



# Minutes International Audit Committee

Wednesday March 6th, 2019; 11:00 GMT  
Teleconference / Waterloo

## Present

Present:	Name	Position	Initials
Network Rail	David Pugh	Honorary Treasurer	DP
	Andrew Weatherill	Director of Finance	AW
	Stephen Rinsler	Honorary Secretary	SR
	Jan Steenberg	IVP UK	JS
	Keith Newton	Secretary General	KN
Teleconference	Ashleigh Lopia	PA to PH	AL
	Graham Harrison	Committee Member	GH
	Mike Pestereff	Committee Member	MP
Apologies	Sir Peter Hendy	President	PH
	Rupert Nichols	Honorary Solicitor	RN

No.	Item	Action
1.0	<b>Welcome</b> DP welcomed members to the meeting. PH & RN sent their apologies and AL was invited to attend the meeting on behalf of PH	
2.0	<b>Minutes of Meeting on 13<sup>th</sup> December 2018 &amp; 18<sup>th</sup> January meeting</b> The minutes of the meetings were approved as being an accurate reflection of the meeting.	
2.1	<b>Matters Arising</b> <b>Item 2.1 from December</b> – VAT situation. AW advised that the VAT position had been finalised. An excess of £10k would be released from accruals towards the end of the 2018-19 financial year. AW reported that the Mazars approach had succeeded. CILT International was no longer in the VAT group. SR asked if VAT invoices go through with the gross amount and AW confirmed this. AW stated that the only CILT UK charges which are exempt from VAT are those from the Awarding Organisation. <b>Item 4.0 from December.</b> CILT Kazakhstan project for DAI in the Central Asian Republics. KN advised that to bring income into the UK incurred a 20% rate of tax although this would be reduced to 15% if the right documentation could be got from HMRC. AW following up. KN shared the project and risk management approach being used and the split between CILT International and CILT Kazakhstan responsibilities as defined in the project plan and charter. It was asked by MP & GW what exchange rate had been used for the project. <b>Item 4 e) from the January meeting:</b> KN queried the minute where KR recommended a move to current payment terms to payment in advance. KN said clarified the understanding of the payment terms in International for education invoices which were	AW/KN

based on invoices being raised when a student was registered at the start of their course with 30-day payment terms.

<b>3.0</b>	<p><b>Budget 2018 - 19</b></p> <p>KN advised the meeting that the transfer of sound numbers into the International accounts had not been completed in time to produce the Budget presented to the meeting. Numbers had been verified and changed in January by the CILT UK team after Carole Stephenson had left. The result was the budget was based on December income in education that was then reduced and adjusted in the January accounts presented in February after the Budget had been produced. KN recommended that a re forecast be now undertaken. The meeting agreed that this should be based on the February accounts and be a 5 + 7 forecast.</p> <p>AW stated that the charity had a structural deficit for this years' forecast (adjusting for the change in accounting policy), the previous 12 months and for a number of preceding years as per the published accounts". The numbers were not presented to the meeting.</p> <p>SR stated that CILT UK had had a very large license fee for the past three years and that there had not been education investment. AW stated that CILT UK had not passed on all the charges to CILT International.</p> <p>DP questioned whether we get the service we need and KN raised his concern that the accounting service was a reporting service only and did not meet the needs such as the Kazakhstan project where financial advice was needed.</p>	AW/DP /KN
<b>4.0</b>	<p><b>January Accounts</b></p> <p>KN advised of the need to have a few more months understanding of the impact of income education now being reported rather than cash received, and the January numbers were lower than plan. KN explained now the process of reporting debtors on a weekly basis and the improvements made in debt since September 2018.</p>	
<b>5.0</b>	<p><b>International Accounting and the Review of legislative and policy changes.</b></p> <p>DP outlined the risks of within International where most of the Secretariat operating as self-employed or consultants. DP recommended a review and AL offered support from Network Rail through PH's office. This would be independent to the organisation which was a requirement to complete successfully. KN to plan with AL support.</p> <p>Authority levels for International expenditure had not been formerly reviewed for some time and a proposal made by KN for the meeting was discussed. The levels for KN at £10k and for Jon Harris at £3k would be taken to COT but the meeting agreed to defer the other approval level decisions. These would be discussed further in conjunction with the employment task.</p>	KN/AL
<b>6.0</b>	<p><b>Any Other Business</b></p> <p>No other business was raised.</p>	
<b>7.0</b>	<p><b>Date of Next Meeting</b></p> <p>Wednesday 16<sup>th</sup> May 1200hrs BST at Network Rail Offices, Waterloo, London</p>	

**Dial in (UK Callers)**  
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**Participant code**

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