

31 Mar 18

REYC TRUSTEES' OBSERVATIONS ON THE CLUB'S 2017/18 AUDIT REPORTS

References:

- A. Army Form N1514 REYC Main Account Audit at 31 Jan 18.
- B. REYC Offshore Account Audit at 31 Jan 18.
- C. REYC Chatham Branch Account Audit at 31 Jan 18.

1. The Audit Reports on the Club's three accounts, References A, B and C, have been considered by the REYC Trustees and the following Observations made.
2. The Trustees thank the fund managers for their hard work in maintaining their accounts and producing them for audit in a timely manner.
3. Note that all three accounts are subject to scrutiny by Service Fund Accountants as required for an Excepted Charity.
4. With reference to the Trustees' Observations on the Club's 2016/17 Audit Reports:
 - a. Note that Club Reserves remain invested under arrangements made by 3 RSME Regt and currently provide a steady but relatively low return (0.5%), and recognise that better investment opportunities may not be possible until the Club is a registered charity. Welcome confirmation that CO 3 RSME Regt has agreed to the transfer of the Chatham Branch annual trading surplus to Main (Club Rule 30) for investment.
 - b. Support the Board decision that reconciliation of Club Membership Subscriptions and Hulls Fund Donations for previous years is as complete as practically possible, and thank all involved with achieving this. However, they expect to see increased monitoring of direct debit and standing order receipts into Main to ensure appropriate funds are credited and membership data updated.
 - c. Welcome receipt of Gift Aid on Hulls Fund Donations, with the addition in the coming year of those collected by Chatham Branch.
 - d. Note Main Committee assurance that the Inshore Division has in place a purposeful management regime for Club property in its charge, including for recording regular inspection, maintenance and valuation.

- e. Welcome the initial review of the Club's offshore fleet of 4 yachts, leading to a full assessment and recommendation to AGM19 on possible changes in 2020.
- f. Note the Chatham Branch 2016 Review will now be completed during 2018 for presentation to AGM19.
5. Note that the Club Balance Sheet Fixed Assets now include, in addition to yachts, inshore property, with work ongoing to complete the Club Asset Register thereby allowing the value of Fixed Assets to be fully recorded and reassessed annually.
6. Direct that procedures are put in place to ensure that all charterers of Club boats (yachts, dinghies and boards) are properly documented as Members and that, where appropriate, subscriptions are collected for Local Associate and Registered Membership.
7. Welcome the production of a timely Club Financial Plan and associated budgets with financial delegations to Club Officers, thereby providing proper financial control and allowing informed planning and decision making.
8. Direct that the very welcome provision of Medway sailing is project managed effectively with a formal agreement between Partners and auditable financial arrangements.
9. Note the review of Club insurance cover with the intent to complete consolidation and renewal where necessary during 2018. Also, the continuing work to finalise yacht documentation formalities. All involved are thanked for their contribution to these activities.
10. Congratulate the Governance Review Team on rising to the challenge and completing a comprehensive review, producing an outstanding detailed report and submitting an application to the Charity Commission (CC) for Charitable Incorporated Organisation (CIO) status. If approved, the Club will benefit from having appropriate and robust management arrangements in place that comply with current legislation.
11. Direct that arrangements are made to ensure Audit Reports for the Club's three accounts are completed at a date to be decided as part of the Club's CIO implementation plan, subject to CC agreement and Members' approval, or at 31 Jan 19, and in good time for full consideration at the Trustees' Annual meeting in 2019, and then for circulation with their Observations to all Members at least 2 weeks before the Club AGM in 2019.

DI
Brig (Retd) D R ff Innes
Trustee

RW
Col (Retd) A R M Wilson
Trustee