

Appendix 1 to Council Minutes, Perugia, 2007.

The Audit Committee performed the following functions

- 1.1 Examined a random selection of receipt and bank statements of the IAG account for the period January 2003 to December 2006. The final quadrennial report and interim annual reports had been checked by Hans Borge Nielsen, a firm of authorized public accountants.
- 1.2 Checked the balances appearing in the annual and quadrennial IAG reports.
- 1.3 Examined expenditure to ensure conformity with the 2003-2007 budget as approved at the IUGG General Assembly in Sapporo in July 2003.
- 1.4 Made some enquiries that were clarified by C.C. Tscherning (IAG Secretary General) and Emil Enemærke (Niels Bohr Institute).
- 1.5 Examined the budget for the period 2007-2011.

The Audit Committee makes the following observations and comments on the IAG accounts

- 2.1 The accounts were generally well presented and all expenditure was supported by receipts and bank statements.
- 2.2 The two earlier accounts of IAG are now combined into one (in DKK) as recommended by the Audit Committee appointed by the IAG Council in Sapporo 2003.
- 2.3 The Secretary General has negotiated the bank services as recommended by the former Audit Committee. By choosing an electronic banking service the costs are now considerably reduced. In addition, this solution saves time and thus administrative costs.
- 2.4 During the review period, the IAG made an operating surplus of approximately USD 53.000. This amount is added to the IAG reserve, leaving reserves of approximately USD 83.000.
- 2.5 The Audit Committee found that the IAG had a surplus on the average over the 4 year period on approximately USD 13.000 per year. This amounts to less than 10% of the budget which is generally acceptable. The Audit Committee concludes that the budget estimates are being based on the experience accumulated over the years.
- 2.6 The Audit Committee note that the surplus of 2006 consists of net capital USD 46.732,66 and Other Grants (deposit from IGS) USD 4.977,33 amounting to USD 51.707,99.
- 2.7 The total net capital is USD 83.161,60 and in the official account is USD 88.138,94. This is due to a deposit from IGS that asked the IAG to solve a practical problem on money transfer.
- 2.8 The Administrative expenditures were significantly less than budgeted and the expenditures on Symposia and Scientific Meetings were significantly larger than the budget. The expenditure allocated to this last item was devoted to support the attendance of young scientists to symposia and scientific meetings. The Audit Committee finds this priority in line with the general policy of IAG and IUGG.
- 2.9 There is a significant difference between the budget and the expenditure on Publications that is explained by the change of contract conditions between the IAG and Springer Verlag.
- 2.10 The Audit Committee noted that no discount was given to IAG members at the IAG Scientific Assembly in Cairns in 2005.
- 2.11 The inclusion of the proceedings in the registration fee of the Sapporo IUGG General Assembly led to less registered participants directly under IAG. Several IAG members chose to register as IUGG or other associations in

order to save money. The consequence of this is the decrease of the IUGG allocation to IAG since it is based on the number of attendees registered as IAG affiliates.

The Audit Committee makes the following recommendations

3.1 In order to ensure compliance with international standards of accounting and auditing, it is recommended to continue with a solution similar to the existing one, namely an official auditing company. The costs of the present services are considered a fair price in the market and must be kept at the present cost level whenever possible.

3.2 The budget for grants to young scientists must increase. Further the IAG should make this focus area more visible also in its accounting system and thus make the necessary administrative changes by adding a new post 14.3 Grants to Young Scientists.

3.3 The IAG should not include the price of the proceedings in the registration fees of meetings in order to keep the number of IAG members registered at the IUGG General Assemblies as high as possible.

3.4 The organizers of the IAG meetings should be encouraged to publish their proceedings by Springer Verlag (ref. 2.9) in order to maintain a series of publications with the IAG label and ensuring a high standard as well.

3.5 In order to save both money and administrative costs the IAG should seize to offer the possibility to use payment by checks.

On behalf of the IAG Council, the Audit Committee has the following acknowledgements and thanks

4.1 Carl Christian Tscherming, IAG Secretary General, for his efficient and cautious administration and management of the IAG Central Bureau.

4.2 The Niels Bohr Institute, University of Copenhagen for administrative and other support, notably the secretariat staff.

4.3 The International Geoid Service (Polytechnic of Milano, Italy) and the University of Hannover for providing the International Geoid School notes and the EGG97 CD-ROM, respectively.

Perugia, 6th July 2007

Bente Lilja Bye

Jan Krynski

Joao Torres