

## **DRAFT**

### **INTERNAL AUDIT REPORT OF THE ACCOUNTS OF WFEO FOR THE PERIOD OF JANUARY 1<sup>ST</sup> TO DECEMBER 31<sup>ST</sup> 2015**

I am pleased to submit my Internal Audit Report to the Executive Council to be held in Lima, Peru in December 2016

I conducted my audit in Paris on May 23 2016 in the presence of Tahani Youssef , Executive Director, who retires at the end of June 2016, Jacques de Mereuil , who assumes the role of Executive Director in July 2016 and Pierre de Boigne , Deputy Treasurer.

I was able to verify the accounts of our Federation for the Year 2015. These accounts have been certified by our Auditors 'In Extenso' and were established in accordance with the WFEO rules.

They show a slight loss of 4158 Euro during the year and result in our reserves dropping to 422571.

This loss is less than the past three years as we continue to work with a reduced Paris HO which now consists of three members of staff, our Executive Director, an Assistant and a Webmaster. We have dispensed with the services of the Marketing Consultant.

For the second half of 2016 we will have a planned overlap of Executive Directors as Tahani Youssef has agreed to carry on till the end of 2016 to assist Jacques de Mereuil. This results in a budgeted loss of 30944 Euro in 2016

There are two legal actions impinging on the results.

The first is an action by Arcturus the Marketing company engaged in 2012 where an erroneous payment of 27000 Euros was made by our lawyers which has been fully covered in the figures

Secondly the Marketing and Communications Director who was replaced in 2013 has filed a complaint against WFEO and is claiming 37000 Euros. This is also being contested but a footnote is being added to the accounts to cover this.

There are legal hearings on both the above in December 2016

Efforts have been made to attract France back into membership and it is also hoped that discussions can commence with Germany for their return. Subscriptions are the main income for WFEO and are always a concern. Recently a letter has been received from Puerto

Rico withdrawing membership. A Task Force has been set up to examine the basis of charging for Subscription fees. The General Assembly in Kyoto approved an increase of 5% to the fees for 2016 and 2017

Proper Governance is extremely important for organisations such as WFEO. I can report that this is taken extremely seriously by the Executive Board. In fact an Induction meeting on the WFEO Governance Documents was held at the March 2016 meetings in Paris for new and existing members and was a worthwhile initiative.

A key concern for WFEO is its Marketing Strategy as it is necessary to both increase membership and to attract funding from sponsors and projects. Nicola Monda now chairs the Marketing Task Force and made an initial presentation at the Paris Meetings in March 2016

WFEO continues to pursue two long term major projects. The President, Marwan Abdelhamid, has held meetings to organise a World Engineering Forum based on the successful Davos World Economic Forum. Also there is the Africa Catalyst Project (centred around improving Engineering Education in Africa) which is being taken forward by the Royal Academy of Engineering of the UK. They have received funding for a related project and it is hoped that this can have a positive impact on WFEO and its African members

Good relations with UNESCO and the UN are extremely important for WFEO's credibility. WURC the WFEO Task Force set up to monitor contact with the UN and other such bodies needs to be strongly encouraged by all STC's and National Members. How STC's can assist with the Sustainable Development Goals is an important initiative of WURC. UNESCO's Africa Engineering Week is also well supported by WFEO and its Members

There are a number of new STC hosts commencing from the Kyoto meetings. It will be important that they are monitored and supported as the success of WFEO is very much dependent on the work of the STC's

Ivan Juiz the webmaster is now working full time. Progress has been made with putting all STC's on the main WFEO website. Jacques de Mereuil will be looking at further ways to improve the website with Ivan

Finally I would like to thank, on behalf of all of us, our Executive Director, Tahani Youssef, and Deputy Treasurer, Pierre de Boigne, for so capably looking after our interests and for all their help in assisting me with this audit. We wish Tahani Youssef all the best for her retirement and also welcome Jacques de Mereuil with our best wishes

I recommend that our 2015 accounts and our 2015 end of year balance sheet be approved by the Executive Council when it meets in December in Lima, Peru

Haro Bedelian