

REPORT OF THE COMMITTEE FOR FINANCE

I. RECOMMENDATIONS FOR ACTION BY THE COUNCIL

1. With reference to the AMENDED POLICY ON RESERVE FUNDS (Fincom Exhibit 5.3)

It is

RECOMMENDED: to approve the amended Policy on Reserve Funds.

2. With reference to the LWF MEMBERSHIP FEES 2017-2018 (Council Exhibit 10.1)

It is

RECOMMENDED: to approve and adopt the LWF Membership Fees for 2017 - 2018.

3. With reference to the LWF CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015 (Council Exhibit 16.1)

The committee studied the LWF Consolidated Financial Statements as at 31 December 2015

It is

RECOMMENDED: to approve the LWF Consolidated Financial Statements for the year ended December 31, 2015, and

To approve the Financial Statements of the Department for Theology and Public Witness, Department for Mission and Development, Department for World Service, Department for Planning and Operations and General Secretariat for the year ended December 31, 2015.

4. With reference to the APPOINTMENT OF THE LWF AUDITOR FOR YEAR 2016 (Fincom Exhibit 8)

It is

RECOMMENDED: to approve the PricewaterhouseCoopers SA as Auditors for the LWF accounts in 2016.

5. With reference to the LWF STRATEGIC PRIORITY AREAS 2017- 2018 (Council Exhibit 12)

It is

RECOMMENDED: to approve the LWF Strategic Priority Areas 2017 – 2018.

to add a 5th cross-cutting theme on theological reflection and formation.

6. With reference to the LWF BUDGET 2017 (Council Exhibit 12.1)

It is

RECOMMENDED:

To approve the LWF Budget for 2017 with expenditure of EURO 146,960,000

To charge any possible deficits against the reserves of the respective departments

To authorize the LWF Communion Office to fundraise for the LWF Budget as presented in Council Exhibit 12.1

To authorize the Meeting of Officers to approve adjustments to the budget at its next meeting as necessary

II. ISSUES FOR DISCUSSION BY THE COUNCIL

Proposal for a reorganized LWF governance to support future sustainability of the LWF and its Communion Office (Exhibit 9.6.2)

- The Finance Committee is concerned with the proposal to reduce the size of Council to 35 members without understanding the implications on representation of regions, gender and youth or having considered the implications for financial support that might outweigh the expense reductions. The Finance Committee recommends a revised change that there be a range of Council members between 35 to 50 in order to allow further study.
- The Finance Committee recommends specific reference to resource mobilization to clarify its intended location and expressed a preference that it remains with the Finance Committee.

Exhibit 9.6.1

- The Finance Committee believes that the incoming Council should be given sufficient time to become familiar with the LWF. It is recommended taking the decision on office relocation at the council meeting in June 2019 (i.e. one year later than proposed).

III. ISSUES DISCUSSED BY THE COMMITTEE - FOR INFORMATION TO THE COUNCIL

Report of the General Secretary (Council Exhibit 9)

The Finance Committee was grateful for the report of the General Secretary and took time to consider its contents.

1. Projecting a sustainable LWF and its Communion Office (Council Exhibit 9.6)

The Finance Committee affirms the request to continue to support the Endowment Fund. The Committee suggest that a more formal link is made in governing documents, including that the Chair of the Finance Committee or designee be appointed as an adviser to the LWF Endowment Fund Board.

2. Deciding a future model and adequate location for the LWF Communion Office (Exhibit 9.6.1)

Point 4 on page 2 on the criteria to be considered: Cost implication should be ranked as first priority when considering the location of the communion office since this is the reason behind the consideration.

The Finance Committee wishes to be involved in the process and would suggest having a member of the Finance Committee included in the relocation task force.

3. **The LWF 12th Assembly Fees:** The Finance Committee received an update on the Assembly finances. The Committee continues to encourage the member churches to fulfil their commitment and contributions to the Assembly.
4. Full allocation of **Central Services** is a key component for the financial sustainability of LWF. The Finance Committee encouraged full allocation of operational services to be incorporated in the 2018 budget process.

IV. ISSUES REFERRED TO THE FINANCE COMMITTEE

1. On the LWF Strategic Priority Areas 2017-2018

The Committee for Theology and Ecumenical Relations (CTER) discussed the LWF Strategic Priority Areas 2017 – 2018 as presented in Council Exhibit 12. The Committee endorsed the LWF Strategic Priority Areas 2017 – 2018, with the addition of the fifth crosscutting theme, theological reflection and formation.

The Committee for Mission and Development (CMD) discussed the LWF Strategic Priority Areas 2017 – 2018 as presented in Council Exhibit 12. The Committee endorsed the LWF Strategic Priority Areas 2017 – 2018.

The Committee for World Service (CWS) discussed the LWF Strategic Priority Areas 2017 – 2018 as presented in Council Exhibit 12. The Committee endorsed the LWF Strategic Priority Areas 2017 – 2018.

The Standing Committee for Communications endorsed the LWF Strategic Priority Areas 2017 – 2018.

2. Report on the Implementation of the COOP 2015

The Committee for Theology and Ecumenical Relations, the Committee for Mission and Development, the Committee for World Service, and the Standing Committee for Communications endorsed the Report on the Implementation of the Communion Office Operational Plan 2015 (Exhibit 9.1), with appreciation.

3. LWF Budget 2017 and Program and Budget Overview 2017

The Committee for Mission and Development discussed the LWF DMD Program and Budget Overview 2017. The Committee endorsed for approval the LWF DMD budget of EUR 6,809,900 for 2017 as reflected in the Council Exhibit 12.1.

The Committee for Theology and Ecumenical Relations endorsed the LWF DTPW budget and the Program and budget overview in the amount of Euro 2,423,900 as reflected in Council Exhibit 12.1.

The Standing Committee for Communications endorsed the LWF Budget 2017 and the Program and Budget Overview 2017 of the Office for Communication Services in the Department for Planning and Operation in the amount of EUR 993,200 as reflected in Council Exhibit 12.1.

The Committee for World Service endorsed the World Service budget 2017 with the corresponding 2017 Program and Budget overview.

Information was received from the Committee for World Service that, given the considerable growth of the Department for World Service, it recommends that a qualified accountant be appointed, on a voluntary basis, to provide the Committee for World Service and Global Finance Coordinator with financial advice as may be necessary.

The Finance Committee discussed that this specific action could be handled by the normal process for appointment of advisors by the Nominations Committee.