



## MINUTES ICAR BOARD FINANCE SUB COMMITTEE (FSC)

DATE 24<sup>TH</sup> APRIL 2018 CONFERENCE CALL

TIME 14H00 TO 15H00

Attendees: Neil Petreny (Chair), Laurent Journaux, Niels Henning Nielsen, Josef Kučera, Martin Burke (CE) and Elena Couto (Admin. Staff).

### 1. Welcome and Chairman's remarks

The Chair welcomed all the attendees. There were no comments from participants.

### 2. Call to Order & Approval of Agenda

Under the chairmanship of Neil Petreny the Agenda was approved and this meeting was convened.

3. **MOTION:** It was duly moved, seconded and carried that the agenda is approved as presented.

### 4. Approval of previous minutes

The minutes of the previous meeting of 29<sup>th</sup> January 2018 was approved as presented. Amend minutes deleting Neil Petreny items left.

### 5. Automated Financial Statement Creation

- Review quotes and recommendation

Martin Burke presented two items: the account package and the risk register development.

Elena Couto looked to some offers considering our needs and three were retained: Main office, no international, used by Italconsultants, and two international, FreshBooks and QuickBooks on-line. The meeting discussed the offers and details sent by Martin Burke and agreed with the CE recommendation to go with QuickBooks on-line. The software is well known internationally, and Elena will receive on site training to customize the items. For few months the accounts will be registered in parallel with current system.

Josef Kučera sent some comments by email recommending clarifying the support. Niels H. Nielsen had a look to their web site and found appropriate, and Laurent Journaux agreed the offer was a good compromise between cost and support.

The FSC asked Martin Burke and Elena Couto to drive ahead and report back.

### 6. Risk Register development

A simple version of risk register development was presented by Martin Burke. (source ACCA). He explained how the table was working, but it should be a living document showing the impact and how serious is the risk, the probability of such risk happening, and with this information the rate and actions to mitigate the impact. Martin Burke recommend defining first the format, the content can be discussed later.

Laurent Journaux found this tool interesting to know the sensitive points and helpful for the management.

Niels H. Nielsen proposed to have this evaluation at the closure of the books every year and an audit may evaluate the risks, but it is important that an external auditor really understand how the association and its business company are organized and working. Neil Petreny said that this challenge will be there always.



Regarding the format, he explained that Deloitte in Denmark is working with a sort of 'colour traffic light' system to identify the different levels. The question is what happened when we are in 'red light'? Josef Kuçera agreed with 'traffic light' approach and to put in some legend re the levels, to make it understandable what and when we escalate to the Board.

Neil Petreny agreed with all the comments, and also found some categories cannot be addressed. We need also to fix if this will be linked to SERVICE-ICAR Srl or keep it separately.

There are different challenges for future discussion, like also cyber risk and service obsolesces and succession planning, considering we have a small team. He suggested to send by email to Martin Burke any additional comment. The FSC agreed on the format and asked the CE to make the following enhancements and bring back to the FSC:

- Decide and clarify if we want separate risk register for each of ICAR and SERVICE-ICAR
- Implement Traffic Light approach with explanations of at what level escalation to Board occurs

## **7. Financial Calendar - reports, meetings**

Martin Burke presented the schedule for the QTR meetings for Board and inspectors. He proposed to have the next FSC meeting in June instead of July to give an update also on the software package accounts. The next meeting will be on 29<sup>th</sup> May at 14h00 CET.

## **8. Financial Inspector Succession**

Neil Petreny will finish his mandate in June 2019, the proposal is to have Neil chairing this FSC until the end of his mandate. Martin Burke had discussions with Jay Mattison and the proposal is to have Niels H. Nielsen to chair the FSC starting June 2019 and look in the mean-time to replace Neil Petreny.

Niels H. Nielsen found difficult to find new inspectors, someone who can understand the complexity of ICAR and its business company. Neil Petreny agreed it is even more difficult than finding a Board member. Martin Burke proposed to review the meaning, could be some manager from the Board plus a financial team made by accountants from our members. Josef Kuçera agreed this could be the right way. Neil Petreny proposed first to think about what we want to do and what is the role of an inspector. Could be different skills and experience, and active in ICAR organisations. Neither of existing Board members or inspectors at the moment are accountants. Laurent Journaux suggested to think about Erik Rehben, he should have a good overview, long experience in ICAR and Treasurer in the past.

Neil Petreny proposed to start this discussion next time as a priority. The FSC will discuss the role and expectations, and maybe different terms, and give feedback to the Board.

**Action:** Martin Burke will prepare for the next meeting a sort of job description for this position.

## **9. Other business**

There was no other business.

## **10. Adjourn**

The meeting was closed at 15h00. The next meeting will be on 29<sup>th</sup> May at 14h00 CET