



## Advisory Group on Finance

### Report to Executive Committee

Date 10 December 2017

**Current Members:** Amy Fagan (Chair), Bob Rowe, Nathan Hutting, Marica Kok, Mahmoud Saad, Paolo Sanzo (transitioning to EC Liaison), Ingrid du Toit (Executive Director).

**Purpose:** The purpose of the Advisory Group on Finance (AGF) is to provide a written report to the Executive Committee (EC) with recommendations regarding the IFOMPT income, expenditures, IFOMPT investments, and identification and review of potential revenue opportunities.

#### 2016/2017 Charges

1. Investigate alternative income streams for IFOMPT and provide EC with short and long term strategies to consider. *Progress is slowly being made.*
2. Review subscription structure of IFOMPT and make recommendations for alternative structure and/or fees. *Motions have been developed and initiated a special meeting of MOs for December 2017.*
3. Review discretionary spending of IFOMPT and make recommendations for any appropriate cost-saving changes. *Ongoing discussions on how to analysis the spending, progress is being made.*

## Report to the Executive Committee

The AGF has had two teleconference since last report.

#### Membership changes

- Paolo Sanzo is now IFOMPT' s Treasurer.
- Marcia Nok joins the AFG as representative of smaller MO and previous South African delegate. Her inclusion is supported by South Africa and the EC.
- Egypt RIG delegate Mahmoud Saad accepted the offer to be RIGs representative.

## Review subscription structure

Motions:

- The annual MO subscription fee to be increased to \$2,500 (USD) beginning in 2018.
- The annual RIG subscription fee be increased to \$450 (USD) beginning in 2018.

- The annual MO and RIG subscription fee will be increased at a rate of 2.5% per annum in 2019 and 2020.

Online forum opened on 15 October and closed 29 November. Paolo moderated the forum on behalf of the EC. Interactions from most MOs and some RIGs has occurred. There have been inquiries and concerns raised about foreign currency issues, ongoing MO/ RIG monetary & political issues; overall most MOs have expressed supporting the motions.

The AGF gained information from the ED about the foreign currency concerns and learnt that each year IFOMPT loses \$350-450 in income due to conversion and bank fees. The ED annually reminds the MOs and RIG that they need to assume the responsibility to pay for the bank fees related to foreign currency exchange.

Additionally the ED expressed that a few MO's make payments in instalments which requires additional monitoring, follow up and impact to budget planning.

#### **Recommendations:**

1. EC communicate to all MOs the impact of late and insufficient subscriptions.
2. Propose that a motion be drafted to address the insufficient subscription payments and hold MOs and RIGs accountable for full payment i.e. Any subscription not paid in full or that requires IFOMPT to pay a bank fee with receive payable invoice in the following year which includes the outstanding balance or expense fee.

The AGF continues to investigate the contributions of the subscriptions to IFOMPT income and the budgets' alignment with member benefits and strategic objectives.

#### **Alternative income streams**

In addition to cost saving measure IFOMPT needs to identify alternative income streams to boost its annual income and cover the operational requirements. The charge has receive less focus in the AFG's last two teleconferences.

The AGF discussions have focused on identifying IFOMPT's strengths as means of income production- OMT education and research. Our focus is to identify opportunities to generate frequent smaller valued income that formatively contribute to the income. The AFG notes that this approach is already being up taken by the EC in relation to conference attendance as invited speakers and consultancy on governance and organisational structure.

It is to be noted that AAOMPT has offered to financial support the EC and SC at their annual meeting in Revo, Nevada in November 2018 which will reduce the 2018 expenditures significantly.

Ongoing conversations related to alternative income streams include:

- Advertisement on the website
- Educational offerings

**Recommendation:** Teleconference to discuss marketing and communication strategies, include the ED, AGM and AGF chairs and their EC liaisons.

### **Review discretionary spending of IFOMPT**

The operational expenditures aligned with the activities of the EC and ES are more understood by the AGF through its consultation process. The AFG recognise that the work of both the EC and SC are critical to the strategic objectives and the constitutional obligations. Both committee have been identifying means to manage cost without reducing effectiveness.

Teleconference occurred between Alison Rushton, SC Chair and AGF Chair to gain SC perspective. SC is open to participating in task and cost analysis. Agreed action was for the SC to commence identification of tasks required to review, update and maintain the Educational Standards, those required for international monitoring and those required for MO support i.e. workshops, development.

Plan for Standard committee analysis:

- Investigate the true cost for the development and maintenance of the Educational Standards.
- Investigate the member benefit of IM and the true cost to operationalise the process-national and international perspectives
- Conduct a cost analysis of the Educational Standard committee activities
- Conduct a cost benefit analysis of the Educational Standards.
- Conduct a cost benefit analysis of the IM process.
- Share the evaluation of cost analysis with the MOs to enhance their understanding of member benefit cost effectiveness and efficiencies.

Action: AGF to create a cross walk for the task, functional outcomes and expenses related to SC.

Future plan: performing similar analysis of the EC/ organisation activities and conference.

### **Additional charges for AGF:**

Motions to consider for development for the 2020 AGM

- 1) a constitutional change that would enable the EC to have financial decision control
- 2) IFOMPT take the financial control of the conference; still work with a MO to organise but IFOMPT have the ownership.

The AGF is having regular teleconferences every 4-6 weeks. Next teleconference is 29/30 January 2018

Regards,

Amy Fagan

Chair, Advisory Group for Finance