AUDIT COMMITTEE
REPORT FOR THE PERIOD NOVEMBER 2003 – APRIL 2004

The Audit Committee Chair visited the IAA offices in Ottawa in March to meet with staff and to review the External Auditor's report. I met with the External Auditor and had extensive discussions with him about his review of the financial statements and the internal operating controls and his resulting report. There was nothing exceptional to note from either him or the staff. Both the auditor and the staff had extremely high praise for the work of the others.

As part of the visit, expenses submitted to the Secretariat for reimbursement were reviewed for consistency with established policies. No discrepancies were noted and all forms were approved, as submitted. The newly designed expense reimbursement form, with minor modifications, was again reviewed.

The Chair also visited the Institute of Actuaries' offices in London to review the handling of certain IPEF (IAA Fund) funds that are maintained, and accounted for, in London on behalf of the IAA. This review was informal because the staff who normally handle these accounts were not available to me during my visit. It was noted that one expense item had been improperly allocated to the Fund and was reversed. On-going reviews of these funds will be continued.

A thorough review of public statements processed through the Secretariat was conducted as mandated by the Committee's Terms of Reference. All public statements issued were validated through a review of letters and electronic messages received by authorized representatives of the member organizations. See the attachment to this report for additional detail, including the fact that actual votes cast continues to hover around 50% of eligible votes.

The operating agreement with the Canadian Institute of Actuaries for the provision of services and accommodations to the IAA were reviewed and found to be satisfactory.

The Investment Guidelines and Restrictions were reviewed and the current investments reviewed in light of these guidelines. No changes were suggested.

Terms of Reference for this Committee will be reviewed by the Committee in Stockholm, with possible changes being submitted later this year. One area that may require some special attention involves the interaction of the Committee with the Sections.

Finally, the budgets were also evaluated as part of the financial review.

C E Huntington
Chairperson
1 May 2004