

IALA COUNCIL
80th session



24-28 June 2024
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9 – FINANCE AND AUDIT COMMITTEE REPORT

9.1 – 2023 Audited Financial Statements

Note by the Secretariat

1. STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

The audit of the annual account was conducted by the external auditor RSM Paris, based on the financial statements prepared by the French chartered accountant KPMG. The statements are presented in annex 9.1.1.

The consolidated overall result reported in the Income statement is €280,172.

A reclassification of income has been made to comply with the definitions in the accounting regulations. Instead of being recorded as "Lifetime gifts":

- The WWA sponsorships from countries are now recorded under "Public subsidies and operating grants"; and
- The financial contribution from other organisms (IFAN, Trinity House etc...) are recorded under "Financial contributions".

The detailed statutory report on the financial statements (including explicatory notes on provisions, depreciations etc..) is available on the IALA Website.

2. BUDGET FOLLOW-UP

Regarding IALA revenues, 2.6 million euros was received as contributions and K€200 from other sources of income (mainly from advertising sales in the e-bulletin, Secretariat support from the World-Wide Academy and workshop registration fees).

The Organization also received K€1.172 in voluntary contributions for the execution of the World-Wide Academy's activities. Unspent funds are held as a financial reserve in each contributor's dedicated fund for future use.

Concerning IALA's expenses, 87% of the total expenditure budget was used.

In addition, available liquid funds amounted €4,5 million at closing. To take advantage of the rise in interest rates on bank accounts in 2023, short and medium-term financial investments with guaranteed capital were made, giving rise to underestimated financial income of K€111.

The combination of these elements resulted in a positive result for 2023.



2023 INCOME STATEMENT	Budget approved by C77	IALA	%	WWA	Consolidated IALA+WWA
Operating income					
Membership contributions for 2023	2 468 502	2 363 745	96%	0	2 363 745
Contributions in arrear	290 430	270 415	93%	0	270 415
Other income	214 362	218 280	102%	1 253 158	1 471 438
Total	2 973 294	2 852 440	96%	1 253 158	4 105 598
Operating expenses					
Personnel costs	1 723 500	1 511 727	88%	599 408	2 111 135
Operating costs	1 304 900	1 164 595	89%	637 864	1 802 459
Investment costs	76 000	23 781	31%	14 712	38 493
Total	3 104 400	2 700 103	87%	1 251 984	3 952 087
Operating result (from budget)	(131 106)	152 337		1 174	153 511
Financial result	23 000	111 061		(1 174)	109 887
Exceptional result	1 589	31 589		0	31 589
Income tax	3 500	14 815		0	14 815
Total income	3 029 883	2 996 219	99%	1 253 281	4 249 500
Total expenses	3 139 900	2 716 047	87%	1 253 281	3 969 328
Benefit or (loss)	(110 017)	280 172		0	280 172

3. APPROPRIATION OF THE RESULT

The net result for 2023 of €280,172 will be allocated to the capital.

The Reserve of €300,000 made in the balance sheet in 2021 and 2022 has covered all the costs of the IALA Conference in Brazil in 2023 (€251,133). This reserve will be set to zero in the 2024 accounts and will be reintegrated into the capital.

The auditor also recommends that the balance of retained earnings accumulated in the balance sheet, totalling €614,367, be allocated to capital. This account was created in 2019 following the change in financial regulations and is considered as capital.

4. RENEWAL OF THE EXTERNAL AUDITOR'S MANDATE

The mandate of the IALA Auditor, in charge of reviewing the accounts, has come to term in 2023. RSM Paris was appointed by Council 68 for a six-year term from 2018 to 2023 included.

It is proposed to renew the mandate of the existing auditor, **RSM France**, 26 rue Cambacérès, 75008 Paris, for a period of six financial years ending 31 December 2029. When IALA will become an IGO during this period, the mandate of the auditor will automatically end with the winding up of the association.

In accordance with Article 10 of the Financial Regulations of the IGO, it will be up to the new elected Council to appoint an external auditor for a three-year period.

5. THE COUNCIL IS INVITED TO

Note the 2023 Audited Financial Statements, **approve** the proposed appropriation of the 2023 result and **approve** the reappointment of RSM France as Statutory Auditors.