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World Organization of the Scout Movement  
Organisation Mondiale du Mouvement Scout  
Всемирная Организация Скаутского Движения  
Organización Mundial del Movimiento Scout  
المنظمة العالمية للحركة الكشفية

## 40th WORLD SCOUT CONFERENCE 2014

### TREASURER'S REPORT

Thank you, Mr. Chairman.  
Good afternoon, fellow Scouts.

Monsieur le Président, chers Scouts.

C'est la première fois que j'ai le privilège et le plaisir de vous présenter le rapport du trésorier à la Conférence Mondiale du Scoutisme. Ma présentation sera en anglais après ces quelques mots en français. La richesse de notre organisation est sa diversité c'est un avantage d'avoir des présentations dans plusieurs langues.

#### **Income**

To start off with, I want, like my predecessors have done in previous Conferences, to draw your attention to the continuing precarious level of resources currently at the Movement's disposal to meet its objectives and fulfil the role it should be playing as a global and multicultural organization with more than 40 million members.

As I am sure you know, our main sources of funding come from the registration fees paid by National Scout Organizations (amounting to almost half of our total income), from the annual operational grant from the World Scout Foundation (representing about 25% of total income), with the remainder coming from project income and other sources, such as donations, royalties from the World Scout Shop, etc.

As you also know, based on the decision taken concerning the registration fee system at the last World Scout Conference, revenue from registration fees has been frozen for a period of 9 years, which extends to the year 2020, so there is no prospect of that income source increasing during the coming years.

You may also remember that there is a provision in the fee system adopted at the last World Scout Conference to adapt the basic fee rate at each succeeding World Conference by the inflation rate in Switzerland. I am pleased to inform you that, since there was no inflation in Switzerland in the past 3 years, there is no adjustment to the basic fee rate to be proposed to the Conference.

I take this opportunity to remind you, however, that one of the main reasons for freezing registration fees for this period was to encourage NSOs to grow during this period, without fear of having to pay additional fees in the immediate future – and to declare their true membership numbers to WOSM! We know, for example, that some NSOs proudly declare significantly higher membership numbers to their own national and local authorities than they do to WOSM! In the true spirit of the Scout Law and Promise, it would be good to bring more transparency, not to say more honesty, to this process.

One can still hope, even, that if the Movement were to grow fast enough between now and 2020, there would be no real need to increase the per-capita fee at all when the current freeze on registration fees is lifted, and that perhaps it could even be reduced. In the meantime, it remains of paramount importance that NSOs meet their financial obligations to WOSM and I count on your support in that through the regular payment – on time! – of your annual registration fees. The last deadline for the payment is the end of June!

We remain extremely grateful to the World Scout Foundation for its commitment to WOSM expressed in its annual operational grant to the World Scout Bureau. This continues to rise year-over-year and, in the coming year, will amount to 2.8 million Swiss francs.



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The Foundation is also a key player in channelling project funds to the World Scout Bureau. In financial terms, this is predominantly for the Messengers of Peace initiative, generously funded by the Kingdom of Saudi Arabia. We are also grateful to the Foundation for their support in this area.

I should also take this opportunity to express our appreciation to World Scout Shop Limited, our new commercial partner, for the outstanding results they have achieved since they took over the licence to market the World Scouting brand. Since World Scout Shop took on WOSM's supply service, we have seen royalty income to the World Scout Bureau more than double in the first full year of trading and this year's results have more than doubled that figure again. This represents a near ten-fold increase over what was achieved in 2008 following the Centenary Year in 2007. The only previously higher recorded year for royalty income than this current year was the Centenary Year itself, which was naturally exceptional in its nature.

### **Expenses**

The World Scout Bureau continues its best efforts to contain expenses and live within its means, while concentrating its efforts on supporting National Scout Organizations.

As I'm sure you all know, the World Scout Bureau has, in the past few months, been in the process of relocating most of its services from Geneva to a new Office in Kuala Lumpur. Obviously there have been significant up-front one-off costs associated with this move. We are fortunate to have received promises from the World Scout Foundation and other generous supporters to help cover these extraordinary costs which could not be financed from the Bureau's regular operating budget. I should not forget to mention here also the very generous financial support which we have received from the Government of Malaysia to assist us in setting up and equipping our new Office in Kuala Lumpur and to acknowledge the assistance which the Scout Association of Malaysia has also provided in this respect.

I would want to caution, however, that significant net savings in the operational costs of the World Scout Bureau, following the move to Kuala Lumpur, may take a year or two before the new situation stabilises and cost savings become readily apparent. Don't expect to see in the accounts for this year, for example, that the costs of the WSB operations are significantly lower than last year.

### **Annual Accounts/Financial Statements**

Since our World Scout Conference takes place only every three years, and at different times of the year, it is not the practice in WOSM to submit financial statements on the occasion of the Conference itself. Instead, the annual Consolidated Financial Statements and Statutory Accounts of all Offices of the World Scout Bureau, once they have been audited by our External Auditors KPMG, are approved by the bodies which have that authority – the Audit Committee and the World Scout Committee (which is also the General Assembly of the members of the World Scout Bureau Association, our legal body registered in Switzerland). The annual accounts are then published on the scout.org website and are also distributed to NSOs.

### **Assets & Liabilities/Balance Sheet**

I want to come back again to what I said at the beginning. The financial situation of the World Scout Bureau is not strong. The Bureau must manage its cash flow situation very closely to ensure that funds come in at the right time to pay salaries, bills etc. The Bureau does not have any significant cash reserves or other current assets to enable it to fund expenses when the corresponding income comes late. I appeal, therefore, to all those concerned to pay their obligations to the World Scout Bureau, whether that is NSO registration fees or other funds such as project monies, in a timely manner.

You will see on the graph on the screen that our income and expenses were well managed in the last three years, but the funds are tight.

Let me move on now to speak briefly of two other matters: first, our volunteer committee structure dealing with financial matters, and second, Risk Management

### **Volunteers & Committees**

I want to pay tribute at this time to the work that is carried out by the two subcommittees of the World Scout Committee that deal with money matters: the Finance Committee and the Audit Committee.

These committees, in the past triennium, have been ably led by Dan Ownby and by Martin Burbridge respectively. I pay tribute to them, and to their committee members, for their work in the past three years.



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I also want to express my thanks to Ian Langford-Brown, who has served for several years as the World Scout Bureau's internal auditor, reporting to both the Secretary General and to the Audit Committee. Ian is approaching the end of his mandate. He is not attending this Conference but it would be remiss of me if I did not, on behalf of the World Scout Committee and the World Scout Conference, express our thanks and appreciation to him for his very helpful work during these recent years.

Ian has also been one of our Joint Chief Risk Management Officers, along with David Bull, and I would like to say "thank you" to both of them, and also say a few more words about Risk Management.

### **Risk Management**

In today's world, "risk" is something that we all have to deal with. It is an important element of governance of any organisation, and WOSM is no exception.

The two Joint Risk Management Officers of WOSM, Ian Langford-Brown and David Bull, working in close collaboration with the Audit Committee, have drawn up a comprehensive Risk Register for the World Scout Bureau. The Secretary General and his Senior Management Team are now appointing "Risk Champions" in each Office of the World Scout Bureau to ensure that the risks which have been identified, or which may emerge in the future, are properly dealt with.

Risk can, of course, be financial but, these days, can also be risk to reputation. It is incumbent, therefore, on all leaders of WOSM, both volunteer and professional – and, indeed, leaders of NSOs – to be conscious of the possible repercussions of any action which they may take – or fail to take – in the conduct of their activities. In the triennium coming to a close, there were a number of occasions when concerns about the risk to the Scout Movement's reputation arose and I just want to take this opportunity to "wave a small flag" to all of you, both here in Slovenia and back home, to think of the possible risk implications for the Movement whenever actions are taken that may have consequences elsewhere.

### **Conclusion**

Mr. Chairman, I consider it an honour and a privilege to have been appointed, by the World Scout Committee, as the WOSM Treasurer. I would like to conclude my first report as Treasurer by thanking the World Committee for its confidence and I look forward to continuing to serve the Movement in this capacity.

**OLIVIER DUNANT**  
Treasurer, OMMS