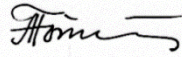





Internal Audit Report

for year: 2022-23

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Document History

Rev.	Print Name	Position	Signature	Date
01	Author(s):			
	Andrzej Formaniak	Internal Auditor		28.03.2023
	Joanna Gos	Internal Auditor		28.03.2023
	Andrzej Rumun	Internal Auditor		28.03.2023
	Authorised by:			
	Andrzej Rumun	Internal Auditor Chair		28.03.2023

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1. Introduction

The Internal Audit Committee (IAC) was elected at the annual general meeting of STP on 03 April 2022. It consists of the following members:

1. Andrzej Rumun (AR) - chair
2. Andrzej Formaniak (AF) - member
3. Joanna Gos (JG) – member

2. Audit Scope

Table 1 below summarises the audit carried out by the IAC for STP activities in 2022-23.

#	Scope	Audit details	Lead person	Planned date	Comments
A	Management System	Constitution, Byelaws, completeness of Procedures and compliance with them in, Council meetings	AR	February 2023	Executed in March 2023
B	Financial accounts	Budget preparation & execution, Expenses and Payments, Adherence to the procedure STP-007, Annual Statement of Accounts completeness and validation	JG	February 2023	Executed in March 2023
C	STP Mission	Execution of activities carried out towards STP aims: Technical Academy, courses, seminars, conferences, czwartek4U, mentoring & coaching	AF	February 2023	Executed in March 2023
D	Administration	Correspondence: incoming and outgoing register, MoM, register of assets, internet website	AF	February 2023	Executed in March 2023
E	Issue of Internal Audit Report	Summary of findings from the specific area audits – see A-D above	AR, AF, JG	March 2023	Executed in March 2023

Table 1 List of audits

3. Approach taken

Method of assessment: limited to online review of respective documents available via <https://portal.office.com> and using MS Team platform created by STP.

In all audited areas, listed in the Table 1 above as A – D, the following risks were considered:

- Association carrying out activities which are not in line with the charitable objects defined in the Constitution of the Association
- Risk of financial losses due to theft, fraud, bad decisions, human error, breaches of controls, management override of controls
- Internal mismanagement by making decisions not in line with the approved Constitution and Byelaws
- Reputational risks.

The assessment was essentially carried out in two parts:

1. The IAC has made reference to the Internal Audit Report dated 27.02.2022 and the recommendations made therein. The recommendations were as follows:

Recommendation 1: The Board must place governance at the core of its attention.

Recommendation 2: The Board is urged to consider a scenario whereby MZ (or any other member of the Board) is not available to carry out the multitude of tasks which he currently does, and to restructure in such a way so as to make provision of continuity of service in the event of absence. The responsibility for duties within the Board must be clearly defined in order to see where there is an unreasonable imbalance and reliability upon individual Trustees. This balance must then be reconsidered to avoid delays in required actions.

Recommendation 3: The remit of the Membership Committee needs to be clearly set out. If it is to be responsible for membership overall (as is recommended) it should propose a strategy for promoting membership of STP and seeking new members. It should be responsible for maintaining the membership roll, issuing (or in conjunction with the Treasurer) of proper invoices and thereafter chasing up the payment of membership fees.

Recommendation 4: Recommendation 4: A succession plan and contingency plan are urgently required.

Recommendation 5: the inventory list to be updated

Recommendation 6: Minutes of meetings must be informative for those reading them and must include for content, actions and regular update as to actions. If minutes are to be recorded by persons of less experience, they must be moderated and completed by someone who does have that experience.

Recommendation 7a: Each record, invoice, bill received by STP must be fully referenced so that the sum, recipient, detail of supply and date are evident.

Recommendation 7b: The Board is to 'clarify' the record of expenditure and provide a revised spreadsheet including supporting information as above in 7a.

Recommendation 7c: Terminology used should be unique and clear as to what is being referred to. English nomenclature should be used.

Recommendation 7d: Refer also to Recommendation 3.

Mechanisms such as the website online payment facility must be seen to be working and if there is an outage, to be resolved without delay.

Invoices issued by STP must include the following: (please refer back to previous report)

Recommendation 8: Activities furthering the mission of STP should receive priority attention, both on-line and with face to face meetings now that most restrictions have been lifted and the 80th anniversary celebrations are over.

Recommendation 9: Make it clear on the <https://www.stpuk.org> how to access the recordings of all historically completed 'czwartek 4You' events.

Recommendation 10: Complete the update of the website and ensure consistency between Polish and English versions.

In addition to the above recommendations, the Conclusions set out in the previous report, were also reviewed in respect of what actions have been undertaken.

The IAC asked the Chair, Treasurer and Secretary of the Board to provide a commentary summing up what actions had been carried out in response to the above recommendations. These are to be found in the table below, together with the IAC's follow up comments.

2. The IAC has carried out an online review of management documents and council meeting minutes.

Qualifying Statement

This is an impartial and factual review. It does not set out to belittle the large amount of good will, time and work that Trustees have devoted to the Charity. Its aim however is to identify areas which are seen not to have been given the attention they require or have been overlooked, perhaps because attention was focussed on ongoing projects or elsewhere.

4. Audit findings and close out actions

The colours for qualification of assessment results were used as follows:

Red – unacceptable, for example, found breach of procedure, non-compliance, mismanagement, fraud, etc.

Orange – acceptable with review, providing that recommended corrective actions are taken

Green – broadly acceptable, even when some comments were made.

The initials indicate the member of the IAC tasked with review and collation of information on a particular area which were then presented to the other two members for internal discussion and agreed conclusion.

#	Scope	Audit details	Assessor/ Result
A	Management System	Constitution, Byelaws, completeness of Procedures and compliance with them in, Council meetings	AR
B	Financial accounts	Budget preparation & execution, Expenses and Payments, Adherence to the procedure STP-007, Annual Statement of Accounts completeness and validation	JG
C	STP Mission	Execution of activities carried out towards STP aims: Technical Academy, courses, seminars, conferences, czwartek4U, mentoring & coaching	AF
D	Administration	Correspondence: incoming and outgoing register, register of assets, internet website	AF

Observations	Action by	Close out date	Comments & Recommendations
Constitution			
<p><u>STP response to recommendation 1:</u> The time spent on governance administration procedures has not been reduced as proposed in the first meeting. Please note that the Council uses different means of communication in between the Council Meetings: e-mail, Teams channels and WhatsApp. Various Teams channels created to enable more organised and transparent administration. Critical documents are not only stored as hard copies kept in STP HQ, but also scanned and saved in relevant folders on Teams and are easily accessible to all Trustees and Audit Committee.</p>	Council	Immediate	<p>The response demonstrates a lack of understanding of governance. Governance is not limited to administration. Throughout the year the IAC observes that very little was done, as more fully described in the table below in relation to fulfilling the mission of STP. The IAC also suggests that: Whilst the number of differing means of communication may facilitate the distribution of documents, it also makes maintaining transparency and order, more difficult.</p> <p>Renewed Recommendation 1: The Board must place governance at the core of its attention.</p>
Procedures/Management			
<p><u>STP response to recommendation 2:</u> The Council is exploring options for migration of its website and buying a software that provides a set of tools designed to streamline operations, modernise processes and eliminate engagement challenges. Through a very extensive and time-consuming research, the Council had found a provider of innovative all-in-one CRM platform that helps build and grow communities through events, memberships and other digital tools. The main problem is the cost of implementation. In November 2022 the Council applied for funding to a number of Polish Organisations and is awaiting feedback.</p>	Council	Immediate	<p>The response misses the point of the recommendation and the IAC notes that nothing has been done in this respect.</p> <p>Renewed Recommendation 2: The Board is urged to consider a scenario whereby MZ (or any other member of the Board) is not available to carry out the multitude of tasks which he currently does, and to restructure in such a way so as to make provision of continuity of service in the event of absence. The responsibility for duties within the Board must be clearly defined in order to see where there is an unreasonable imbalance and reliability</p>

			upon individual Trustees. This balance must then be reconsidered to avoid delays in required actions.
<p><u>STP response to recommendation 3:</u> The Council decided that the invoices will be issued to members upon request. An automated invoice processing option was explored and it was deemed to be too time consuming/difficult to set up compared to the amount of work spent on issuing the invoices to the small number of people who requested them.</p> <p>Membership renewal reminders sent to all members in November 2022.</p> <p>The composition of the Membership Committee has changed several times over 2021/2022/2023 as its members must have prioritised other commitments (personal and professional). The changes kept disrupting the functioning of the Membership Committee and the Council recognises this as an ongoing issue.</p> <p>Issues with payment could be resolved if STP would have migrated to a different CRM platform.</p> <p>Strategy workshop held in June 2022. Detailed Report with observations and recommendations - issued 11th September 2022.</p>	Council	Immediate	<p>The issue of the membership committee is one that has dragged on for several years, with no consequential action. This is considered a serious risk to the charity and as such the response is considered unacceptable.</p> <p>The membership committee is considered still to be ineffective and there is no satisfactory increase in STP membership. The strategy meeting dedicated to membership, which took place in May and subsequently in November, did not result in successful implementation of any of the ideas discussed.</p> <p>Renewed Recommendation 3: The remit of the Membership Committee needs to be clearly set out. If it is to be responsible for membership overall (as is recommended) it should propose a strategy for promoting membership of STP and seeking new members. It should be responsible for maintaining the membership roll, issuing (or in conjunction with the Treasurer) of proper invoices and thereafter chasing up the payment of membership fees.</p>
<p><u>STP response to recommendation 4:</u> Management Rules document defines the election process and main duties of Chair, Deputy Chair, Secretary, Financial Officer and Committees.</p>	Council	Immediate	<p>The response demonstrates a lack of understanding of what a</p>

			<p>succession and contingency plan are.</p> <p>Renewed Recommendation 4: A succession plan and contingency plan are urgently required</p>
<p><u>STP response to recommendation 5:</u> Minor changes to the inventory introduced by Piotr Świeboda.</p>			<p>Recommendation discharged.</p>
Council Meetings			
<p><u>STP response to recommendation 6:</u> More informative Meeting Minutes produced in 2022/2023.</p> <p>Different members of the Council were producing minutes to gain more experience, but also to lighten the workload of Marian Zastawny, the Secretary.</p> <p>Although the tracker was established to regularly track open and closed actions, it became apparent that there was no resource available to continue this work and the tracker was abandoned.</p>	Council	ASAP	<p>The IAC notes that the quality of minutes has improved, though the absence of 'action responsibility' (either in the minutes or in a tracker) almost defeats the purpose of the minutes.</p> <p>Minutes tend to be issued within 24 hours prior to a succeeding meeting, rather than soon after the meeting which they surmise. The latter would assist and encourage actions to be undertaken in good time prior to a succeeding meeting.</p> <p>Recommendation 5: Minutes of meetings should be issued as soon as possible after a given meeting and should contain action points.</p>
Financial Records			
<p><u>STP response to recommendation 7a:</u> (by Piotr Swieboda): All expenditure records have been diligently stored on MS Teams and are fully tracked using the online wave accounting software to monitor income and expenditures.</p> <p>Since the AGM meeting in 2022, Piotr Swieboda has taken on the role of Treasurer. If you require any further clarification regarding record-keeping, it can be provided during the upcoming audit prior to the AGM in 2023.</p>			<p>Recommendation discharged.</p>

<p><u>STP response to recommendation 7b:</u> Response (by Piotr Swieboda): Final accounts for the 80th Anniversary were discussed over the phone between Piotr Swieboda and Andrzej Rumun last year. All relevant records are stored on MS Teams and can be traced easily. If you encounter any difficulty locating them within the MS Teams structure, please contact the Treasurer.</p>			Recommendation discharged.
<p><u>STP response to recommendation 7c:</u> Response (by Piotr Swieboda): The issue has been resolved in all spreadsheets managed by the Treasurer. The terminology used now aligns with the online accounting software 'wave', which is being utilized to record all financial transactions within the Association.</p>			Recommendation discharged.
<p><u>STP response to recommendation 7d:</u> Response (by Piotr Swieboda): The invoices issued by the Association meet the formal requirements outlined above. Currently, the Treasurer manually issues invoices to members upon request. However, once the webpage system is upgraded (projected for 2023), payment receipts will be automatically generated by the system.</p>			The recommendation is discharged in as much as the invoices which are currently being issued. Care should be taken to maintain this in the event that the automatic generation of invoices planned for 2023, does not take place.
<p>Specific comments based on review on the accounts for the last year:</p>	Treasurer	ASAP	It is crucial for the Association to adhere to its objects as outlined in its Constitution
<p>Some budget items do not formally fall directly within the Association's Objects (e.g., church donation) while other financial duties (incl. external membership fees) very much within the Objects, remain unpaid.</p>	Treasurer	31.12.23	A historical review of income/expenses should be taken into consideration in future planning.
<p>Many budget points consistently show significant differences between planned and actual income / expenses.</p>	Council	ASAP	Improve the effectiveness of the Membership Committee in fee collection.
<p>It remains noted that fewer than half the members paid their subscription fee. This was one of the main reasons why the achieved income is ca. 30% lower than planned in the budget</p>			Coordinate budget planning with membership level predictions in order to establish a more realistic budget for the following year.

The budget document is sometimes difficult to read, for nil positions it randomly states 0.00 or blank spaces. It also contains spelling mistakes and words /phrases in Polish	Treasurer	ASAP	The document, being key to the Association's activities and reputation, should be improved.
STP Mission/ Administration			
<p><u>STP response to recommendation 8:</u></p> <p>The Council has organised (or co-organised) a number of online, f2f and hybrid events delivered in Polish and English in 2022/2023</p> <ol style="list-style-type: none"> 1. Czwartek 4 You – Handmade: A Scientist's Search for Meaning Through Making (May 2022) - online 2. Networking picnic celebrating the Queens' Platinum Jubilee (June 2022) 3. Strategic Workshop in POSK (June 2022) 4. 5th International Congress of Polish Engineers (June 2022) 5. Networking trip to Seven Sisters (July 2022) 6. Networking trip to Cotswolds (September 2022) 7. Mentoring Event in POSK (October 2022) 8. Czwartek 4 You – Marzenie energii fuzyjnej – dlaczego zawsze 30 lat od nas? (October 2022) - online 9. Czwartek 4 You – Chatting with the future: Exploring the power of ChatGPT – POSK/ online (February 2023) 10. Throughout 2022/2023 STP continued the work on the Technical Report: Unleash the Potential that was officially issued in February 2023. The event promoting the report (a seminar) will take place on the 16th of March (online). 11. Czwartek 4 You in April already planned. It will be held in POSK on the 20th of April. The topic will cover Carbon Literacy. 12. New cooperation agreements signed with the Society of Engineers in Dubai (November 2022) and The Silesian University of Technology (January 2023). 13. STP have been actively developing their social media platforms – Facebook and LinkedIn. Keeping the members, followers up to date with the latest events, updates. <p>Teresa Bilińska has been leading on resurrecting Technical Academy and organisation of courses/ workshops.</p>	Council	ASAP	<p>There is a substantial increase of STP promotion outside UK by contribution to the 5th World Engineer's Forum in Gliwice (June 2022), cooperation with Dolnośląska Okręgowa Izba Architektów RP, Silesian University of Technology, Society of Engineers in UAE (Dubai). It is possible that the effort associated with all these events consumed a lot of resources in terms of time & effort at the expense of activities traditionally carried out by STP in UK environment.</p> <p>There were only two C4U meetings over the whole cadence. These meetings usually promote STP and attract potential members.</p> <p>A new take-off for STP Technical Academy is recommended as it can attract new members.</p> <p>The idea of promoting STP via podcasts has not been continued and maybe can be revived when a new website is introduced.</p> <p>Recommendation 6: Focus on the UK membership and market should be the main priority for the activities and promotion of STP. Overseas communication and promotion is important, but will become irrelevant if the UK presence flounders.</p>

<p><u>STP response to recommendation 9:</u> All videos are available on STP's YouTube channel https://www.youtube.com/@STPinUK/videos Link to STP's YouTube channel to be added onto the website in due course.</p>	Council	ASAP	<p>Renewed Recommendation 7: Make it clear on the https://www.stpuk.org how to access the recordings of all historically completed 'czwartek 4You' events</p>
<p><u>STP response to recommendation 10:</u> Ongoing, majority of work completed.</p>	Council	ASAP	<p>Renewed Recommendation 8: Complete the update of the website and ensure consistency between Polish and English versions</p>
<p>Unleash The Potential Report on Polish Women working in STEM in the UK</p>			
<p>The IAC notes that the preparation of this report is finally complete.</p>			<p>The IAC commends the work of the few individuals who gave much time and effort to the preparation of this report. The report is a very worthy piece of work representing what STP can achieve. The opportunity to deliver this report to as many recipients and to engage with those recipients should not be lost. It must however be noted that the time spent on this singular piece of work will have taken time away from fulfilling all aspects of the STP mission.</p>

Table 3 Audit observations, comments & recommendations

Good practices (if applicable)	Comments
Documentation was made available for the assessment and the Treasurer offered his full cooperation and support with the audit.	
There appears to be a good level of security and adherence to protocol	
Monthly financial reports are issued in time for the Council meetings	

5. Conclusions

The IAC is disappointed that a significant number of its recommendations (some of which are now renewed for a second time), were not addressed at all. As advised in previous years, it has been observed that in terms of administrative function there are real shortcomings, and these are considered to be a risk to the CIO.

The IAC comprises 2 out of its 3 members, who also undertook the audit in the previous 2 years, and therefore have a means of comparison of activities over this period, including the Covid-19 pandemic.

The IAC has issued renewed a number of recommendations which are detailed in Table 3 and urges the Board to consider and act upon these without delay, prioritising those dealing with the financial sustainability of STP and the reliance upon individual Trustees without a contingency or succession planning.

A code Orange has again been issued, as it was in 2020/21 and also in 2021/22. The only reason why a code Red has not been issued is that the IAC recognises that the shortcomings are not wilful.

Notwithstanding this the IAC underlines that in Charity law, this is not a defence and all Trustees are recommended to read the Constitution and the Charity Commission's guide to the responsibilities of Trustees.

The IAC is happy to work with the Board in order to further highlight the areas of particular issue and to assist in their resolution.

The IAC recommends that invigorated and strong leadership is required to provide the necessary attention to detail, to coordinate and to recruit further members to the Board.

The questions must be asked; Who is STPUK for? What do its member want? What is the route to rebuilding an active membership? How is the organisation to be sustainable?