Annual report and accounts 2023/2024

President’s Report

I am very pleased to report that the Chartered IIA has returned a surplus in 2023/24. This has helped to restore our financial health and will enhance our ability to invest in providing better services for our members.

As in 2022/23 there have been one-off items accounted for in the year, as further explained in the Directors’ Report, which have slightly flattered the final results. We are, however, making clear progress to becoming a more sustainable and resilient organisation.

Financial results are a principal concern, but as a membership organisation our developing capability to support our members is equally or arguably even more important. I believe we have made good progress on this front as well, in what has been a busy year.

The release of the new Global Internal Audit Standards was the result of years of work, led by Global IIA, and involving our Council, staff and many of our members. Of course, their publication is only the start with much work needing to be done to implement them. The Financial Reporting Council’s (FRC) updated Corporate Governance Code and Guidance has also given more prominence to internal audit domestically, and we were pleased to contribute to its final form.

In response to the FRC’s updated code and the new global standards, the Chartered IIA spent time during 2023/24 in setting up an independent committee of audit industry leaders to take oversee an update and revision of our own two Codes of Practice. The aim was to build on the success of the existing Codes by developing one single Code of Practice by September 2024, and to raise the bar further by enhancing the status, standards, scope, and skills of internal audit functions even more.

Our 2023 Annual Conference built on the success of the previous year, and it was pleasing that the number of in-person attendees exceeded those attending online, but with both sets of audiences being positive about their experience. Other conferences, key events and webinars also achieved record numbers of attendees, thereby highlighting the continuing demand for the Chartered IIA’s role in bringing people together to discuss concerns, new ideas and best practice.

With this in mind, the speed with which artificial intelligence and machine learning is progressing is breathtaking. We therefore particularly focused on securing knowledgeable speakers in this field in 2023/24 to help us and our members understand better its implications, benefits and risks. Looking ahead, we will continue to address such key issues impacting the internal audit profession, whether through our events, research, training or policy work.

Membership numbers remain strong. To ensure that we continue to support our members and are responsive to their needs, we made some changes to our internal structure during 2023/24, and this will position us well for the future.

We know that one of the most valued activities we engage in is advocacy work, and it has been a busy year. As well as our work influencing the FRC on the revised UK Corporate Governance Code, we worked with Ofgem to strengthen their Financial Responsibility Principles guidance on the need for energy suppliers to consider internal audit capabilities if they do not have them.

We have continued to engage with the government in a number of ways. This has included meeting Ministers, and providing regular parliamentary briefings to MPs and Lords, as part of our on-going drive to raise awareness of the vital impact of the internal audit profession, and to progress audit and corporate governance reform. We have also contributed to a number of government consultations, including working closely with officials at the Department for Science, Innovation & Technology in securing the profession’s feedback on their development of a new Cybersecurity Governance Code of Practice. We have also delivered a 40% year-on-year increase in media coverage to support our efforts to increase the public profile of the work of the Institute and our members.

As always, demand for our education provision has fluctuated, with some areas performing well and others less well than in the past. However, the new standards provides us with an opportunity to refresh our suite of training programmes and qualifications. And it is particularly pleasing to see the increase in the number of apprentices coming through, helping us build the profession of tomorrow. There is more we can do to attract people to the profession, and with our members’ and partners’ support we will aim to do just that.

The planned sale of the Chartered IIA's offices is still stalled due to changes in Council planning regulations, and a lack of demand for commercial property in our part of Clapham. This is very disappointing and has resulted in staff still only being able to utilise the smaller of our two buildings and working in a hybrid fashion. We continue to investigate alternative uses for the property to reduce the substantial taxes we are having to pay on an unused building.

Work has progressed well on the new CRM and website, and we expect this work to be completed by the end of 2024. This will equip us with the tools we need to enhance the service we provide to our members.

As a membership organisation we rely on the support of our members and we are very grateful for all volunteers who work through us for the greater good of the profession. I want to reiterate our thanks to all of you for your efforts. In particular I thank those serving on committees at regional and country level, in special interest groups, at Global and European levels, and especially to my colleagues on the Council. Together we can make a strong profession even stronger.

Thank you so much to everyone that has contributed to the success of the Chartered IIA this year, and I look forward to working with you in the year ahead.

Sandro Boeri CMIIA
14 Abbeville Mews
88 Clapham Park Road
London
SW4 7BX
22/07/2024

Directors' Report

for the year ended 31 March 2024

The Directors of the Council have pleasure in submitting the annual report and audited accounts for year ended 31 March 2024.

Principal activities

Our Royal Charter states that:
The objects for which the Institute is incorporated shall be to promote and develop of the practice of internal auditing and to foster and maintain investigations and research into the best means and methods of developing and applying such a profession and to encourage, increase, disseminate and promote knowledge, education and training, standard setting and exchange of information and ideas in respect of all questions relating thereto or connected therewith.

Group Financial stewardship

Despite the challenging economic conditions, the Institute has continued to improve its financial position. The operating income for the year increased to £6,146,072 (2023: £5,768,782) and generated a surplus after tax of £637,182 (2023: £453,441).

Member numbers at 31 March 2024 remained stable at 10,071 (2023: 10,067).

Certification and Learning made up £1,557,703 (2023: £1,362,762) of the total income. The increase on the prior year is due to more CIA, Certificate and Apprenticeship applicants.

Training contributed £470,004 (2023: £596,534) to the operating income. The decrease on the prior year is thought to be due to the increased cost of living, resulting in organisations cutting back on their training expenditure.

Events contributed £641,861 (2023: £497,762) to the operating revenue. The improvement on the prior year is largely due to the success of the Annual Conference, which generated an income of £529,492 (2023: £394,880).

The External Quality Assurance (EQA) service generated £552,566 (2023: £509,086) of revenue. This year, 29 EQAs were undertaken, 4 more than the prior year.

Overhead costs decreased by £12,324 on the prior year. A one-off business rates rebate of £54,313 resulting from a successful appeal to Lambeth Council was partially offset by costs in relation to the rebranding exercise currently being undertaken.

The cash balance at the end of the financial year is £2,000,202 (2023: £1,230,727) and net assets of £1,621,818 (2023: £984,636). The increase in the cash balance is due this year's increase in surplus and higher deferred income.

As reported previously, in July 2020, the directors decided to put the head office up for sale. Due to the challenging market conditions in the commercial property sector, and changing planning regulations by the local council, it has proved difficult to find a suitable buyer. The office building continues to be marketed as it is no longer fit for purpose.

The surplus generated over the last two years will be used to invest in replacing our ageing IT systems and website, as well as adopting the new Standards and refreshing our brand.

Future developments

Our three-year strategic objectives remain:

1. Developing and supporting talent for our members and our own organisation
2. Building knowledge and understanding
3. Influencing for the profession
4. Creating a sustainable and resilient Chartered IIA

It seems that every year is a busy year and the one ahead will be no different. We have work to do to help our members prepare for the new international standards going live in addition to the revised corporate governance code. We will also complete our work in bringing our own revised codes of practice into line with both of these updated requirements.

We will continue to run our usual events, training, education, research, guidance and policy work. In addition, a lot of time will be spent on ensuring our new CRM and website deliver the services that our members need and expect, and providing them with the ability to do far more without our intervention.

We will further support specific segments of our membership through our Aspire, Women in Internal Audit, and the Race and Ethnicity groups and forums. We are also covering ground in new areas such as the Data Analytics Working Group and the Fraud Forum, in addition to working more closely with our Regional Committees and other community groups.

The Chartered IIA will continue to take a prudent and balanced view in its operational and financial decision making in the year ahead and remains optimistic that its financial position will continue to stabilise and improve.

Control, monitoring and reporting

Council, through the Chief Executive, is responsible for ensuring that budgets and plans are prepared and that programmes of work are implemented. The Chartered IIA's human resources policies support the achievement of its objectives, the management of risk and the internal control system. There have been new policies introduced to comply with changing best practice and policies are regularly reviewed. The senior team monitors the effectiveness of policies, processes and activities related to internal control and risk management. This work is overseen by the Audit, Finance and Risk Committee.

The Audit, Finance and Risk Committee is chaired by A McGichen CMIIA. Other members are P Fatania CMIIA, M Ghibu FRM, A Hinder CMIIA, and C Keon CMIIA.

The internal auditors, Wylie Bisset, and the external auditors, HaysmacintyreLLP, meet with the Audit, Finance and Risk Committee to present their findings.

An annual risk assessment and audit plan is presented to and approved by the Audit, Finance and Risk Committee. Senior management monitors the risk assessment during the year and advises this Committee of any significant developments. Recommendations to address any identified issues are monitored by the Committee, which in turn reports to Council. The Risk Register and key strategic risks are reported to and considered by Council, via the Audit, Finance and Risk Committee.

The Remuneration Committee sets the on-going policy for pay and reward for staff and approves the salary of the Chief Executive.

Council also receives regular reports on key performance indicators.

Directors

The following Directors have held office in the year:

Sandro Boeri CMIIA (President & Chairman)	Appointed President	04/10/2023
Dermot Byrne CMIIA	Resigned	04/10/2023
Deepinder Chhabra	Appointed	13/06/2022
Carolyn Clarke CMIIA (Deputy President)	Appointed	21/10/2020
Paul Day CMIIA	Resigned	04/10/2023
Peter Elam CMIIA (Immediate Past President)	Appointed	11/10/2018
Saida Evans CMIIA	Appointed	04/10/2023
Steve Evenden CMIIA (Deputy President)	Appointed	20/10/2021
Piyush Fatania CMIIA	Appointed	16/10/2019
Maria Ghibu FRM	Appointed	13/06/2022
Andrew Hinder CMIIA	Appointed	04/10/2023
Clare Keon CMIIA	Appointed	20/10/2022
Arleen McGichen CMIIA	Appointed	21/10/2020
Marina McQuade CMIIA	Appointed	04/10/2023
Roza Watson CMIIA	Appointed	20/10/2022
Jon Whitfield CMIIA	Resigned	04/10/2023
Anne Kiem OBE (CEO)	Appointed	09/01/2023

Directors' remuneration and fees are disclosed in note 6. Related parties are disclosed in note 8.

Statement of directors' responsibilities

We are required, under the term of our Royal Charter, to prepare accounts that give a true and fair view of the state of affairs of the Chartered IIA, and the surplus or deficit for the period of account. In preparing these accounts we are required to:

- Select suitable accounting policies and apply them consistently;
- Make reasonable and prudent judgements and estimates;
- State whether the accounting standards have been followed and give details of any departures;
- Prepare the accounts on a going concern basis, unless in our view the Chartered IIA will be unable to continue in business.

We are also responsible for:

- Keeping proper accounting records;
- Safeguarding the Chartered IIA's assets;
- Ensuring that only authorised transactions are entered into; and
- Taking reasonable steps for the prevention and detection of fraud.

Directors' statement as to disclosure of information to auditors

The Directors confirm that, to the best of their knowledge and belief, there is no relevant audit information of which the company's auditors are unaware. The Directors have taken all the steps that they might reasonably be expected to have taken to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Appointment of auditors

Haysmacintyre LLP have agreed to offer themselves for re-election as auditors to the Institute.
By Order of the Council of Directors

Sandro Boeri CMIIA
14 Abbeville Mews
88 Clapham Park Road
London
SW4 7BX
22/07/2024

Auditors’ Report

Independent auditors’ report to the members of the Chartered Institute of Internal Auditors

Opinion

We have audited the financial statements of the Chartered Institute of Internal Auditors (“the Institute”) for the year ended 31 March 2024 which comprise for the Group and the Institute the Income and expenditure account, the Balance Sheet, the Statement of Changes in Equity, the Cash flow statement and the Notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Institute’s affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Institute’s Charter and Byelaws.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information other than the financial statements and our auditor’s report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and of the Institute and its environment obtained in the course of the audit, we have not identified material misstatements in the President's Report and Directors' report.

We have nothing to report in respect of the matters where we are required to consider the following matters, and to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and of the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Institute or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to its Charter and Byelaws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- challenging assumptions and judgements made by management in their critical accounting estimates; and
- agreeing the validity of recognised receivables on a sample basis and challenging the recoverability assumptions, further assessing for any fraud or bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Institute's members, as a body, in accordance with the Institute's Charter and Bye-laws. Our audit work has been undertaken so that we might state to the Institute's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institute and the Institute's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

2nd August 2024

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as auditor under section 1212 of the Companies Act

Income and expenditure account

for the year ended 31 March 2024

	Note	Group 2024 £	Group 2023 £	Institute 2024 £	Institute 2023 £
Operating income		6,146,072	5,768,782	6,034,075	5,699,106
Direct expenses		(5,533,910)	(5,318,172)	(5,433,185)	(5,240,843)
Operating surplus	5.	612,162	450,610	600,890	458,263
Interest income		25,710	3,479	25,710	3,479
Interest paid		(690)	(648)	(690)	(648)
Surplus on ordinary activities before taxation		637,182	453,441	625,910	461,094
Taxation rebate/(charge)	9.	-	-	-	-
Surplus on ordinary activities after taxation		637,182	453,441	625,910	461,094

Balance Sheet

as at 31 March 2024

	Note	Group 2024 £	Group 2023 £	Institute 2024 £	Institute 2023 £
Fixed assets					
Tangible assets	11.	482,008	500,649	482,008	500,649
Intangible assets	12.	5,098	30,138	5,098	30,138
Investment in subsidiary company		-	-	68	68
		487,106	530,787	487,174	530,855
Current assets					
Stock	13.	25,476	49,299	25,476	49,299
Debtors	14.	1,693,708	1,479,403	1,697,576	1,437,205
Cash at bank		2,000,202	1,230,727	1,967,559	1,230,727
		3,719,386	2,759,429	3,690,611	2,717,231
Less Creditors: amounts falling due within one year	15.	(2,559,674)	(2,270,580)	(2,517,245)	(2,203,456)
Net current assets		1,159,712	488,849	1,173,366	513,775
Less Creditors: amounts falling due after one year	16.	(25,000)	(35,000)	(25,000)	(35,000)
Total assets less current liabilities		1,621,818	984,636	1,635,540	1,009,630
Reserves					
Income and expenditure account		1,621,818	984,636	1,635,540	1,009,630

Approved and authorised for issue by the Council of Directors for issue on 22 July 2024

Sandro Boeri CMIIA
President

Anne Kiem
Chief Executive

The notes on pages 12 to 17 form part of these financial statements.

Statement of changes in equity

for the year ended 31 March 2024

	Group Reserves		Institute Reserves	
	2024	2023	2024	2023
	£	£	£	£
At 1 April	984,636	531,195	1,009,630	548,536
Surplus for the year	637,182	453,441	625,910	461,094
At 31 March	1,621,818	984,636	1,635,540	1,009,630

Cash flow statement

for the year ended 31 March 2024

	Group		Institute	
	2024	2023	2024	2023
	£	£	£	£
Reconciliation of operating surplus to net cash inflow from operating activities				
Operating surplus	612,162	450,610	600,890	458,263
Depreciation and amortisation	61,347	71,370	61,347	71,370
Loss on disposals	(18,255)	-	(18,255)	-
Decrease/(increase) in stocks	23,823	(24,836)	23,823	(24,836)
Increase in debtors	(214,305)	(321,435)	(260,371)	(274,716)
Increase in creditors	289,094	336,912	313,789	288,520
Net Cash inflow from operating activities	753,866	512,621	721,223	518,601
Returns on investment and servicing of finance				
Interest received	25,710	3,479	25,710	3,479
Loan repayments	(10,000)	(10,000)	(10,000)	(10,000)
Interest paid	(690)	(648)	(690)	(648)
Tax Received	-	-	-	-
Capital Expenditure				
Purchase of tangible and intangible fixed assets	(25,424)	(32,094)	(25,424)	(32,094)
Disposals of fixed assets	26,013	-	26,013	-
Increase in cash	769,475	473,358	736,832	479,338
Reconciliation of net cash flow to movement in net funds and analysis of change in net funds				
Cash brought forward	1,230,727	757,369	1,230,727	751,389
Cash carried forward	2,000,202	1,230,727	1,967,559	1,230,727

Reconciliation of net Debt - Group	at 01 April 2023	Cash flow	Movement	at 31 March 2024
Cash	1,195,727	779,475	-	1,975,202
Loans due before one year	10,000	(10,000)	10,000	10,000
Loans due after one year	25,000	-	(10,000)	15,000
Total net debt	1,230,727	769,475	0	2,000,202

Notes to the accounts

for the year ended 31 March 2024

General information

The Chartered Institute of Internal Auditors is a professional body incorporated under Royal Charter RC000840. The Registered Office is 14 Abbeville Mews, 88 Clapham Park Road, London, SW4 7BX.

The Royal Charter is not prescriptive as to the statutory provisions under which the financial statements are to be prepared and so Council has chosen to adopt Financial Reporting Standard 102.

2. Accounting policies

Basis of preparation of financial statements
The financial statements have been prepared:

- under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Royal Charter and Byelaws.
- on a going concern basis which assumes the Company will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.
- in Sterling, which is the functional currency of the Institute.
- in compliance with FRS 102, which requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Institute's accounting policies (see note 3).

The following principal accounting policies have been applied:

Going Concern
The accounts are prepared on a going concern basis on the presumption that the Institute will continue in operation. Having reviewed the latest forecast to 30 June 2025, the directors are satisfied that there is no material uncertainty regarding going concern.

Basis of consolidation
The consolidated financial statements present the results of the Institute and its subsidiary ("the Group") as if they form a single entity. Intercompany transactions and balances between the two companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Operating expenditure
Operating expenditure comprises of membership, professional services, running courses, conferences and learning programmes, and overhead costs, including finance, office, payroll, marketing, governance, policy, website and systems costs, all excluding VAT.

The following categories of costs are recognised in the period to which they relate:
membership, courses, conference and learning programmes, professional services and overhead costs.

Operating income
Operating income comprises membership subscriptions, fees for courses and conferences, examination and open learning fees, and advertising revenue, all excluding VAT.

The following categories of revenue are recognised as income in the period to which they relate:
membership subscriptions, courses and conference fees, open learning fees, fees for services, and advertising revenue. The Institute's share of fees for examinations, offered by IIA Global, are accounted for in the period in which the candidate is invoiced.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets on a straight-line basis at rates calculated to write off their cost or valuation, less the estimated residual value of each asset, over their expected useful life as follows:

Long leasehold property	50 years
Furniture and fittings	7 years
Office equipment	3 – 5 years

Intangible fixed assets
Intangible fixed assets are stated at cost less accumulated amortisation. Amortisation is provided on all intangible fixed assets on a straight-line basis at rates calculated to write off their cost or valuation, less the estimated residual value of each asset, over their expected useful life (three to five years). Provisions for the impairment of intangible fixed assets are made where necessary.

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on the estimated selling price less the estimated cost of disposal.

Pensions
The Institute operates a defined contribution scheme for its employees. The funds of this scheme are administered by trustees and are separate from the company. All contributions are charged to the income and expenditure account as and when they arise.

Foreign currencies
Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction.

Leasing transactions
Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and a best estimate of the recoverable amount, which is an approximation of the amount that the Institute would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation
Current tax is recognised for income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date. The Institute is liable to corporation tax only on its investment income and on any surplus on transactions with non-members.

3. Significant accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements and estimates that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. The following judgements and estimates have had the greatest effect on amounts recognised in the financial statements.

Useful lives of tangible and intangible fixed assets
It is the judgement of management that the likely working life of the Institute's tangible and intangible fixed assets and hence their values are not less than their remaining book values.

Impairment of trade debtors
Based upon recent and historic experiences, management have made specific and general provisions in relation to the possible impairment of trade debtors amounting to £23,060 (2023: £21,890).

Future value of deferred income
Deferred income is carried in the balance sheet at the value invoiced without any provision for future cancellations and refunds.

4. Analysis of turnover

The whole of the turnover is attributable to the Group's principal activities, as described in the Directors' Report, and arises in the United Kingdom (98%) and the Republic of Ireland (2%), in the year ended 31 March 2024.

5. Operating surplus

	Group		Institute	
	2024	2023	2024	2023
The operating surplus is stated after charging:	£	£	£	£
Depreciation of tangible assets	33,221	27,338	33,221	27,338
Amortisation of intangible assets	28,126	44,032	28,126	44,032
Operating lease rentals:	-	36,000	-	36,000
Auditors' remuneration	32,908	26,637	27,500	21,500

6. Directors – Group and Institute

	2024	2023
	£	£
Total directors' emoluments, including pension contributions and other benefits	204,250	177,236
The emoluments, including pension contributions and other benefits, of the highest paid director	204,250	126,173
	Number	Number
The number of directors for whom retirement benefits are accruing under money purchase pension schemes	1	1

The Directors of the Institute (as listed on page 6) comprise the key management personnel. The Chief Executives in 2023/24 received fees and expenses as shown above. In addition, employer's national insurance contributions of £39,215 (2023: £23,722) were paid. No other Director received a fee in the period.

7. Employees

Employee cost, including directors' remuneration, were as follows:	Group 2024 £	Group 2023 £	Institute 2024 £	Institute 2023 £
Gross pay*	2,322,172	2,058,188	2,273,744	2,013,644
Employer's National Insurance	254,651	238,644	249,366	233,801
Cost of defined contribution pension scheme	102,092	86,450	98,618	83,245
	2,678,915	2,383,282	2,621,728	2,330,690

* including termination payments of £0 (2023: £0).

	Group 2024	Group 2023	Institute 2024	Institute 2023
The average number of people employed during the year:	50	50	49	49

8. Related parties

IIA Training limited, operating in the Republic of Ireland, is a related party and is represented in the "Group" accounts.

9. Taxation

	Group 2024 £	Group 2023 £	Institute 2024 £	Institute 2023 £
Corporation Tax at 19% (2023: 19%)	-	-	-	-
Add Over provision in previous year	-	-	-	-
	-	-	-	-

The Institute is liable to corporation tax only on its investment income and on any surplus on transactions with non-members.

10. Investment in subsidiary company – Institute

The Institute holds 100% of the ordinary share capital of IIA Training Limited.	2024 £	2023 £
100 ordinary shares of €1 each	68	68

IIA Training Limited is incorporated in Ireland (Company number 418093) and provides training in internal auditing to those based in Ireland. The Registered Office is 27 Upper Mount Street, Dublin 2, Ireland.

	IIA Training Limited 2024	IIA Training Limited 2023
Operating income	€ 129,282	€ 80,680
Direct expenses	(116,942)	(88,652)
Operating deficit before tax and dividend paid	€ 12,340	€ (7,972)
Taxation	-	-
Dividend paid	-	-
Surplus/Deficit after tax and dividend paid	€ 12,340	€ (7,972)

	2024	2023
Current assets	€ 97,598	€ 52,668
Total liabilities	€ (113,601)	€ (81,013)
Total assets less current liabilities	€ (16,003)	€ (28,345)
Share capital	€ 100	€ 100
IIA Training Limited – surplus in reserves	€ (16,103)	€ (28,445)
Capital and reserves	€ (16,003)	€ (28,345)

As at 31 March 2024 there were €1.172 to £1 (2021: €1.180).

11. Tangible fixed assets – Group

	Long leasehold Property	Furniture & Fittings	Other Equipment	Total
Cost	£	£	£	£
At 1 April 2023	993,148	21,832	13,072	1,028,052
Additions	-	-	17,774	17,774
Disposals	-	(12,322)	-	(12,322)
Fully depreciated assets	-	(294)	-	(294)
At 31 March 2024	993,148	9,216	30,846	1,033,210
Depreciation				
At 1 April 2023	510,605	9,291	7,507	527,403
Charge for period	19,863	3,077	10,281	33,221
Disposals	-	(9,128)	-	(9,128)
Fully depreciated assets	-	(294)	-	(294)
At 31 March 2024	530,468	2,946	17,788	551,202
Net Book Value				
At 31 March 2024	462,680	6,270	13,058	482,008
At 31 March 2023	482,543	12,541	5,565	500,649

12. Intangible fixed assets – Group and Institute comprising software

	2024	2023
	£	£
Cost		
At 1 April	132,094	185,872
Additions	7,650	19,691
Disposals	(13,691)	-
Fully amortised assets	(55,366)	(73,469)
At 31 March	70,687	132,094
Amortisation		
At 1 April	101,956	131,393
Charge for period	28,126	44,032
Disposals	(9,127)	-
Fully amortised assets	(55,366)	(73,469)
At 31 March	65,589	101,956
Net Book Value		
At 31 March	5,098	30,138

13. Stock – Group and Institute

	2024	2023
	£	£
Open learning study packs	25,476	49,299

14. Debtors

	Group		Institute	
	2024	2023	2024	2023
	£	£	£	£
Fees receivable	958,377	902,342	920,337	863,576
Other Debtors	188,492	152,457	187,511	151,446
Prepayments	546,839	424,604	535,222	418,072
Amounts owed by the subsidiary company	-	-	54,506	4,111
	1,693,708	1,479,403	1,697,576	1,437,205

15. Creditors

	Group		Institute	
	2024	2023	2024	2023
	£	£	£	£
Trade Creditors	482,825	518,178	482,825	518,178
Taxation and social security	204,739	94,965	203,764	93,143
Accruals	201,484	85,495	196,237	80,358
Other creditors	2,464	79,022	1,737	78,403
Deferred income* – subscriptions	1,023,417	923,817	1,023,417	923,817
Deferred income* – course fees	544,156	364,149	508,676	304,603
Deferred income* – learning fees	100,589	204,954	100,589	204,954
	2,559,674	2,270,580	2,517,245	2,203,456

* Income is deferred into the next accounting period when delivery of the service is in the next accounting period.

16. Creditors – Group and Institute

Amounts falling due after one year	Group		Institute	
	2024	2023	2024	2023
	£	£	£	£
Bounce back loan**	25,000	35,000	25,000	35,000
	25,000	35,000	25,000	35,000

** Interest from September 2021 is 2.5% per year, over 60 months.

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