



Minutes International Audit Committee

Thursday 20th September 2018; 10:00 BST
Teleconference / GS1

Present

Present:	Name	Position	Initials
GS1	Kevin Byrne	President	KB
	David Pugh	Honorary Treasurer	DP
	Keith Newton	Secretary General	KN
	Andrew Weatherill	Director of Finance	AW
Teleconference	Graham Harrison	Committee Member	GH
	Mike Pestereff	Committee Member	MP
Apologies	Rupert Nichols	Honorary Solicitor	RN
	Stephen Rinsler	Honorary Secretary	SR

No.	Item	Action
1.0	Welcome DP welcomed members to the meeting.	
2.0	Minutes of Meeting on 17th May 2018 The minutes were accepted as a true reflection of the meeting	
2.1	Matters Arising Item 5.0 – VAT situation. AW updated the meeting that Mazars had reported back and disclosures had been made to HMRC. HMRC had raised some questions. There was a potential that the settlement may be less than the provision & we expect resolution by the end of September. This will enable the VAT September quarter to report (due by 7 th November). DP asked if there were any worrying questions from HMRC. AW stated that there was a membership question, which could be considered a risk if our membership receipts from countries was questioned but the risk was low. MP noted that the capitation fee was based on membership numbers from countries. AW noted that Mazars had provided a good & comprehensive recommendation. Item 3.0 KN reported that the process for Barclaycard signatures as requested in the audit had immediately been changed and a 2 nd signature sought where required.	
3.0	2017 Accounts	
3.1	DP & KB signed the completed accounts and report and SR signed at the later Trustee meeting. Both signed papers to be held on file.	

4.0 2018 Accounts YTD & Forecast

KN advised that a Forecast 6+6 had been completed with a marginal drop in the surplus from £20k to £18k. There were two main cost additions – a provision of £5k for the Ireland transfer costs which were notified but would be challenged and a £7k provision for the Southern Africa visit made in August / September by Teete Owusu-Nortey on the request of International. These costs had been offset by other savings and income YTD was on track to budget.

DP asked AW for an update on the issues arising on Education monies and the reporting and banking. DP referred to the note from Jan Steenberg requesting the issues were closed as soon as possible. AW stated that the current position was that all transactions since the move from CILT Ireland had been entered (invoices & cash). Statements had been sent to Zoe and the completed statement with all invoices and receipts would be completed and sent to Zoe by next week. AW explained that the reasons for delay were due to the Navision product. The organisation that supports us had on into a CVA and a delay in then finding a replacement had resulted. GH noted that when in Dublin they had said that money was still coming into their account. KN agreed to check this and if necessary reminders would be sent to providers but the account held open. Overall AW was confident issues would be closed out next week. KN stated that the 6-week absence of any debt chasing could be related to the lack of income in the month to date and therefore reports were vital to be restored.

AW /
KN

5.0 Accounts Alignment

DP referred to the recommendation to the Trustees in May that the accounting dates for UK and International accounts should be aligned to the end of September. He proposed this was done from September 2018 and the meeting agreed. AW stated that the initial step was a communication to the Charities Commission in the January 2019 return. AW advised retaining the 6+6 forecast and building then a 2019 budget based on the remaining 9 months. AW has advised Mazars to begin the audit in November with fieldwork in December and a review in January 2019.

DP also recommended that we move from 1st October 2018 to a new accounting policy for revenue recognition. This proposed that International accounts continue to recognise country subscription income on a cash received basis but for education and any events income, these would be consistent to the current CILT UK policy. This policy would be that recognition of income would be from the start of the activity period. For International education receipts, this would assume that the invoice date is the start of the activity and the revenue is therefore recognised at the point of raising the income. KN advised that the invoice is created at the point of student registration and therefore is consistent with the start of activity. GH supported the change and pointed out the importance of process and accountability to ensure education income was properly managed and accounted for. The meeting agreed to recommend both changes to the Trustees.

DP /
AW /
KN

6.0 Risk Management

DP & AW talked through the process and papers from the similar process in CILT UK. AW stated that it was important that we demonstrated to the auditors that progress is being made on this issue. AW stated that we should have a risk register linked to our key objectives with rank and level of risk recorded.

KN/AW
DP

DP requested that a risk register be produced for high-level review at the December Trustee meeting. It was agreed that Risk is a trustee owned subject and should be on the December Trustee meeting agenda. IAC would support the actions necessary. KN/AW/DP to enable.

7.0 Any Other Business

None raised.

7.0 Date of Next Meeting

Thursday 13th December 2018 at GS1 or Network Rail – venue TBA.

It was agreed because of the clash between the UK Board meeting and the IAC meeting that the IAC would be held at 10am and DP would dial in and chair from Corby.
