

Status Report to the 2018 ISU Congress on the Four Year Plan 2014/15-2017/18

Committee/Commission: ISU Council/Treasurer/ISU Secretariat

Project/Function/Area of Activity: Finance and Accounting

The ISU Council, the Treasurer, Director General and ISU Secretariat have performed activities according to plan and have achieved the results and benefits forecast in the 2014/15-2017/18 Four Year Plan. Since the 2016 Congress, the following areas required and will require specific attention:

The annual auditing of the ISU's financial systems and activity continued to show that the control systems in place are robust and effective.

The ISU Secretariat maintained the necessary summary of Internal Control Systems which is subject to the review of the External Auditors, who confirmed formally that appropriate Internal Control Systems are indeed in place and continuously updated.

During 2016 an Internal Controller was appointed with an initial focus on the monitoring and control of ISU Development Projects. The Council believes that a sound test of each proposed project and related budget is more effective than costly audits of completed projects mandated by the ISU. Such random audits on specific completed projects can merely confirm whether the approved project has been implemented within the approved limits. Such audits however fall short of evaluating whether the different expense items were actually necessary and/or whether more cost-effective options might have been available.

BDO, a renowned Swiss auditing company, has performed thorough audits of the 2016 and 2017 ISU accounts, to its full satisfaction. For the detailed figures, please refer to the Report of the statutory auditor (BDO) on the financial statements for the years 2016 and 2017.

The Treasurer, Director General and the Council follow closely the developments in the financial markets and, if necessary, will make changes as necessary to prevent any kind of financial risk as much as possible. The ISU's investments are based on an investment policy which allows investment only in high class (minimum A3 Moody's respectively A- S&P) interest bearing bonds and short term fiduciary deposits, bought or sold upon advice from the ISU's three banks (Credit Suisse, Banque Cantonale Vaudoise and partly UBS). Investments are made mainly in the currencies the ISU is involved, namely the US Dollar, the Euro and the Swiss Franc.

For more information please refer to the audited Financial Statements 2016 and 2017, the ISU Budget 2016-2018 and the Treasurer's Report to be given during the 2018 Congress.

May 2018