

IUC - Budget 2024

	Budget2023	Final Accounts 2023	Revised Budget 2024	
1111	Incoming balance 1 JANUARY	119869	119869	140010
1114	Incoming balance Ministry scholarships	18184	18184	11949
1115	Incoming balance IUC scholarship	11982	11982	11117
1116	Incoming balance Earmarked funding	6432	6432	6259
	TOTAL INCOMING BALANCE 1 JANUARY	156467	156467	169335
INCOME				
3211	Membership fee payments	24000	22394	23000
3211	Course fee participants	30000	27515	31000
3211	General course fee	22000	20185	23500
3211	Conference fee	15000	19475	18000
3211	General conference fee	1000	850	1200
3511	Grant from Ministry - operation	25000	25000	28500
3512	Grant from Ministry - scholarships	75000	75000	86500
3541	Witea id	8000	7680	0
3551	IUC scholarship/ Donation	1000	970	1000
3552	rate different		7774	0
3552	Marija i Mirjan scholarship fund	10000	3488	10000
3550	Earmarked funding	2000	6880	3500
3612	Other refunds	500	1473	1000
	TOTAL INCOME	213500	218684	227200
EXPENDITURES				
4261	Office material	6500	4804	6000
4222	Travel expenses	7000	4081	7000
4223	2 Executive Committee meetings	4500	3160	4500
4224	DG Allowance	2000	0	2000
4232	Scholarships Ministry	75000	81235	86500
4232	Scholarships IUC	4000	1835	3000
4233	Marija i Mirjan Damaška fund	10000	3738	10000
4251	Post & teleservice, internet	6000	4203	5500
4252	Web development	4000	599	2000
4264	Equipment	4500	2943	5000
4264	Cont. Building Investment	0	200	6400
4253	Printing	3000	2465	2500
4257	Accounting services	12500	12036	14500
4257	Staff	12000	16346	18000
42572	Student help		4568	5000
4259	Miscellaneous	3000	899	2000
4255	Transfer to University of Zagreb*	26000	16399	36000
4294	Registration fee	500	268	500
4295	Social events, guided tours etc.	19000	17351	23000
4431	Bank fees	2000	1369	1500
4431	exchange rate		7774	0
4511	Earmarked projects	12000	14567	17000
4512	IUC visibility, incl. book	8500	4200	8500
4554	Anniversary IUC-a	0	0	0
4259	Online course working papers	500	766	1000
	TOTAL EXPENDITURES	222500	205806	267400
	Balance surplus/deficit	-9000	12878	-40200
	OUTGOING BALANCE 31.12	147467	169335	129135

*Due to difficult system of fees it is difficult to foresee the exact financial implication of the new contract with Uni Zg

IUC FINAL ACCOUNTS AND OPERATION 2023

THE AUDIT OF the final accounts for 2023 was undertaken on site at the IUC during the days of 4 and 5 March 2024. Like the previous years, meetings and conversations regarding the planning and execution of the financial operation were held with the IUC Accountant and the IUC Executive Secretary. The objective of the visit was to check, and review, the accounting procedures of the IUC by way of a general audit of the final accounts for 2023.

THE REGISTERS OF all sub-items in the IUC accounts were presented during the audit and continue to demonstrate that IUC bookkeeping is, as it has been through the years, performed in a highly professional manner. Without advance notice, the elected auditor requested to look at receipts for 11 payments from 2 sub-items (4223 and 4264)* – completely randomly chosen in the moment by the elected auditor – from the detailed accounting ledgers. All original receipts were found, presented, and verified to be 100% accurate. As for 4264 (Equipment), all material was accounted for.

IN SUMMARY – based on the audit performed – it is the assessment of the elected auditor that the accounting and financial reporting at IUC are excellent, and handled in a meticulous and impeccable manner, as always by the IUC accountant and the staff in the IUC office.

THE BUDGET APPROVED by the Executive Committee (EC) for the fiscal year 2023 projected a deficit of EUR 9 000. Nonetheless, the financial result of 2023 was surprisingly much better than projected, with a surplus of EUR 12 878.

THE SURPLUS/DEFICIT of the IUC operation during the last 7 years demonstrate that there – for some reason (or several) – most of the time is a significant discrepancy between the budget and the actual financial result, as shown in the table below.

FINANCIAL RESULT OF IUC OPERATION 2017-2023:

	2017	2018	2019	2020	2021	2022	2023
Projected financial result	-17300	-31358	726	-32300	-46490	-50240	-9000
Accounted financial result	8418	8580	1846	-8633	28796	-7358	12878

IT IS NOT EVIDENT for the elected auditor what the explanation(s) and factors behind this phenomenon are. One hypothesis could be that plans/investments decided upon by the IUC Executive Committee, are not rapidly implemented, not fully sanctioned and/or simply delayed.

THUS, THE INCOMING balance of the IUC as of 1 January 2024 was EUR 169 335. This is the largest incoming balance of the IUC in the last 7 years, as shown in the table below.

	2017	2018	2019	2020	2021	2022	2023
Outgoing balance 31.12.xx	124817	133235	141815	143661	135027	163823	169335

* 4223 is 'EC Meetings', and 4264 is 'Equipment'.

REGARDING THE IMPORTANCE of IUC ‘investing in its future’ – actions that the elected auditor has recommended over the last 2-3 years – the high amount of accumulated unds in the IUC account at the end of every year create an impression that much more could have/can be done, especially given the rather positive financial room for maneuvering. It is the opinion of the elected auditor that actions in order to seriously secure the future of the IUC as a relevant and important entity of advanced studies, cannot be further postponed without putting the destiny of the IUC in peril.

COMPARED TO 2017, and after the pandemic, the IUC’s funds are almost 36% higher in 2023 than they were in 2017. The IUC Executive Committee have, and has had for a while, a lot of ‘financial room’ for implementing various plans, thus lifting the IUC to new and important levels of being and important actor, with real impact, as a home for academic freedom and advanced studies in Croatia, the region and in Europe.

IN TERMS OF number of participants in IUC activities, 2023 had 441 fewer participants than the year 2022, a decline of 18%. Of the 2005 participants in 2023, 193 were online participants, as compared to 450 in 2022. Thus, the explanation for fewer participants is partly due to fewer online participants. The pros and cons of this development should be reflected on.

PARTICIPANTS IN IUC ACTIVITIES BY YEAR (2015-2023):

2015	2016	2017	2018	2019	2020	2021	2022	2023
1717	1946	1926	1965	1995	606	1534	2446	2005

IUC CONFERENCES AND COURSES (2022-2023):

	2022	2023	DIFFERENCE
NUMBER OF CONFERENCES	19	18	-5%
NUMBER OF COURSES	37	37	0

THE ELECTED AUDITOR continues to be very impressed by the high activity of the IUC and thinks that the staff in the IUC office deserve a gargantuan commendation for their hard work! Nevertheless – and as repeatedly commented upon, to the point of boredom, in the elected auditor’s previous reports – it is difficult to understand how the staff are managing this workload and how this is sustainable in the long run. Given that the work in the office is highly specialized and, consequently, it takes time to train new personnel, the situation with continuous high-pressure workload among IUC staff continues to pose a significant risk for the IUC operation. The authorities of the IUC should find a sound solution to this challenge at the most urgent opportunity.

DURING 2023 A total of 46 institutions paid their annual membership fee. This is the same number of paying institutions as in 2022.

AGAIN, IT IS still the view of the elected auditor that, arguably, the most ‘cost efficient’ way of further consolidating the economy of the IUC is to increase the paying members from the current (approx.) 37% to at least 50%.[†] If 50 percent (62 institutions) of the IUC members indeed paid the membership fee of EUR 500, that would give the IUC an annual income of EUR 31 000 for its operation.

[†] The number of IUC member institutions used here is calculated (from the list of Membership Fee Payments) to be 124.

ONE COULD ALSO get some extra income by increasing the conference fee with EUR100, as well as the course fee with EUR100. A formal decision on such an increase, must be sanctioned by the IUC Executive committee.

BASED ON THE CURRENT financial situation of the IUC, the elected auditor puts forward the following recommendations (the first three were suggested in the 20222 report) for careful consideration and deliberation by the IUC Executive Committee:

- ❖ Generally: make a strategic *operational* plan for investing around EUR 50 000 (32%) of the current financial balance within the next 2-3 years. These should be invested – in a coherent and responsible manner – in activities that can contribute to boost the academic output, profile, visibility, and recognition of the IUC as a relevant and solid center for advanced studies in Croatia, in the region, and in Europe.
- ❖ Concretely: evaluate the tasks undertaken by staff at the IUC office as well as the workload. Which tasks are important; is the office properly staffed given the high volume of activities; are there important things that should be done that (due to lack of capacity) are neglected; are there functions that can, reasonably, be offloaded/outsourced, etc.?
- ❖ Concretely: consider how the IUC can take better advantage of its web page, social media, and other electronic instruments as tools for the goal of expanding academic- and educational activities.
- ❖ The IUC should make an effort to be more visible at their member institutions and also in the wider academic community in Europe, including stakeholders in the European Union, the networks of European universities and among donors.
- ❖ The IUC should also make a serious evaluation of which institutional arrangements with relevant institutions, and cooperations with relevant actors, will be most beneficial to the future mission of the IUC.

FINALLY, THE ELECTED auditor is under the impression that the decision made by the IUC Executive Committee in its October 2023 meeting about immediately starting to make, and execute, an operational plan for investing in activities that enhances the academic output and profile of the IUC has been put on hold. It is with not little bewilderment that the elected auditor is witnessing this development. This, since it is difficult to understand the mechanisms that results in formal decisions of the IUC Executive Committee not being acted upon by the responsible actors.

IN CONCLUSION, it is the assessment of the elected auditor that the IUC should immediately cease on the various opportunities and 'invest in the future' of the IUC, given the current financial 'room of opportunities' for thoughtful, strategic long-term actions in order to secure a relevant and prosperous future for the IUC.

Bergen/Dubrovnik, May 2024
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