

2006 VERIFICATION COMMISSION

Present: Mr. Lakhdar Mazouz, chairman
Mr. Don Schultz

* Mr. Gelfer resigned from the Commission because of his appointment on the FIDE Triumvirate.

** Mr. Nigel Freeman resigned from the Commission because of his candidacy as FIDE Treasurer in the 2006 FIDE election.

After examining the 2005 accounts submitted by the Treasurer, Mr. David Jarrett, the VC is pleased to report that FIDE finances seem to be in a healthy state.

Specific recommendations follow:

- 1) **Insurance:** The commission recommends that FIDE review its insurance policies with particular attention to liability coverage to events and projects outsourced to national federations or third parties.
- 2) **Cash Flow:** FIDE institute a system of categorizing all flow of cash in and out, and prepare cash flow reports on a quarterly basis.
- 3) **Budget Requests:** Commissions should be required to submit budget requests in a timely manner so that they can be included in the overall budget prepared by the Treasurer.
- 4) **Multi Year Budgets:** In addition to the annual budget, Fide should develop a medium term budget over a period of 3 to 5 years.
- 5) **Cash Assets:** Currently there are substantial FIDE assets retained in cash. FIDE should investigate ways to increase income form this liquid asset.
- 6) **Tournaments and Other FIDE Events:** To get a better handle on the value of its major events and to provide full information to those national federations interested in bidding for them, FIDE should require a post-event statement from the organizer showing as much detail as possible.