had been occasions where shortcomings in the performance of one member of the EC had been used as justification for no action being taken by the EC as a whole on that issue. The FAG believes that the EC as a whole is responsible for the management of the Region’s affairs, and does not believe that it should either delegate its responsibility or seek to avoid its collective responsibility.**

**The FAG believes that recommendation C 2.15.5 from the 1999 Conference should remain.**

**Summary**

The FAG is disappointed not to have had the opportunity to comment on the proposals in paper C 2.4 prior to its publication.

The C2 proposals at the 1999 Conference were made against a background of a financial crisis, and the need to restore sound financial management to the Region’s affairs. The FAG does not believe that the cost control measures taken after Lillehammer, and contained in the report of Committee C2 should be relaxed. Nor should the need to establish proper governance of the Region’s affairs be disregarded.

**Financial Advisory Group**

**June 2002**