

## **Report by the Treasurer 2018**

The overall financial situation for 2017–18 reflects our commitment to investing in IIC’s long-term future, through the appointment of an Executive Director to implement strategic change and in expanding our membership and reach internationally. IIC has retained membership subscription rates and discounts at the same level for three years in order to support our objective to reverse the long-term decline in membership numbers. Significant work continues in improving and processing membership renewals. This now includes methods for reconciling any discrepancies between our Sage finance system with our membership database, which has proved problematic in the past. Therefore, the small growth in membership this year, especially in the number of Fellows, is particularly pleasing to note and in time IIC should reap the interconnected rewards that this brings, not only to IIC itself, but also to our Regional Groups and engagement with wider communities.

We have deployed our resources strategically over the past year and this is reflected in the set of figures presented in these accounts. The out-turn and deficit of £12,917 for 2017–18 therefore represents and reflects our commitment to making significant investments this year in IIC’s digital infrastructure, including a new website and upgrading our IT systems, as well as increasing our capacity and capability to deliver longer term public impact and benefit for our members.

We are also fortunate that Council members not only continue to give their time and efforts so generously, but also pay their own way to attend Council meetings and other IIC events around the world at no cost to IIC.

Throughout its history, the successes of IIC have been the result of consistent efforts by its members. Future successes will be created by current members imagining and implementing new responses to new challenges and opportunities that present. The bulk of our core activities – the IIC-ITCC, publications, congresses, website, social media and so on – are supported by dedicated volunteers who rarely receive expenses for their contributions. All of us welcome offers of additional help that will increase or improve what IIC can contribute in support of the profession and by educating, enabling and recognising excellence.

### **Investment policy**

IIC manages its assets by splitting them between cash held in interest-bearing accounts and equities-based funds. With the considerable fall in interest rates on cash deposits and the consistently good returns from equities the charity has adjusted its investment policy. The cash holding is being adjusted to a level that provides flexibility and a sufficiently rapid response. The remaining assets are being invested in equities and securities where long-term returns are historically far greater. Our investment managers, Brewin Dolphin, continue to provide appropriate advice. Income from the investments is reinvested within the managed portfolios to build IIC’s reserves.

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This financial year has seen very low returns from cash holdings; however, there has been a sustained increase in the market value of our investment managed through Brewin Dolphin from £417,376 (2016–17) to £429,421 (2017–18). It is anticipated that movements up and down of the stock market will continue.

#### Reserves policy

The charity has a policy of maintaining unrestricted reserves at a minimum of one year's core expenditure (approximately £290,000) to enable the charity to continue productive operations in the event of a shortfall in funding or exceptional financial demand. Reserves of the charity (reserves not tied up in restricted funds, designated funds or fixed assets) amounted to £311,752 at the year end.

#### Response to Risks

IIC's Council and Executive team believe that sound risk management is integral to both good management and good governance practice. IIC has a formal risk management process through which the major risks to which the organisation may be exposed are identified. All significant risks, along with their mitigating actions, are regularly reviewed and Council are satisfied that systems are being put in place to mitigate risks to an acceptable level.

This work has identified key risks, including risks to financial resilience by reducing IIC's dependence on membership subscriptions as the primary source of income and by diversifying revenue streams through, for example, fundraising. Attention has also been paid to non-financial risks including cyber-, data and terrorism attacks, ensuring IIC has robust systems in place to support business continuity. IIC has also worked hard to ensure adequate succession planning is undertaken to ensure Council has the appropriate skills and structure in place to operate effectively.

*Juergen Vervoorst, Treasurer*