

## **WELSH ATHLETICS LTD**

### **EXTRAORDINARY GENERAL MEETING**

Extraordinary General Meeting held at the Metropole Hotel, Llandrindod Wells on Saturday 14 January 2012.

#### **Present:**

John Penny	President
Lynette Harries	Chair, Board of Directors
Matt Newman	Chief Executive Officer/Director
Carol Anthony	Director
Gwyn Williams	Director
Hedydd Davies	Life Member/Carmarthen Harriers
Jan Nugent	Life Member/Rhondda AC
Joyce Tomala	East Wales Regional Athletics Council
Peter Lane	South Wales Regional Athletics Council
Fred Malkin	Barry & Vale Harriers
Paul Darney	Cardiff AAC
Kay James	Cardiff AAC
Mary Jones	Cwmbran Harriers
Bernard Harris	Deeside AC
Denise Harris	Deeside AC
Hilary Goodger	Newport Harriers
Ken Goodger	Newport Harriers
Sue Leyshon	Swansea Harriers
Wynford Leyshon	Swansea Harriers
Gwilym Williams	Welsh Schools Athletic Association
Keith Matthews	Member of Finance Sub Group
Karlijn Asveld	Head of Administration
<b>Apologies:</b>	
Alan Currie	Chair, General Council
Steve Perks	Director
John Collins	Life Member
David Alun Williams	Life Member
Peter Morris	Member of Governance Sub Group
Dilwyn Davies	North Wales Regional Athletics Council
Paul Brooks	Secretary, Road Running Committee
Alison Tickner	Oswestry Olympians

**1 CHAIR'S WELCOME**

- 1.1 The Chair welcomed members to the EGM and requested that members stay focussed on the agenda so that the meeting would last no longer than 90 minutes.

**2 APOLOGIES**

- 2.1 The names, as listed above, were read out.

**3 ITEMS OF SPECIAL BUSINESS - FINANCIAL REPORT AND ACCOUNTS**

- 3.1 To receive and adopt the accounts for the 12 months ending 31 March 2011 together with the reports of the Accountants thereon.
- 3.2 This item was deferred at the 2011 AGM following the passing of a Notice of Motion raised by the South Wales Regional Athletics Council, which requested that 'a full, independent, official audit of the accounts of Welsh Athletics Ltd from 1 April 2010 to 31 March 2011 be carried out.'
- 3.3 The audit has now been conducted by Johns, Jones and Lo, Chartered Accountants.

**4 PRESENTATION BY CEO**

- 4.1 This is the first time that Welsh Athletics Ltd has held an EGM. Members were reminded that if they were unable to attend they could nominate another person by proxy. Before the audit was undertaken, the actual process was explained to the Board and the Finance Sub Group by a letter of engagement. The Finance Sub Group briefed the auditor in order to receive constructive advice from the audit process. There were no administrative problems with the audit process thanks to the work undertaken by Karlijn Asveld (Head of Administration) and the Finance Sub Group.
- 4.2 The CEO explained that the directors have a legal responsibility. The following statement was sent to the directors by letter from the accountants: 'We do not propose any modifications to our audit opinion and hence will be issuing a clean audit report.' It was pleasing to receive such an audit report after all the hard work that has been undertaken during the last five years to improve our systems. However the audit report did propose five recommendations.

**Recommendation One - To consider a formal tendering process**

The culture of Welsh Athletics amongst budget holders and key volunteers has always been to obtain the best value for money. Welsh Athletics has good relationships with its suppliers but will in future check more regularly whether the company received good value for money and will adopt a formal tendering process. The relevant finance regulation will be updated accordingly.

**Recommendation Two – To retain and reconcile suppliers' statements**

Welsh athletics will now adopt this procedure and the finance regulation will be updated accordingly.

**Recommendation Three – To segregate duties**

Although the activities were scrutinised by the Finance Sub Group, the role of the Head of Administration will now be split into two part time roles with a clear division between duties. This will remove the risk of fraud and protect the employees involved.

**Recommendation Four – To have the CEO sign payroll statements**

Although the CEO currently receives and checks the payroll statements, there was no previous proof that he actually carried out this action.

**Recommendation Five - To put in place a policy of a reserve fund**

The Finance Sub Group has been working on a draft policy and has been considering the correct balance between financial risk and saving too much, plus the appropriate amount to be held by a governing body had to be taken into consideration. The target has been set for a sum of an additional £50,000 over four years.

4.3 Questions from the floor

4.31 Wynford Leyshon (Swansea Harriers) Question: Should setting the reserve have a higher priority bearing in mind the possibility of reduced funding in the future? Answer: The future does not look as uncertain as it did 12 months ago.

4.32 Peter Lane (South Wales Regional Athletics Council) Question: How is the paper trail and segregation of duties going to be carried out? Answer: All duties and processes are explained in the finance regulations which are available to all members. Peter Lane said that the supply of information to General Council had been improved but should now be taken a step further. Carol Anthony (Director) explained that budget holders will receive monthly budget updates, which are checked by the Finance Sub Group. The reports are also discussed quarterly at meetings held by the Finance Sub Group.

4.33 Joyce Tomala (East Wales Regional Athletics Council) Question: How will members know that receipts and invoices will be kept and for how long? Answer: All financial documents are kept for six years. Copies of the finance regulations can be sent to members.

Many of the recommendations have already been put into action or will be by 1 February. Sport Wales, who are investing significant funds into Welsh Athletics, are happy with our financial processes.

4.34 Fred Malkin (Barry & Vale Harriers) stating that the easiest way to relieve all concerns is to hold internal audits.

4.35 Ken Goodger (Newport Harriers) stating that members must have confidence that Welsh Athletics is doing the right thing.

CEO told members that the audit had been a positive experience and he hoped that the members' level of comfort with the finances of Welsh Athletics is as positive as his.

4.36 Joyce Tomala (East Wales Regional Athletics Council) requested that thanks for the work carried out by the Finance Sub Group be minuted.

4.4 The financial model of Welsh Athletics states that only the surplus of core activities can be put back into grassroots. In previous years there was no surplus but the discussion at the 2010 AGM on raising registration fees resulted in the surplus above £28K being directed to grassroots activities. It was noted that Welsh Swimming generates a quarter of million pounds from membership fees.

4.5 Staffing costs are high but they are all covered by external funding. The activity identified by funders must have specific outcomes and in order to

achieve these outcomes, the staffing must be in place. Swimming spends £720,000 on staffing.

- 4.6 CEO explained it has been difficult to increase sponsorship due to the current economic climate but efforts are ongoing.
- 4.7 CEO explained that no other home nation has a kit sponsor and Welsh Athletics felt it was important that Welsh athletes are proud to wear quality kit. Welsh Athletics has to spend £20,000 but receives 70% on the retail price and received £28,000 in sportsmatch funding which was directed into grassroots athletics. The future of sportsmatch is still undecided.
- 4.8 Financial control has been tightened with comprehensive budget reports to the Board of Directors and General Council. Budget holders will also receive monthly updates. Keith Matthews, member of Finance Sub Group, was thanked for his work with the regions.
- 4.9 Questions from the floor
- 4.91 Hedydd Davies (Carmarthen Harriers) Question: Why has the grant to the WSAA been reduced? Answer: All budgets for international programmes have been reduced and the matter had been discussed with all budget holders. The picture for 2010/2011 had not looked promising at the time of setting budgets and Welsh Athletics had to act accordingly. However there appears to be a better outlook for the future.
- 4.92 Ken Goodger (Newport Harriers) Question: Do the accounts show the increase in the registration fees as many road running clubs feel they are subsidising the track and field clubs. Answer: The current financial year is the first year with the increased registration fees, so the accounts under discussion do not contain the increased fees.
- 4.93 Jan Nugent (Rhondda AC) Question: Can we be assured that selected Welsh athletes going abroad will be looked after by Welsh Athletics? Answer: Yes as we have learned from what happened at the warm weather training camp. In answer to a question from Wynford Leyshon about the holding of future warm weather training camps, it was explained that money has been ring fenced for the benefit of athletes.

## **5 ADOPTION OF ACCOUNTS**

- 5.1 Hedydd Davies (Carmarthen Harriers) proposed adopting the accounts for the 12 months ending 31 March 2011. Seconded by Kay James (Cardiff AAC).  
36 votes for, 0 against.
- 5.2 Peter Lane (Cardiff AAC) proposed the holding of annual internal audits and biennial external audits.  
36 votes for, 0 against

## **PLEASE NOTE**

**THE ABOVE MINUTES ARE PROVISIONAL AND SUBJECT TO CONFIRMATION AT THE NEXT ANNUAL GENERAL MEETING.**