The Chartered Institute of Logistics and Transport

Minutes

International Audit Committee Meeting
Thursday 11th January 2018
East India Club London

Present

Present:	Name	Position	Initials
	Kevin Byrne	President	KB
	Stephen Rinsler	Hon Secretary	SR
	Andrew Weatherill	Director of Finance	AW
	David Pugh	Hon Treasurer	DP
	Jan Steenberg	IVP (UK)	JS
	Rupert Nichols	Hon Solicitor	RN
	Keith Newton	Secretary General	KN
Telephone	Mike Pestereff	IAC Committee	MP
	Graham Harrison	IAC Committee	GH
In Part	Michael Turner	Investec	MT

No.	Item	Action
1.0	**Welcome** DP welcomed members to the meeting.	
2.0	**Investec Report** Michael Turner led the meeting through an Investec presentation. The meeting confirmed the risk strategy was appropriate for the organisation. The meeting noted the capital withdrawal made in 2017 and AW stated it was unlikely that we would need further withdrawals in the short term. DP stated that we were conscious of the good management of the portfolio and appreciative of this. Trustee training by Investec took place periodically and MT agreed to advise all of the upcoming dates.	MT/AW
3.0	**Review of the Minutes of the previous IAC meeting on 12th October 2017** The meeting minutes were accepted as a true record of the meeting.	
3.1	**Matters Arising** Item 3.4 KN wished to record that the Aspire contributions for 2018 had been approved at £15k for 2018 at the October COT meeting. That meeting approved £3k to be made available for the Uganda students that left £12k for Aspire funding in 2018. Item 3.2 License Fee Status & Cap – following the last meeting agreement an adjustment of £19022 had been included in the 2017 International accounts to reflect 2015 -16 license fee	AW/KN

	accruals made by CILT UK and recognised by CILT International.	
4.0	**Ireland Education Accounting**	
4.1	KN updated the meeting of the dialogue with CILT Ireland and their audit committee and executive. The Ireland executive had advised that they were not prepared to transfer the certification task as requested by International in May, June and September 2017. KN then had served notice for the complete withdrawal of the Finance tasks on 19th December 2017. GH had advised KN of the audit committee concerns regarding process adherence and KN had requested a documented account of these claims prior to this meeting. This had not been received. MP stated that the original reasons for using Ireland had been the policy of using other countries other than the UK to provide services and those original reasons had moved on. Nevertheless, Ireland should be properly compensated for the cost of the move. SR stated that the original principle for using Ireland no longer stood and supported the change for business reasons. The committee agreed that the IAC support the move of processes by June 30th 2018 and supported an independent process audit in executing the change. KN will execute with support from the CILT Ireland executive, AW and the UK / International finance team.	KN/AW
5.0	**Management Accounts 2017** KN advised that the education income was on forecast and ahead of budget and the surplus was expected to be close to forecast of £25k. AW updated the meeting on the VAT status. The consultants had confirmed that CILT "International" are not eligible to be part of the VAT Group. RN said the IAC needed to be guided by DP and AW. There are a number of options but the simplest, cleanest and lowest risk option is to remove International from the VAT Group with effect from the end of the last quarter (12/2017) and make any necessary disclosers, payments and corrections. This is expected to result in £30k of unpaid VAT plus professional fees for the management of the disclosure with HMRC and the mitigation of penalties. As the error is neither deliberate nor concealed, the penalty is up to 30% of the tax due. As the disclosure to HMRC will be unprompted, we will help HMRC work out the tax due and give access to HMRC to check the figures then it is anticipated that a full mitigation of penalties should be achievable. DP and AW to make a finalised report to the IAC and the Trustees.	AW / DP
6.0	**Budget 2018**	
6.1	The draft required further education bottom up detail and country fee information and would be made available for final approval at the March 1st meeting.	KN
7.0	**Any Other Business** No further items were raised	
8.0	**Date of Next Meeting** The next meeting will be held at GS1 in London on Thursday 1st March 2018	

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