

Report of the Auditor

Presented by Tom McRobert EVPF

SUMMARY

Presentation of the audited Financial Statements for FY24/25

1. INTRODUCTION

1.1 The audit of IFATCA accounts was conducted by BCGO, of Montreal, Quebec, Canada. This audit was conducted in line with Canadian generally accepted accounting standards for non-profit organisations. BCGO are also employed as the IFATCA Accountants. Different individuals and departments conduct these functions.

1.2. All required statements, material, and information was provided, as requested, in good time by the Office Manager (OM) and the IFATCA Accountant. Any further clarification was provided by the EVPF, RBC and OM where required.

1.3. A copy of the report is attached for scrutiny.

1.4. All amounts contained or quoted, are in US Dollars, unless specifically noted otherwise.

2. DISCUSSION

2.1. At annual conference there were some changes to the draft budget presented by the Executive Board (EB) to address directors' preference for priorities of the federation. The final budget was then proposed and accepted by the directors and can be found in the IAM.

2.2. There was approved use of reserve funds to continue support for attendance at both regional and annual conference and aid with training workshops. There was also approved use of reserve funds for the ICAO ANC LO.

2.3. In order to ensure that both the EB and FIC had sufficient time to examine and review the Financial Statements (FS), the audit began immediately on closure of the FY with all details passed to our Auditor.

2.4. Close collaboration between the acting EVPF, OM, and BCGO meant that any errors or misunderstandings were identified and remedied ensuring accuracy of recorded accounts of the Federation.

2.5. The draft package, including supporting ledgers, journals and mapping,

was received by EVPF in September. Consequently, it was passed onto both the EB and FIC for their review. After some questions from the EB to ensure correct budget line allocation, which has been a known issue but reducing in frequency, and no questions from FIC, the draft was returned to BCGO for finalising.

- 2.6. The final Financial Report package was signed in November by EVPF and PCX. The complete and thorough package was then available to the EB and FIC for further reading. No further questions, comments, or observations were forthcoming from either group.
- 2.7. The headline for the IFATCA Financial Statement for FY24/25 is the report of was an **operating surplus of \$140,726** and an **increase in cash of \$89,400.**
- 2.8. As mentioned in this report, and highlighted in other Information Papers, reserves are healthy and are being exercised correctly. Furthermore, compliance with policy remains and no indication of fraud or criminal intent was seen. This year also sees a medium and long term financial plan presented to directors.
- 2.9. **Report layout** - carrying on from the last FS, the layout continues to be clear across the whole report and is easy to read. More complex accounting or reporting terms and practices will be addressed at conference if needed.
- 2.10. The overall report provides a large operating surplus due to an underspend across several lines and an increase in cash reserves was also reported. Further explanation and possible use of this unexpected surplus will be discussed in the budget working paper, the Gold Book working paper and the report of the EVP F.

3. CONCLUSION

- 3.1. A operating surplus of \$140726 and an increase in cash reserves of \$89400 was reported in these audited financial reports.
- 3.2. Draft Financial Statements were published in good time as was the final package.
- 3.3. FIC was included in the review of the Financial Statement for FY24/25 and discussion with the Auditor took place for any clarifying remarks.
- 3.4. IFATCA activities were influenced by high inflation and very high travel costs, but the budget was managed accordingly the underspend in some lines was mainly due to delegates unable to attend budgeted travel and meetings.
- 3.5. Any overspends were justified and controlled by the board and reserves

were spent in line with the budget approved by directors.

4. RECOMMENDATIONS

- 4.1. It is recommended that Directors release the Executive Board from its responsibilities concerning the 2024/2025 finances.

5. REFERENCES

- 5.1 The IAM

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