



## Decisions required from the International Audit Committee

1. The decision to move the education finance processes from CILT Ireland to International control was made in the December 2016 budget process by the COT. The Secretary General was given the executive authority to implement this at a timing dependant on operational circumstances.
2. IAC are now being asked to support and oversee the move of the processes by June 30<sup>th</sup> 2018 with CILT International Finance (run by CILT UK) providing the defined education finance processes and CILT International taking on the certification processes (to be endorsed by COT)
3. Agreement is requested to audit the processes during the change to test and for the IAC to support the improvement of the overall processes and ensure effective integration with CILT International Finance.
4. IAC should also recognise the CILT Ireland Audit Committee concerns and how they are being raised and dealt with.

## Summary of Proposed change in Education Process

The International Secretariat are proposing that all education finance, quality assurance and certification **operational processes** are brought back into International control. This includes International finance processes (to be defined in detail but including banking, reporting and allocation of cash) relating to education transactions and would be merged with the current CILT International Finance support service delivered through the Corby office. There are also quality assurance and reporting benefits in having the management accounting and education finance service all in one place.

The proposal was discussed with David Pugh and Graham Harrison earlier in December prior to submitting to CILT Ireland.

This proposal was delivered to CILT Ireland on December 17<sup>th</sup> 2017 after dialogue with the CEO of CILT Ireland, Mick Curran. It was considered by the CILT Ireland Audit Committee on December 19<sup>th</sup>, 2017.  
(See emailed proposal sent on 17.12.17 & response from CILT Ireland CEO)

**The IAC needs to review and agree the proposal for the implementation to take place to an agreed timetable in 2018.**

**The CILT Ireland Audit Committee have raised issues on conformance to process by International in the current ways of working.**

The background to the discussions on process and change in 2017 are documented below and the discussions have not led to mutual agreement between International and CILT Ireland and the IAC need to be aware of this environment in their considerations.

## IAC Discussions in 2017

February 2017

IAC minutes discussed the principle of bringing all the education processes into one system

May 2017

IAC minutes (IAC held as part of the COT meeting) recorded the discussion of the certification proposal presented to CILT Ireland to bring all certification into the control of the International education team as a step towards the agreed direction in February

## CILT Ireland Discussions in 2017

February 2017

Exchanges of concerns between International & CILT Ireland on process with shared documents

April 2017

Visit by KN and JH to Dublin where concerns discussed. Actions agreed and shared. Notice of certification proposal given

May 2017

Certification proposal sent with view to starting new process from 1 July 2017. No response or counter proposal received

October 2017

KN requested new CEO for change to proposed certification issue for same reasons as originally cited. CEO requested a meeting in Dublin to discuss

November 2017

Visit on 27/11 by JH to Dublin to discuss situation. JH shared the management of certification and reasons for certificates to be processed by International team. Feedback on issues surrounding CILT Ireland's perceived position as the quality assurance body were also shared and therefore their wish to either retain as per the current arrangements or cease to provide the operation.

Headline points from this meeting are set out in Annex 1.

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December 2017

Notice served to CILT Ireland by KN that all financial processes would be brought back to International control to an agreed timeline. **CILT Ireland Audit Committee raise serious concerns about certification being done by International and not conforming to process.** KN asked that these concerns are put in writing by Friday January 5<sup>th</sup>. This request was not responded to.

## IESC Discussions

April 2017

Concerns on certification process raised and detailed by T Hayes at 13<sup>th</sup> April meeting.

September 2017 - No minuted concerns raised.

November 2017

No minuted concerns raised but IPDC outlined commitment to continuous improvement and the proposed risk management tool that would be developed for working with new countries and education providers. This would also help to de-risk right from the outset issues surrounding non/late payment issues and at the same time tackle some of the historic concerns that CILT Ireland had raised.

## Overview from International perspective

During 2017 dialogue has been held between the CEOs of CILT Ireland and the SG. Actual difficulties have been raised by Tim Hayes. Tim is both a member of the IESC and has had a continuing role for CILT Ireland on International business. He also was a key driver in establishing the new processes and database systems in 2014-16.

The relationship has grown increasingly acrimonious with Tim Hayes throughout 2017. The issues have been presented at all IESC & face to face meetings as a diatribe rather than a dialogue by Tim. This is a major underlying reason for the breakdown in any mutual understanding.

International have listened and responded to points raised by Tim Hayes in meetings face to face and agreed actions but concluded in May that the process needed to change.

This proposal to change the process for certification has never been considered by CILT Ireland and no formal response has been received.

**International have accountability for the overall business** and believe that to reinforce the original process will result in substantive loss of business due to the inability to respond to customers flexibly. International do believe

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processes to ensure accurate recording of certification and alignment with debt can and should be improved.

In the dialogue with both the previous CEO, Pat Treacy and the new CEO, Mick Curran, the principle of the change being an International decision has been agreed. However the situation has been muddied locally in Ireland because of two factors

- 1 – perception that the responsible / QA party for certification is Ireland rather than International as the ‘customer’
- 2 – involvement of local education and audit committees in essentially an operational issue

In the October dialogue between the SG and the CEO of Ireland (and reiterated at the JH/MC/TH meeting in November) it was agreed that, if it was decided to bring all the processes back to the International team & to CILT UK finance, CILT Ireland would not stand in the way. It was agreed that because of the difficulties in relationship this may be the best course of action but was an International decision and would be addressed amicably with the International business development work still carrying on apace. It is important to note that the grounds for making the operational change relate primarily to operational efficiency, quality assurance and ease of process, and not attributed to any specific failing in service quality provision. The CEO of CILT Ireland has sought to support this stance throughout the past couple of months.

**K Newton**  
**January 2018**