

Agenda item 5.1

AUDIT REPORT QUESTIONS & ANSWERS

Some questions were received by the BIML concerning the 2014 audit. The questions, together with the BIML replies, are reproduced below.

- ***Note 1 indicates the auditor used IPSAS standards when available and IAS otherwise. It would be useful to have a notation in the audit indicating when IAS was used.***

The auditor responded that the IAS were primarily used for the revaluation of the building (fair value) and for some employees' benefits (provision for retirement).

This will be discussed further with the auditor to determine if it is possible or necessary, going forward, to include such notation in the report.

- ***The Balance Sheet shows at 39% increase in Member State Receivable from 2013 to 2014. It also shows a similar increase in Corresponding Member Receivables. We are not sure if this means fewer members are paying their assessments or if something else is at work.***

Clarification by the Secretariat would be useful.

The value shown in the Balance Sheet for the Member States is a net value and the detail is shown in Note 3. The gross Member States receivables have decreased slightly but, due to a decrease in the provision for doubtful debt, the net value shown in the balance sheet has increased. The reduction in doubtful debt is due to the fact that Cameroon was reinstated as a Member after repaying their outstanding arrears.

The value for the Corresponding Members does indeed reflect an increase in late payments for 2014 compared to 2013.

The BIML continues to monitor all payments and sends reminders on a regular basis to any Member who has not met their financial commitment to the Organization. Since 2012 the BIML has been applying a very clear policy for striking off any Members in arrears, as well as implementing a procedure whereby those struck off may be reinstated, subject to certain conditions.

Note 3 Member States balance analysis

Receivables	31/12/2014	31/12/2013
<u>Assets</u>		
Member States	232 476	238 561
Corresponding Members	47 398	34 201
Other clients	12 606	330
Provisions for doubtful debts	-102 000	-144 860
<u>Liabilities</u>		
Member States - Advance	-163 409	-70 000
Corresponding Members -	-37 891	-41 165
Total	-10 820	17 068

The provisions for doubtful debts of Members are the following:

Country	Provision au 31/12/2014	Provision au 31/12/2013
CAMEROUN	42 700 €	42 700 €
ETHIOPIE	42 500 €	42 700 €
LIBAN	42 500 €	42 700 €
BURKINA FASO	4 250 €	4 190 €
COMMORES	4 250 €	4 190 €
NICARAGUA	4 250 €	4 190 €
TADJIKISTAN	4 250 €	4 190 €
Total provisions	102 000 €	144 860 €

- ***Page 35 of the Audit is labeled “3 Execution of the Budget”. We request that in future audits, the “Charges” Section have an additional line indicating “Total Charges”. This will more easily allow tracking of the Net Operating Result at the bottom of the form.***

This item has been discussed with the auditor and will be included in future reports.

- ***Note 9, Other Payables Detailed shows an 88% increase in “Social Debts” over the year to 105,432EUR. Most of the increase is in Urssaf, which is undefined. Please provide clarification.***

The French URSSAF (Union de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales, meaning the Organizations for the payment of social security and family benefit contributions) is a network of private organizations, created in 1960, whose main task is to collect the employee and employer social security contributions, which finance the Régime général (general account) of France's social security system, including state health insurance (“Assurance maladie” in France).

The method of invoicing was changed by URSSAF. The value in 2014 corresponds to a quarterly invoice, whereas the value in 2013 is monthly.

- ***Additionally, “Supplie[r]s” increased by 914% over the year to 71,503EUR without explanation. Please provide clarification.***

The majority of the change in this section is to account for the 50 000 euro provision, found in note 18, to cover potential expenses which have not yet been invoiced by New Zealand for the 2014 CIMAL Meeting. There are also outstanding commitments to several contractors for work contracted but not yet completed at the Bureau.

- ***Note 15, Running Costs Detail, indicates “Supplie[r]s” increased by 235% over the year to 17,715EUR. Please provide clarification of what Supplies is and why it increased.***

The increase in this line includes replacement of several outdated laptop computers, software and periphery equipment. Attempts were made to capitalize these items; however, this was not possible due to their low individual cost.

- Note 19, Travel and Accommodations. Travel nearly doubled over the year to 56,910EUR and the total increased by 68% to 90,418EUR. Please provide clarification.**

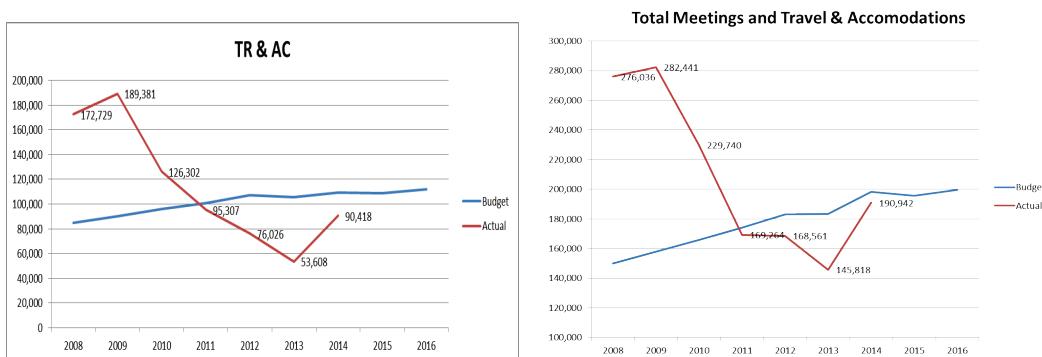
Expenses for Travel and Accommodations as well as Meetings are below budget (see charts below). As can be seen in the graphs the amount expensed for travel has been substantially reduced after 2010. Travel, accommodation and meeting costs are continually monitored. These expenses will vary from year to year as the location of many of the meetings alternate around the globe and the number of technical meetings is not predictable.

Some additional detail:

In 2013, the Director significantly limited his travel due to the need to be at the Bureau to oversee the renovation of the building and to monitor the progress on the website and IT systems. This intensive work has ended and in 2014 and the Director returned to his normal travel schedule.

In 2013, the CIML President was involved in winding down his very significant role in the UK and was only able to accept limited travel on behalf of the OIML. In 2014, now working part time for the UK, he was able to begin to travel normally on behalf of the OIML.

In 2014 there were a number of long haul airline flights to liaison and technical meetings in Asia. Also, travel by the BIML staff, Members of Honor, etc. to attend the CIML Meeting in New Zealand was an increased expense over 2013.



	2013 budget	2013 actual	2014 budget	2014 actual
Meetings	77,746	92,210	88,991	100,524
Trvl & Acom	105,580	53,608	109,336	90,418

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