

The Chartered Quality Institute **Annual Report 2018**

A portrait of Lord Jamie Lindsay, an older man with white hair, wearing a dark suit, a light blue striped shirt, and a dark blue patterned tie. He is seated and looking slightly to the left of the camera. The background is a dark, textured wall.

“I hope that you share my pride in the CQI’s heritage, in the contribution that the quality management movement has made to our quality of life, and in the role it has yet to play.”

CQI President's Message

In my first full year as CQI President, I have had the opportunity to experience at first hand the value that the CQI provides to its members and in supporting the quality agenda.


I was delighted to attend the 2018 CQI International Quality Awards, which tangibly demonstrated the impact that excellence in quality management has for organisations that embrace it, and the benefit that this provides for customers and consumers. Perhaps, most of all, this highlighted the contribution that the quality profession makes every day to the performance and sustainability of organisations in all sectors.

The period of uncertainty precipitated by Brexit has provided challenges for many CQI members and their

organisations in the UK and overseas. Whatever the outcome, the quality of product, service and organisational culture will become an ever more important competitive weapon. In that context, the role of the CQI remains vital in advancing the quality management agenda with industry, standards bodies and the conformity assessment sector in the UK and internationally on your behalf.

So, as we celebrate our centenary in 2019, I hope that you share my pride in the CQI's heritage, in the contribution that the quality management movement has made to our quality of life, and in the role it has yet to play.

**Lord Jamie Lindsay, President,
Chartered Quality Institute**

A portrait of Ian Mitchell, a middle-aged man with short brown hair, wearing a dark blue pinstripe suit, a light blue and white striped shirt, and a patterned tie. He is looking directly at the camera with a slight smile. The background is a wooden bookshelf filled with books, some of which are red.

“Our members are the foundation for advancing our charitable purpose through their work each day in helping organisations improve performance and mitigate risk.”

Chair's Introduction

In 2018, the CQI took the opportunity, in planning for its centenary year of 2019, to conduct a strategic review. This involved reflecting on progress over the past 100 years and considering how the CQI and quality profession will need to respond in the coming decades. The outcome of that review underlined the need for the CQI and the profession to adapt to the external environment as they have done over the past century, but at a much faster pace. Our revised strategy, outlined in this report below, responds to this external context and to the needs of our members and stakeholders.

Our members are the foundation for advancing our charitable purpose through their work each day in helping organisations improve performance and mitigate risk. With that in mind, I am delighted that 2018 saw another marked increase in member and volunteer satisfaction, and I would like to give special thanks and recognition to our army of passionate volunteers whose work makes such a difference.

In 2018, we continued our support of ISO management systems standard revisions as the latest cycle came to a close. I thank our standard panel members who have worked so hard on behalf of the profession at both the UK level with BSI and the international level with ISO. Our policy team continued to raise

public awareness of quality issues, including in our *Technology on Trial* report, which underlined the organisational deficiencies apparent across the whole technology sector. In support of the development of the next generation of quality professionals, I am pleased to report that our work with the Institute for Apprenticeships and industry led to the release of the full suite of business improvement apprenticeships.

In addition to another busy year, the CQI executive in London and Japan made the necessary improvements to ensure compliance with the EU General Data Protection Regulation and we implemented enhancements in our Corporate Governance arrangements in response to our review against the recently published Charity Governance Code.

As we enter our centenary year, I am pleased to report that the CQI continues to be financially stable and in a good position to invest in the improvement required to deliver the revised strategy and long-term financial sustainability.



**Ian Mitchell, Chair of the Board of Trustees,
Chartered Quality Institute**

Trustees' report

For the year ended 31 December 2018



What we do and why it matters

The quality of product, service and organisational culture is a competitive weapon. Get it right, and a nation prospers with customers and consumers benefiting from reliable services and products from effective organisations that care about their wider impact on society. Get it wrong, and we see organisations fail through lack of competitiveness and, at worst, society damaged by unsafe products and services that destroy lives.

For the most part, the quality culture and capability of organisations is not a matter of public discourse; we take for granted that our national infrastructures remains safe, our commercial organisations remain competitive and our public services continue to deliver. But it should be recognised that behind each of those organisations are the quality culture, systems and professionals that quietly put the endless drive for improvement and excellence at their hearts.

On the other hand, our news media regularly reminds us of the worst of what happens when there is an absence or failure of quality management and culture: from the tragedy of Grenfell to scandal of how tech firms treat customer data.

Our mission

The Chartered Quality Institute (CQI) is a global professional body with the mission of advancing the practice of quality management in all sectors through:

- The positive difference that our member quality professionals make to organisations in the public, private and not-for-profit sectors
- Our policy work supporting organisations, peer professional and trade bodies, and UK and international standards and quality infrastructures
- Our publicly available information on **www.quality.org**

The Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing the Institute's aims and objectives, planning future activities and setting the annual operating plan.

Our strategic objectives

Objective 1 – Excellence in the profession. To lead a quality profession valued by employers as a business partner in delivering excellence in Governance, Assurance and Improvement

Objective 2 – Excellence as a professional body. To align the CQI's resources to deliver Excellence in the Profession

Objective 1 – Excellence in the profession



1.1 Employer support – To grow the support of organisations for quality management and quality professionals

Our Corporate Partner community provides the CQI with insight from organisations to inform CQI strategy and plans, as well as mechanism for the CQI to promote quality management and CQI qualified quality professionals to industry.

Through our programme of events and round tables in 2018 with this community, we identified three key quality challenges for industry:

1. **Skills** - The ongoing skills deficit and difficulty in attracting, developing and retaining quality professionals.
2. **Industry 4.0** - The need to understand and adapt quality method and professional skills and knowledge to the rapidly emerging Industry 4.0 challenge.
3. **Quality culture** - The need to broaden the quality agenda to other functions within organisations in order to improve performance and de-risk operations.

These challenges provided inputs to the CQI strategy review carried out in 2018 and the activities outlined in later sections of this report. Brexit uncertainty provided challenges for many of our Corporate Partners. Nevertheless, the size of our community of Corporate Partners remained stable in 2018, with the slight reduction resulting from merger activity between some partners. We did not see an improvement in corporate partner satisfaction in 2018 and this is a consideration for 2019.

Key performance indicators	2018	2017
Number of Corporate Partners	27	31
Corporate Partner Net Promoter Score*	-10	-10

*The Net Promoter Score (NPS) is a customer loyalty score, ranging from -100 to 100, calculated by asking customers one question: "On a scale from 0 to 10, how likely are you to recommend this product/company to a friend or colleague?" Any score above 0 reads as 'good' because it indicates that a business has more promoters than detractors.

8

regions

24

UK branches

2international
branches

I.2 Quality professional support – To grow support from CQI and IRCA members

The CQI's professional networks support members' Continued Professional Development (CPD) and provide valuable communities of practice within different geographies, sectors, demographics and specialisms.

Branch network highlights

The CQI Membership Council plays a vital role in providing direction for and supporting the CQI's network of 8 regions, 24 UK branches and 2 international branches. CQI branches provide both face-to-face and live-streamed events covering topics aligned with the CQI Competency Framework and emerging challenges for the profession. In 2018, our branch network delivered 101 CPD events, attended by 2,266 members and guests, compared to 96 events attended by 2,314 individuals in 2017.

Next Generation Network highlights

The CQI Next Generation Network (NGN) plays an important role for those new to the quality profession in providing a community of support. In 2018, the NGN continued to grow its engagement with other CQI professional networks. In response to feedback from members, the Next Generation Network introduced a pilot mentoring scheme matching mentees with mentors in a variety of sectors that, in 2019, will be moved to an electronic platform and rolled out across the whole membership.

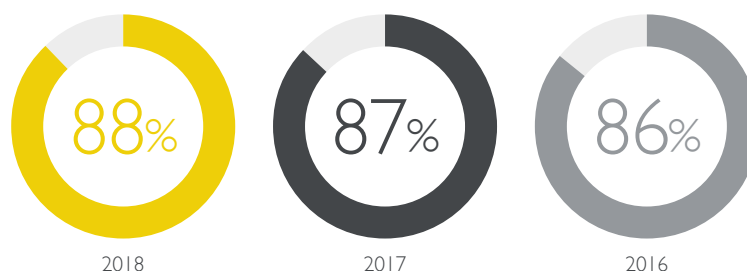
Special Interest Group network highlights

The CQI Special Interest Groups (SIGs) provide industry sector and quality management specialist networks, content and events for members.

- Construction Special Interest Group
- Defence Special Interest Group
- Rail Special Interest Group
- Pharmaceutical Quality Group
- Nuclear Special Interest Group
- Integrated Management Special Interest Group
- Deming Special Interest Group

The CQI industry sector SIGs additionally provide outreach to peer organisations within their sector to represent the views of the profession to regulators and industry bodies. For example, the CQI Defence SIG continued to sit on and support the UK Ministry of Defence's Defence Industries Quality Forum. The CQI Construction SIG supported the Institute of Civil Engineers Get-It-Right initiative. The CQI Pharmaceutical Quality Group continued their engagement with the UK's Medicines and Healthcare products Regulatory Agency (MHRA), and continued as a General Assembly member of the EXCiPACT international pharmaceutical excipients certification scheme.

CQI membership retention



Detailed information about these and other SIG activities may be found on each SIG's webpage (www.quality.org/content/special-interest-groups-sigs).

As a next step in supporting our member-led SIGs, we improved the support provided by the executive and progressed the closer alignment of the important work that SIGs do with the CQI strategy to provide a foundation for the SIG network to further expand in the coming years, and to incorporate more sectors and specialisms.

CQI membership

CQI member satisfaction increased by 12 Net Promotor Score points in 2018, reflecting the work of the CQI to promote, represent and develop the profession completed as part of the CQI Strategy 2020, as well as the improvements we have made to the membership offering with the publication of technical reports (see 1.6 below). In 2018, we retained 88% of our members, showing a continued improvement over the previous two years (86% in 2016 and 87% in 2017) and thus reflecting improved member satisfaction. While we welcomed 764 new members in 2018, this was a drop compared to 2017 (845), meaning that we saw a reduction in the overall register. Formal feedback from members indicated the need for the CQI to improve membership processes to make joining and exploiting membership benefits easier: this forms an important element of the CQI's improvement plan for 2019.

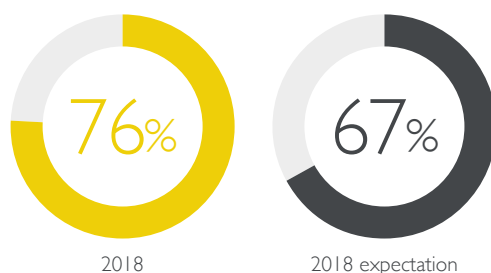
Key performance indicators	2018	2017
CQI Register	8,557	8,747
CQI member Net Promotor Score	+27.0	+15.0

IRCA auditor certification

The International Register of Certificated Auditors provides professional certification for management systems auditors operating in a wide variety of contexts, including quality management, safety management, environmental management and security management. Our IRCA management systems auditor community remained global with members based in over 100 countries, with 3,500 members supported by IRCA Japan.

September 2018 saw the end of the transition period for the revisions of ISO 9001 (QMS) and ISO 14001 (EMS) standards and the ISO High Level Structure. As part of this transition, IRCA certificated auditors were required to complete certified training in order to transition their certification to the revised standards. During transition periods, we expect a significant proportion of the auditor community to drop out either because they cannot meet the new requirements or because they see this as the time to remove themselves from this area of work. By the end of 2018, 80% of QMS auditors and 77% of EMS had transitioned globally, with 96% and 98% respectively transitioning in Japan.

IRCA auditors retention



Auditor satisfaction saw a 17.5 point Net Promotor Score rise in 2018, reflecting the investment in supporting auditors with ISO transitions through our technical publications. Improved IRCA auditor satisfaction together with slightly higher than expected transition rates resulted in retention of IRCA auditors that was stronger than anticipated at 76% globally compared to an expectation of 67%. Feedback from IRCA auditors also indicated the need for the CQI to improve membership processes to make joining and exploiting membership benefits easier: this forms a key element of the CQI's improvement plan for 2019.

Key performance indicators	2018	2017
IRCA Auditor Register (excluding Japan)	6,976	7,735
IRCA Auditor Net Promotor Score (excluding Japan)	+30.0	+12.5
IRCA Japan Auditor Register	3,551	3,538

1.3 Quality profession capability – To provide quality professionals that meet the evolving needs of organisations

The quality professional skills shortage

Attracting and developing quality professional talent remained a challenge for employers in 2018. The CQI provides a growing set of assets to support the qualification, recognition and development of quality management professionals, working with industry to promote quality management as an aspirational, fulfilling and indeed a well-paid career option.

At the schools level, the CQI developed, as part of our centenary preparations, a quality offering via the STEM (science, technology, engineering and mathematics) programme to provide insight into quality management and promote this as a career option. This will be launched in 2019.

At the apprentice level, we strengthened our work with the Institute for Apprenticeships and industry consortia, developing and releasing Business Improvement Trailblazer Apprenticeship Schemes at four levels, corresponding to Lean Six Sigma, Yellow, Green, Black and Master Black roles, which were released in 2018. Some 150 apprentices started in the 2017/18 academic period, with the main employers currently using the scheme being: Toyota, Adient, Sortec, Stadco, GSK, SpecSavers and Wilko. We also embarked on the development of a General Quality Trailblazer Apprenticeship Scheme, which we anticipate being completed by late 2019.

At university level, the CQI degree accreditation scheme launched in 2017 saw two new quality management MScs accredited:

- **Robert Gordon University** – Quality Management MSc
- **University of the West of Scotland** – Quality Management MSc

No. of
delegates
taking certified
training courses

2018

78,222

2017

74,296

I.4 Learning and Development – We must have a supply of learning through competent learning providers that meets industry needs

2018 saw a 5% uplift in the total number of delegates taking a CQI and IRCA certified training course, delivered by over 100 approved training partners globally.

The Institute's auditor training courses continue to be the most popular training offering, with 77,767 delegates taking them in over 100 countries during the 2018 period. With the publication of the revised ISO 19011:2018 Guidelines for Auditing Management Systems, all audit-based courses and assessments were updated in 2018 to reflect focus on taking a risk-based approach. We also created courses to support the other key standard revisions, including those for food safety and health and safety.

In their second full year, the CQI and IRCA certified quality management training courses were delivered by 14 approved training partners, who between them delivered courses in seven countries. However, growth in take up of these courses has been slow with only 455 delegates in the period, and a review of this product will take place in 2019.

Key performance indicators	2018	2017
Number of Delegates on CQI and IRCA Certified Auditor Training Courses	77,767	74,296 (combined)
Number of Delegates on CQI and IRCA Certified Quality Management Training Courses	455	

1.5 Evidence of Value – We must evidence the value that the quality profession provides

Promoting the value of the quality management discipline and the profession to industry and society is core to the CQI's purpose.



International Quality Awards 2018

In 2018, we held the second iteration of the International Quality Awards to recognise, celebrate and learn from excellence in the discipline and profession. The entries continued to be international with the majority coming from outside the UK, with five continents represented. The 11 winners came from eight different countries, reinforcing the international relevance of quality.



World Quality Day 2018

World Quality Day (WQD) is an annual campaign that gives the CQI and the profession the opportunity to promote quality management within industry and society at large. The 2018 WQD theme, 'A Question of Trust', celebrated the role that everyone in an organisation plays in building and sustaining trust for all stakeholders: customers, suppliers, staff, regulators, shareholders and society.





1.6 Policy – We must have the understanding and respect of other professions, non-executive and executive committees

Governance – Technology on trial

Building on previous work with the Institute of Directors, in 2018 the CQI released a hard-hitting report, *Technology on Trial*, focusing on the world's largest 14 tech companies and their performance and conduct with respect to all aspects of Corporate Governance. The report revealed alleged cases of child labour, forced labour, and human rights violations, with the average tech company RRI* scoring 39/100 – compared to an average among a random sample of 20,000 companies of 20/100.

*The Rep Risk Index (RRI) measures a company's risk exposure to environmental, social, and governance (ESG) risks.

Assurance

The CQI considers that UKAS (United Kingdom Accreditation Service) and the whole of our national quality infrastructure is a vital foundation for UK plc and a key consideration in the world of Brexit and trade barrier threats. We continued to support UKAS as part of their advisory committee structure.

Standards

In 2018, we continued our contribution to the development of international standards through our participation with BSI and ISO workstreams. We completed our involvement in the revision of ISO 19011, in which appeared the new risk-based principle for management systems audit proposed by the CQI. The publication was supported by the CQI report providing members and Corporate Partners with expert guidance and insight. We confirmed our category liaison status to the Technical Committee responsible for ISO 45001 on Occupational Health & Safety and continued our work developing further guidance for the Technical Committee. We also contributed significantly to the evolution of ISO 9004 through consultation with our members and input via our expert Standards Panel.

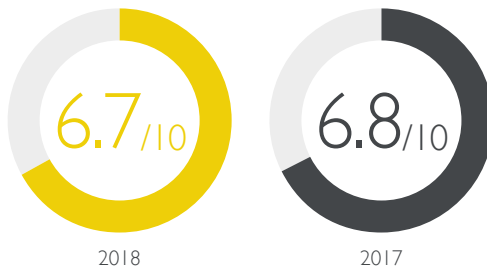
Associate Partners

In 2018, our policy and outreach work were supported by a wide range of mutually beneficial relationships with CQI Associate Partners.

Associate Partners

- British Standards Institution (BSI)
- Chartered Institute of Internal Auditors (CIIA)
- Engineering Council
- Institute of Directors
- Non-Executive Director's Association (NEDA)
- Oakland Group
- Process Management International (PMI)
- RepRisk
- Shirley Parsons Ltd
- United Kingdom Accreditation Service (UKAS)
- Board Intelligence
- Catalyst Consulting

CQI staff
satisfaction



Objective 2 – Excellence as a Professional Body



2.1 Effectiveness – We must have effective product and service delivery

The Board, through its own meetings and its subcommittees, reviews operational performance quarterly with the CEO to establish confidence in the Institute's ability to deliver on our operating plan objectives and to learn and improve.

General Data Protection Regulation (GDPR) compliance – In 2018, we invested in improving our management of personal data and achieved compliance with the GDPR.

IT – We reviewed our IT and technology infrastructure and recognised that our legacy systems do not equip us with a foundation to provide the quality or efficiency of service for members, volunteers and staff that is required of a global 21st century professional body. This review supplied the basis for our digital strategy moving into 2019.

Operational Governance – Our programme of internal audits continued to identify areas of good practice and opportunities for improvement, and we completed a Lean Six Sigma training programme for all staff in preparation for our significant process and digital improvement plans.

The extent of work required for GDPR and the IT review led to a reprioritisation of our investment in improved process and systems, which now feature in our 2019 operating plan.

Key performance indicators	2018	2017
Corporate Governance – Conformance with Charity Governance Code	Conformant	Conformant
Operational Governance – Number of repeat non-conformities	0	0
Operational Governance – Number of non-conformities not closed on time	0	0

Our staff team of 49 in London and Tokyo, and our small volunteer community of 151 members, is vital to progressing the CQI strategy and plans, from our Board to our branch committees and from our Membership Council to our Special Interest Groups and Standards Panel. 2018 saw a significant improvement in volunteer satisfaction of +25 net promotor score points as the work of the Membership Council and Professional Networks staff team started to improve support, communication and recognition for our volunteers. Staff satisfaction scores remained broadly consistent with 2017.

Key performance indicators	2018	2017
Staff Satisfaction (average score out of 10)	6.7	6.8
Volunteer Satisfaction (Net Promotor Score)	+17.0	-7.0

The Group's operational financial performance in 2018 was strong, generating a healthy surplus of £214k for the year (2017: £135k).

Membership income decreased 1% to £3.33m, due to a dip in retention linked to reaching the end of the transition period for two of our largest IRCA schemes during 2018.

Income from Learning and Development fell by 3% compared to 2017 because of the continued phasing-out of the CQI Certificate and Diploma offering. The Approved Training Partner product continued to exceed income expectations and generated £1.83m, 5% up on 2017 performance due to an increase in course delegates.

Awareness activities generated £121k income, an increase of 70% on 2017, due to the success of the International Quality Awards and CQI's numerous publications.

The results include figures from two wholly owned trading subsidiaries. The surplus from IRCA Japan Kabushiki Kaisha rose by 30% in 2018 because of excellent auditor retention and cost control. The resulting royalty payment to the Institute was £0.21m, 31% higher than in 2017. CQI Services Limited had another year of income growth due to increased revenues from the International Quality Awards. The trading subsidiary posted a small loss for the year after the management charge from the Institute, and there was therefore no gift aid payment for the year.

Overall reserves rose to £3.4m. Net assets include an investment portfolio valued at £1.4m at the year end and cash balances in excess of £2.1m. The Institute therefore has a strong financial position from which to invest for the future.

£3.4m

reserves

£1.4m

investment portfolio

£2.1m

cash balance

Having reviewed the financial position, the Trustees are confident that the Institute has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

Investment policy and performance

The Institute operates a low risk investment policy designed to deliver income while protecting the investment funds over the longer term. This is consistent with the provisions of the Royal Charter.

The high levels of volatility and continuing UK political change, combined with global political uncertainty, resulted in a challenging environment in which to manage investments. The Institute is a long-term investor and the value of its investments remains significantly above its original investment.

Funds are invested in a Common Investment Fund (CIF), the Newton Global Growth and Income Fund for Charities. The fund does not invest in the tobacco industry but has no other specific restrictions on investments. In 2018, the return on this investment from dividend income was in line with expectations and 2017. However, like many others, the fund suffered a drop in value at the end of December, which has resulted in a 4% loss for the financial year. The fund has currently recovered its value in 2019. The balance of cash held by the Group has increased to £2.1m at the end of 2018 due to strong cash generation from operating activities.

The Finance and Remuneration Committee is responsible for reviewing investment performance and policy. The policy was reviewed during the year and deemed fit for purpose.

Reserves policy

The Institute operates a reserves policy that requires a minimum of three months of budgeted annual operating costs to be retained as free reserves. The Trustees consider that this level will provide sufficient funds to respond to any unexpected events.

The balance held as unrestricted reserves at 31 December 2018 was £3.44m. £1.66m of this was regarded as free reserves, after allowing for funds tied up in fixed assets (£0.4m) and other designated reserves, including funds for IT projects (£1.0m) and a Premises Reserve (£0.3m) for potential office relocation costs. £1.66m equates to over three-and-a-half months' worth of budgeted 2019 operating costs, which was comfortably more than the minimum requirement of three months (being £1.36m).

Risk management

Good risk management is fundamental to the continued work and sustainability of the Institute. We identify and manage risks that could adversely impact the achievement of our strategic purpose, and determine the calculated risks we need to take to succeed.

The Institute operates a formal framework for the management of risk, taking the view that risk can be positive (opportunity) or negative (threat). The Institute operates a risk register incorporating strategic, operational and compliance risks, which are informed by the Institute's strategic objectives, performance, voice of our stakeholders, regulatory environment and analysis of the external environment.

The Board delegates day-to-day responsibility for risk management to the Senior Management Team, who are responsible for identifying and evaluating risks that relate to their areas and activities, implementing appropriate controls and for ongoing monitoring.

The Governance & Risk Committee reviews the management of risk in detail at each meeting and the Board reviews the Institute's strategic and compliance risks and the associated project portfolio at each board meeting.

Key business risks and mitigations

The Board considers that the key strategic threats landscape for the Institute are as follows and has approved the following responses to threats:

Risk	Risk Response
Professional body relevance The threat of rapidly changing external global environment compromising the relevance of professional bodies including the CQI.	The CQI has in place the following: <ul style="list-style-type: none"> Insight gathering from other professional bodies through networks including NCVO and PARN. Voice of members and industry to establish current and future needs. Strategy review process to ensure that threat and opportunity is translated into prioritised improvement.
Relevance of the profession Threat that the fast changing and volatile external environment, especially Industry 4.0, reduces the relevance of the profession.	The CQI is establishing the following in 2019: <ul style="list-style-type: none"> A research process to ensure that we continually monitor the external environment, understand changes required to the quality management discipline and quality professional skills and knowledge. A research capability to support CPD and new product offerings.
Brexit Threat of impact on staffing (staff on EU passports) and revenue from economic downturn.	The ongoing uncertainty surrounding Brexit including the possibility of a 'no deal' is continually monitored. The impact is expected to be low for the CQI, with staffing being the immediate risk in terms of impact on recruitment and the possible loss of staff on EU passports. <ul style="list-style-type: none"> We continue to consider risk for recruitment. We have 7 permanent staff on EU passports with one business critical role. We monitor the potential economic impact and adapt operating and investment plans accordingly to ensure sustainability.
CQI strategy delivery Threat to sustainability of the CQI and to the delivery of our charitable purpose if we are unable to deliver the strategic plan.	The CQI has in place the following arrangements to ensure that CQI strategy remains appropriate and that it is implemented effectively: <ul style="list-style-type: none"> Review of portfolio progress and risk landscape at monthly SMT meetings and quarterly Board meetings. Implementation is monitored via portfolio project management and risk management. Adaptation of the plan based on performance and changes in the business environment and risk landscape.

Future plans

In 2018, the board commissioned and carried out a strategy review taking our charitable purpose as a starting point. The process included consideration of the macro external environment, current performance and feedback from members and stakeholders. It was identified that four macro trends will have an increasingly profound impact on the discipline of quality management, the quality profession and the CQI.



Technology:

Industry 4.0 and its impact on society, organisations & employees.



Global economy:

Shifts in geopolitical power and the impacts on global trade, barriers to trade and supply chains.



Demographics:

The impact of an aging population, declining birth rates, longer working lives.



Personal values:

The impact of how individuals and society perceive value in terms of product, service and organisational behaviour.

These trends will require the quality management discipline, the quality profession and the CQI itself to transform at pace if it is to remain relevant to the 21st century. In response, the CQI has adapted its strategy to include five strategic themes:

Strategic theme	In practice
Align operating model	Transform our governance, executive, systems and partners to deliver strategy
Redesign offerings	Transform value for individual and corporate members through digitally enabled and expanded membership services
Lead quality management practice	Invest in research and CPD to underpin the ongoing relevance of the profession to organisations within the emerging Industry 4.0 world
Broaden the scope of the profession	Gain the support of allied professions in delivering excellence in governance, assurance and improvement
Grow global perspective	Grow our contribution to the global quality movement, recognising the complex global environment in which members operate

Recognising that this is a long-term programme, we established three phases over the next 10 years:

Phase 1	Phase 2	Phase 3
Prepare for Growth	Transform Value	Grow Global Influence
2019-2022	2023-2026	2027-2030

Therefore, from 2019, our priorities, plans and investment will support these strategic themes, with specific plans for 2019 as follows:

Strategic theme	In practice
Align operating model	Update IT, systems and website Digitalise core membership processes Re-establish marketing capability and strategy
Redesign offerings	Transform member pathway
Lead quality management practice	Establish research capability Delivery Quality 4.0 research report Maximise benefit from CQI centenary
Broaden the scope of the profession	Increase support of the UK Quality Infrastructure
Grow global perspective	Maintain ISO and BSI standards engagement Maintain IRCA Japan and global branches

Charitable status and administrative details



The Institute is a registered charity (no. 259678) under the Charities Act 2011 and its expenditure is directed in furtherance of its charitable objects. The Institute was granted a Royal Charter on 23 November 2006. Its registered office is as shown on page 29. The current Trustees, and any past Trustees who served during the year, are listed on pages 54 to 57 together with the names of the senior executive staff and the external advisers of the Institute.

Board of Trustees



The Trustees are responsible for directing the Institute's activities and for overseeing the management of the affairs of the Institute; they delegate day-to-day management of the organisation to the chief executive and the senior management team. The Board acts on advice and information from regular meetings with the chief executive and senior management team. The members of the Board are the directors of the Institute and the Trustees of the charity.

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).





Board of Trustees, September 2018. Left to right: Richard Allan, Amanda McKay, David Straker, Andy Pitt, Nina Abbassi, Mike Turner, Natalie Shoemark-Dyer, Ian Mitchell, Roxann Dawson and Louise Kavanagh.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group and Institute and of the net movement in funds of the Group and Institute for that period. In preparing these financial statements, the Trustees are required to

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Institute will continue in operation.

The Trustees are responsible for keeping accounting records that disclose, with reasonable accuracy, at any time the financial position of the Group and Institute, and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Royal Charter.

The Trustees are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

So far as each of the Trustees is aware at the time of the report:

- There is no relevant audit information of which the Institute and the Group's auditors are unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the Group and Institute's financial information included on the Institute's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Corporate governance

The Board supports the recent release of the ACEVO Charity Governance Code which has replaced the previous Hallmarks of an Effective Charity code as the standard we measure ourselves against. In response to this release the Board constituted a new Governance & Risk sub-committee and has established a new Framework for the Management of Corporate Governance.

The Board and its effectiveness

The Board is responsible for directing overall group strategy, major capital projects, budgets, financial control and risk management. It reviews operational performance regularly to satisfy itself that the activities of the Institute are in accordance with the agreed strategic direction and ensures that the executive management has the capacity and resources to meet the Institute's objectives. The Board meets four times a year and is provided with a monthly written report from the CEO.

The composition of the Board is set out on pages 54 and 55. New Trustees complete an induction programme covering Trustee responsibilities as well the Institute strategy and objectives, and periodic refresher training is provided.

Board effectiveness is reviewed after each meeting by the Board, and individual Trustee and CEO performance is reviewed annually by the Chair. In reviewing its performance, the Board agreed the need to balance operational oversight with strategy review and in 2018, the Board agenda was adapted to ensure adequate time is provided for strategic matters to be considered.

The Board and Committees



The Membership Council and Nominating Committee

The Charter and Bye-laws grant specific powers and duties to an Advisory Council of the Institute to elect up to 17 Trustees through the CQI Nominating Committee.

The CQI Membership Council fulfils the role of the Advisory Council, appointing new trustees based on recommendations from the CQI Nominating Committee, which comprises members from the Board and Membership Council. In addition, the Member Council operates and supports the CQI's professional networks of regions branches and special interest groups.

Finance and Remuneration Committee

The Finance and Remuneration Committee (FRC) is drawn from members of the Board and ensures the system of internal control is satisfactory to deliver regulatory compliance, financial probity and value for money, including review and challenge of financial plans; budgets and financial statements; oversight of the annual financial audit; review of investment policy and performance; review of reserves policy; and CEO and staff remuneration.

Governance and Risk Committee

The Governance and Risk Committee (GRC) is drawn from members of the Board and ensures the corporate governance and risk management systems support the CQI's purpose and strategy through the CQI's Framework for the Management of Corporate Governance and Framework for the Management of Risk.

Remuneration policy

The Institute's policy is to position its overall reward package at market rate for membership bodies of a similar size, and to encourage and enable the individual progression and career development of staff based on performance. Recruitment and reward are based on potential and performance only, with policies and training in place to ensure no discriminatory factors are involved.

The FRC undertakes an annual salary review based on the financial status of the Institute, cost of living and market rates. Once approved by the Board, changes are applied to all employees, at all levels. In addition, individual salary increases may be offered during the year, based on performance against objectives (including behavioural) following a business case process.

The Institute has decided to participate in the Voluntary Gender Equality Reporting Initiative. Calculated in April 2019, the CQI's mean gender pay gap is 8% (April 2018: 30%) and the median gender pay gap is 10% (April 2018: 23%). The pay gap has closed significantly due to the increased number of male employees in non-management roles compared to 2018.

The CQI strongly supports equal pay, with individuals carrying out the same role being paid the same, irrespective of gender. Our salaries are benchmarked at market and internal rate. We are open to, and encourage, flexible and part-time working and we promote internal job mobility where possible. The FRC will continue to monitor equal pay and diversity within the context of remuneration.

Group structure



The charity has two active wholly owned subsidiary companies:

IRCA Japan Kabushiki Kaisha is a company registered in Japan. Its principal activity is to provide membership services to our members in Japan and to promote the Institute's auditor certification services offered in Japan.

CQI Services Limited, registered in the UK under company registration number 4572473. The company's principal activities relate to securing advertising in the Institute members' magazine, helping members find new jobs through www.QualityJobs.org and managing the administration of the International Quality Awards Ceremony.

Financial statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Institute's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities Statement of Recommended Practice (revised 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Institute does not generate income through fundraising, therefore is not in breach of the Information Commissioner's Office's requirements with regard to fundraising.

By order of the Board of Trustees,

Ian Mitchell

Chair of the Board of Trustees, Chartered Quality Institute

Date: 13 June 2019

Independent auditor's report to the Trustees of the Chartered Quality Institute

Opinion

We have audited the financial statements of Chartered Quality Institute for the year ended 31 December 2018, which comprise the Consolidated Statement of Financial Activities, the Balance Sheet and the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 parent charity's affairs as at 31 December 2018 and of the group's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs [UK]) and applicable law. 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees 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 trustees 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 trustees are responsible for assessing the group's and the parent charity'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 trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. 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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP

Statutory Auditors

Date: 27 June 2019

10 Queen Street Place

London

EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities

for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Income from:			
Charitable activities			
Membership Services		3,330	3,352
Learning & Development		1,944	1,995
Awareness		121	71
Investments	3	48	44
Total		5,443	5,462
Expenditure on:			
Charitable activities			
Membership Services	4	3,041	3,435
Learning & Development	4	1,604	1,565
Awareness	4	548	444
Total		5,193	5,444
Net income before gains/(losses) on investments and foreign exchange		250	18
Net gain/(loss) on investments	13	(60)	131
Net gain/(loss) on foreign exchange		24	(14)
Net income		214	135
Reconciliation of funds:			
Funds brought forward		3,230	3,095
Total unrestricted funds carried forward	20	3,444	3,230

There are no recognised gains or losses other than those recognised above. All activities are continuing.

All activities (income and expenditure) in both years are unrestricted and therefore a comparable statement of financial activities is not required

The notes on pages 29 to 53 form part of these financial statements

Balance sheet

as at 31 December 2018

	Note	Group		Institute	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Intangible fixed assets	11	181	243	181	243
Tangible fixed assets	12	203	350	168	348
Investments	13	1,403	1,463	1,481	1,471
		1,787	2,056	1,830	2,062
Current assets					
Debtors	14	869	906	1,033	1,037
Cash at bank and in hand		2,062	1,845	1,667	1,479
		2,931	2,751	2,700	2,516
Current liabilities					
Creditors: amounts due within one year	15	1,195	1,498	1,036	1,350
		1,195	1,498	1,036	1,350
Net current assets		1,736	1,253	1,664	1,166
Provisions for other liabilities	17	79	79	79	79
Net assets		3,444	3,230	3,415	3,149
Total funds:					
Designated funds	20	1,787	1,290	1,753	1,288
General funds	20	1,657	1,940	1,662	1,861
Total unrestricted funds		3,444	3,230	3,415	3,149

These accounts were approved by the Board and authorised for issue on 13 June 2019 and were signed on its behalf by:

Ian Mitchell, Chair of the Board of Trustees

The notes on pages 29 to 53 form part of these financial statements

Consolidated statement of cash flows

for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities:			
Net cash provided by operating activities		189	343
Cash flow from investing activities:			
Dividends and interest from investments		48	44
Spend on internally generated intangible assets		(2)	(35)
Purchase of tangible assets		(42)	(23)
Net cash provided by/(used in) investing activities		4	(14)
Change in cash and cash equivalents in the reporting period		193	329
Cash and cash equivalents at beginning of reporting period		1,845	1,530
Exchange gains/(losses) on cash and cash equivalents		24	(14)
Cash and cash equivalents at end of reporting period		2,062	1,845
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		214	135
Adjustments for:			
Depreciation charges		189	192
Amortisation charges		64	54
(Gains)/losses on investments		60	(131)
(Gains)/losses on exchange		(24)	14
Dividends and interest from investments		(48)	(44)
Increase/(decrease) in provisions		-	79
(Increase)/decrease in debtors		37	21
Increase/(decrease) in creditors		(303)	23
Net cash provided by operating activities		189	343
Analysis of cash and cash equivalents			
Cash at bank and in hand		630	565
Short term deposits		1,432	1,280
Total cash and cash equivalents	22	2,062	1,845

The notes on pages 29 to 53 form part of these financial statements

Notes to the financial statements

I. Accounting policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention modified to include the recognition of listed investments measured at fair value, which is consistent with the prior year. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities ("The SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Chartered Quality Institute ("The Institute") meets the definition of a public benefit entity under FRS 102.

General information

The Institute is a charity registered in England and Wales (charity number 259678). The Institute's registered office address is 2nd Floor North, Chancery Exchange, 10 Furnival Street, London, EC4A 1AB.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Institute accounting policies. In the application of the accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Basis of consolidation

The Group accounts include the results of the Institute's subsidiaries: CQI Services Ltd and the International Register of Certificated Auditors Japan Kabushiki Kaisha ("IRCA Japan KK"). A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiaries comply with the same accounting policies as the Institute and have been consolidated on a line by line basis. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the financial statements

The Institute has taken advantage of the exemption from the SORP FRS 102 from disclosing its individual statement of financial activities. The gross income of the Institute for the year were £4.88m (2017: £4.93m) and its result for the year was a net income surplus of £197k (2017: £183k).

Foreign currency

i) Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands. The Institute's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at balance sheet date. Differences are taken to the income and expenditure account.

iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year-end.

Going concern

The Trustees consider there are no material uncertainties about the Institute and Groups ability to continue as a going concern. The Trustees have reviewed the circumstances of the Institute and Group and consider that adequate resources continue to be available to fund their activities for the foreseeable future. The Trustees are of the view that the Institute and Group are a going concern.

Income

All income is recognised once the Institute and Group has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Income of the Institute is, where applicable, included net of Value Added Tax (VAT) and is allocated to the period to which it relates, carrying forward that part of the income relating to future accounting periods.

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided. Investment income is recognised on a receivable basis and when the amounts can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received that the dividends are due.

Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the Institute and Group to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably. Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Notes to the financial statements

All of the Institute's expenditure is classified as expenditure on charitable activities and allocated between activity streams. Expenditure is allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, known as "support costs" and comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Support costs also include governance costs, which comprise organisational administration and compliance with constitutional and statutory requirements. The allocation of support and governance costs is analysed in notes 5 and 6.

Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accruals basis and in line with FRS 102.

The Institute contributes to Group personal pension schemes, the assets of which are administered by Aviva and Suffolk Life. They are defined contribution schemes. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the Institute and Group benefits from the employees' services. The Institute and Group has no further liability under the scheme.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term. The Institute holds no assets under finance leases or hire purchase contracts.

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Product development – 3 to 5 years
- Intellectual property – 3 to 5 years

Where factors, such as changes in market demand or price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Notes to the financial statements

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. The minimum threshold for capitalisation is £1,000. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Improvements to premises – over the term of the lease
- Office equipment and furniture – 5 years
- Computer equipment and software – 3 years

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at fair value. Movements in the fair values of investments are shown as net gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Net gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Notes to the financial statements

Financial instruments

The Group has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction value and subsequently measured at amortised cost. Other financial assets, including investments, are initially measured at fair value. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. A specific provision is made for debts for which recoverability is in doubt.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Provisions

Provisions are recognised where the Institute has a present legal or constructive obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Provisions are measured at the present value or the expenditures expected to be required to settle the obligation.

Fund accounting

Unrestricted funds are those funds available to the Institute and Group for its general purposes. They include funds designated (note 20) by the Trustees for particular purposes where their use remains at the discretion of the Trustees. It is the policy of the Trustees to retain in unrestricted funds, amounts which in their judgement, can help to mitigate the short-term effects of income volatility; and retain as long-term investment funds to generate sufficient income to meet current and future operational activities of the Institute. The Group does not hold any restricted funds. Further information is available in the reserves section of the Trustees' report.

Notes to the financial statements

2. Trading activities of subsidiary undertakings

The Institute has two wholly owned trading subsidiaries. A summary of their trading results is shown below:

CQI Services Limited is incorporated in England and Wales, registered number 04572473. Its registered office is 10 Fumival Street, London, EC4A 1AB. The principal activity of the company is the generation of advertising revenue placed in the Institute's members' magazine and helping members find new jobs through the institute's jobsite. The company also managed the International Quality Awards. Income and expenditure are included in Membership Services and Awareness in the Group financial statements. Any profits are gift aided to the Institute.

IRCA Japan KK is incorporated in Japan, registered number 0100-01-130705. Its registered office is Burex Kojimachi 8F, 3-5-2 Kojimachi, Chiyoda-ku 102-0083 Tokyo, Japan. The principal activity of the company is to provide local marketing, certification and administration services to IRCA for its auditors in Japan. The income and expenditure of the company has been included under charitable activities of Membership Services in the Group financial statements. IRCA Japan KK pays an annual royalty to the Institute.

Notes to the financial statements

2. Trading activities of subsidiary undertakings (continued)

	CQI Services Limited 2018 £'000	IRCA Japan KK 2018 £'000	Total 2018 £'000	CQI Services Limited 2017 £'000	IRCA Japan KK 2017 £'000	Total 2017 £'000
Summary profit & loss accounts:						
Turnover	170	684	854	140	674	814
Operating costs	(171)	(468)	(639)	(190)	(513)	(703)
Operating profit	(1)	216	215	(50)	161	111
Interest receivable	-	-	-	-	-	-
Profit on ordinary activities before taxation	(1)	216	215	(50)	161	111
Taxation	-	-	-	-	-	-
Profit/(loss) on ordinary activities after taxation	(1)	216	215	(50)	161	111
Gift aid/Royalty to parent charity	-	(208)	(208)	-	(159)	(159)
Retained in subsidiary	(1)	8	7	(50)	2	(48)
The assets and liabilities of the subsidiaries were:						
Current assets	46	524	570	69	442	511
Current liabilities	(87)	(385)	(472)	(109)	(311)	(420)
Total net assets	(41)	139	98	(40)	131	91
Aggregate share capital and reserves	(41)	139	98	(40)	131	91

3. Investment income

	2018 £'000	2017 £'000	
Bank deposit interest and other income	8	6	
Dividend income from shares listed on the London Stock Exchange	40	38	
Total	48	44	

Notes to the financial statements

4. Total expenditure

	Staff Costs £'000	Other direct activity costs £'000	Support Costs £'000	Total 2018 £'000	
Charitable activities 2018					
Membership Services	918	1,019	1,104	3,041	
Learning & Development	398	713	493	1,604	
Awareness	267	179	102	548	
Support Costs	1,064	635	(1,699)	-	
Total charitable costs	2,647	2,546	-	5,193	

	Staff Costs £'000	Other direct activity costs £'000	Support Costs £'000	Total 2017 £'000	
Charitable activities 2017					
Membership Services	929	1,135	1,371	3,435	
Learning & Development	339	651	575	1,565	
Awareness	163	165	116	444	
Support Costs	1,237	825	(2,062)	-	
Total charitable costs	2,668	2,776	-	5,444	

Support costs totalling £1,698,829 (2017: £2,060,908) have been allocated across the activities. These include costs associated with IT, HR, finance, property and other central services across the Group. The costs have been allocated based on time spent by departments supporting the various activities.

Notes to the financial statements

5. Support costs

	Staff Costs £'000	Premises & Office Costs £'000	Resources £'000	Information Technology £'000	Governance £'000	Total 2018 £'000	
Membership Services	691	257	52	78	26	1,104	
Learning & Development	309	114	23	35	12	493	
Awareness	64	24	5	7	2	102	
Total support costs	1,064	395	80	120	40	1,699	

	Staff Costs £'000	Premises & Office Costs £'000	Resources £'000	Information Technology £'000	Governance £'000	Total 2017 £'000	
Membership Services	823	356	43	102	47	1,371	
Learning & Development	345	149	18	43	20	575	
Awareness	69	30	4	9	4	116	
Total support costs	1,237	535	65	154	71	2,062	

6. Governance costs

	2018 £'000	2017 £'000	
Meetings and travel expenses	12	7	
Audit fees	21	19	
Legal & professional	7	45	
Total	40	71	

Notes to the financial statements

7. Net expenditure for the year

The net outgoing resources for the year are stated after charging:

	2018 £'000	2017 £'000	
Depreciation	189	192	
Amortisation	64	54	
Operating lease rentals for land and buildings	352	360	
Auditor's remuneration – External audit (excludes VAT)	21	19	
Auditor's remuneration – Other services (excludes VAT)	1	-	

Notes to the financial statements

8. Staff costs

	2018 £'000	2017 £'000
Wages and salaries	2,067	2,094
Social security costs	200	209
Pension costs	114	134
Termination payments	16	24
Other staff costs	250	207
Total	2,647	2,668
<p>Other staff costs includes staff training, welfare and recruitment and fees for agency staff.</p> <p>No staff costs have been capitalised in 2018 (2017: £nil).</p>		
The average monthly number of employees during the year was as follows:	2018	2017
Number of employees involved in charitable activities:		
Membership	21	20
Learning & Development	10	9
Awareness	2	2
Number of employees involved in non-charitable activities:		
Support	16	20
Total	49	51
The number of employees whose remuneration (excluding redundancy) fell into the following bands were:	2018	2017
£60,001 – £70,000	1	1
£70,001 – £80,000	1	3
£80,001 – £90,000	1	1
£90,001 – £100,000	1	1
£100,001 – £110,000	1	-
£110,001 – £120,000	1	1

The Institute made contributions of £36,167 (2017: £41,043) to the money purchase personal pension schemes of six (2017: seven) employees whose emoluments exceeded £60,000.

The Institute considers its key management personnel comprise the Trustees and the Senior Management Team (SMT). The Trustees provide their time free of charge. The total remuneration, employer's national insurance contributions, benefits and pensions paid to or on behalf of the SMT in the year was £464,132 (2017: £701,658).

Notes to the financial statements

9. Related party transactions

No member of the Board received any remuneration in 2018 (2017: £nil) for their roles as Trustees. A total of £7,303 (2017: £4,064) was paid to, or to third parties on behalf of, 10 (2017: 10) members of the Board in reimbursement of expenses incurred on Institute business during the year. In addition to this, the Institute paid £2,240 for Trustee indemnity insurance (2017: £6,160).

One of the Institute's Trustees is the Director of Quality at Balfour Beatty. As a Corporate Partner of the Institute, Balfour Beatty were invoiced and paid a membership fee of £5,500 in 2018 (2017: £3,300). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2018 (2017: £nil), and no amounts were written off during the year (2017: £nil).

One of the Institute's Trustees is registered as an Approved Training Provider and runs a business delivering CQI & IRCA accredited courses. In 2018, fees of £2,400 (2017: £2,425) were paid by the Approved Training Provider to the CQI in relation to this business activity. These transactions were in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2018 (2017: £nil), and no amounts were written off during the year (2017: £nil).

The Institute's CEO made a donation of £4,449 to the Institute in 2018. The donation was made after the CEO received fees directly from the Saudi Arabian Standard Organisation for advising on their National Quality Strategy in his capacity as CEO of the CQI. This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2018 (2017: £nil), and no amounts were written off during the year (2017: £nil).

One of the Institute's Executive Directors is the Chairman of the Technical and Advisory Board of Lloyds Register. As a Corporate Partner of the Institute, Lloyds Register were invoiced and paid a membership fee of £5,500 in 2018 (2017: £3,300). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2018 (2017: £nil), and no amounts were written off during the year (2017: £nil).

The following members of the Institute's senior management team are also members of the Board of Directors of the Institute's subsidiary, IRCA Japan KK: Vincent Desmond, Tally Singer and Estelle Clark. In 2018, an annual royalty of £207,861 (2017: £159,278) was charged by the Institute to IRCA Japan KK, with the full balance being outstanding at 31 December 2018 and expected to be paid in 2019 (2017: £159,278 was outstanding at 31 December 2017 and was paid in full in 2018).

Notes to the financial statements

10. Taxation

The Institute is a registered charity and is, therefore, not subject to corporation tax on its charitable activities. No provision has been made for corporation tax for CQI Services Ltd as the company has no taxable profits in 2018.

11. Intangible fixed assets of the Group and Institute

	Product Development £'000	Intellectual Property £'000	Total £'000
Cost			
As at 1 January 2018	291	6	297
Additions – internally generated	-	2	2
As at 31 December 2018	291	8	299
Amortisation			
As at 1 January 2018	54	-	54
Charge for the year	62	2	64
As at 31 December 2018	116	2	118
Net book value			
As at 31 December 2018	175	6	181
As at 31 December 2017	237	6	243

The “Product Development” intangible asset recognised in the accounts is the Institute’s Learning and Development offering; the ATP portfolio of courses, assessments and related software development. The “Intellectual Property” is the Institute’s scorecard tool.

Notes to the financial statements

12. Tangible fixed assets of the Group and Institute

	Improvements to premises £'000	Office equipment and furniture £'000	Computer equipment and software £'000	Total £'000
Cost				
As at 1 January 2018	192	42	522	756
Additions in year	-	1	41	42
As at 31 December 2018	192	43	563	798
Depreciation				
As at 1 January 2018	125	26	255	406
Charge for the year	19	7	163	189
As at 31 December 2018	144	33	418	595
Net book value				
As at 31 December 2018	48	10	145	203
As at 31 December 2017	67	16	267	350

Included in tangible fixed assets: office equipment and furniture are costs of £12,092 (2017: £11,695), depreciation of £11,415 (2017: £9,901) and net book value of £676 (2017: £1,794) relating to assets purchased by IRCA Japan KK.

Included in tangible fixed assets: computer equipment and software are costs of £38,213 (2017: £548), depreciation of £4,750 (2017: £nil) and net book value of £34,011 (2017: £548) relating to IRCA Japan KK.

Notes to the financial statements

13. Fixed asset investments

	Group		Institute	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Listed investments	1,403	1,463	1,400	1,461
Unlisted investments	-	-	81	10
Market value as at 31 December 2018	1,403	1,463	1,481	1,471
Historic cost of investments	950	950	1,031	960
Analysis of movement:				
As at 1 January 2018	1,463	1,332	1,471	1,340
Additions	-	-	70	-
Net gains/(losses)	(60)	131	(60)	131
As at 31 December 2018	1,403	1,463	1,481	1,471

Listed investments

In January 2011, an investment was made in a Common Investment Fund. As at 31 December 2018, the fund comprised 42% UK equities, 37% overseas equities, 14% bonds and 7% cash. Their fair value as at 31 December 2018 and 2017 is shown above.

Unlisted investments in subsidiary undertakings

The Institute holds 100% of the voting capital of CQI Services Ltd, a company registered in England. The share capital of the company comprises 10,000 shares of £1 each. The company's principle activities are the provision of advertising revenue in the Quality World magazine and the CQI websites, management consultancy referrals, catering and hire of facilities. The company also manages the International Quality Awards.

The Institute holds 100% of the voting share capital of the International Register of Certified Auditors Japan KK, a company registered in Japan. The company's principal activity is to provide local marketing, administration and certification services to Japanese auditors. During 2018, the share capital of the company was increased from one Japanese Yen to 10 million Japanese Yen by an investment of retained earnings.

Notes to the financial statements

13. Fixed asset investments (continued)

The Institute held 100% of the voting capital of the following companies that were registered in England. They were dissolved in 2018.

	Share capital ordinary shares of £1 each Authorised	Issued
IQA Limited	1,000	1
IRCA Limited	1,000	1
IRCA Europe Limited	1,000	1
CQI Training Limited	1	1
PQG Limited	1,000	1
Quality World Limited	1,000	1

14. Debtors

	Group		Institute	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	169	197	111	143
Amounts owed by Group undertakings	-	-	304	277
Other debtors	169	134	95	70
Prepayments and accrued income	531	575	523	547
Total	869	906	1,033	1,037

Notes to the financial statements

15. Creditors

	Group		Institute	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	51	28	28	6
Other taxes and social security	79	76	55	58
Other creditors	36	33	36	33
Accruals and deferred income	1,029	1,361	917	1,253
Total	1,195	1,498	1,036	1,350

16. Deferred income

	Group		Institute	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
At 1 January	731	849	628	732
Amount released to incoming resources	(731)	(849)	(628)	(732)
Amount deferred in the year	757	731	650	628
At 31 December	757	731	650	628

Included in creditors for the year is a total of £756,904 (2017: £730,608) that relates to deferred income. This is income for 2018 fees raised in October, November and December 2018. This figure consists of £448,191 (2017: £453,303) for CQI Membership, £186,548 (2017: £188,623) for IRCA Membership, £71,206 (2017: £48,331) for fees from Corporate Partners, £9,325 (2017: £28,655) for examination fees, £39,884 (2017: £10,496) from IRCA OEA fees, and £1,750 (2017: £1,200) for fees from training providers.

Notes to the financial statements

17. Provisions for other liabilities

	Dilapidations Provision £'000	Total £'000	
The Group and Institute had the following provisions during the year:			
At 1 January 2018	-	-	
Additions dealt with in the Statement of Financial Activity	79	79	
As at 31 December 2018	79	79	

As part of the Group's property leasing arrangements, there is an obligation to repair damages that incur during the life of the lease, such as wear and tear. The estimated full cost of the obligation was charged to the statement of financial activity in 2017 and no change to the provision has been deemed necessary in 2018. The provision is expected to be utilised in 2021 when the lease terminates.

Notes to the financial statements

18. Financial instruments

The Group has the following financial instruments:

	Group		Institute	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade receivables	169	197	111	143
Other receivables	169	134	95	70
Amounts owed by group	-	-	304	277
	338	331	510	490
Financial assets that are debt instruments measured at fair value:				
Investments	1,400	1,463	1,400	1,461
Investment in short-term deposits	2,062	1,845	1,667	1,479
	3,462	3,308	3,067	2,940
Financial liabilities measured at amortised cost:				
Trade creditors	51	28	28	6
Other creditors	115	33	91	33
	166	61	119	39
Net financial assets measured at amortised cost	3,634	3,578	3,458	3,391

Notes to the financial statements

19. Other financial commitments

At 31 December 2018, the Group and Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings	Group		Institute	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Not later than one year	405	404	391	391
Later than one year and not later than five years; and	489	881	489	881
Later than five years	-	-	-	-
Lease payments recognised as an expense through the statement of financial activity	352	360	326	326

Notes to the financial statements

20. Funds

All assets and liabilities are held within unrestricted funds.

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Group 2018	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	1,940	5,393	(4,902)	(741)	(33)	1,657
PQG Reserve	115	50	(40)	-	(3)	122
IT Project Reserve	242	-	-	724	-	966
Fixed Asset Reserve	593	-	(251)	42	-	384
Product Development Reserve	40	-	-	(25)	-	15
Premises Reserve	300	-	-	-	-	300
Total Funds	3,230	5,443	(5,193)	-	(36)	3,444
The Institute 2018						
General Funds	1,861	4,832	(4,349)	(704)	22	1,662
PQG Reserve	115	50	(40)	-	(3)	122
IT Project Reserve	242	-	-	724	-	966
Fixed Asset Reserve	591	-	(246)	5	-	350
Product Development Reserve	40	-	-	(25)	-	15
Premises Reserve	300	-	-	-	-	300
Total Funds	3,149	4,882	(4,635)	-	19	3,415

Notes to the financial statements

20. Funds (continued)

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Group 2017	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	1,651	5,416	(5,148)	(90)	111	1,940
PQG Reserve	113	46	(50)	-	6	115
IT Project Reserve	400	-	-	(158)	-	242
Fixed Asset Reserve	781	-	(246)	58	-	593
Product Development Reserve	150	-	-	(110)	-	40
Premises Reserve	-	-	-	300	-	300
Total Funds	3,095	5,462	(5,444)	-	117	3,230
The Institute 2017						
General Funds	1,524	4,885	(4,569)	(90)	111	1,861
PQG Reserve	113	46	(50)	-	6	115
IT Project Reserve	400	-	-	(158)	-	242
Fixed Asset Reserve	779	-	(246)	58	-	591
Product Development Reserve	150	-	-	(110)	-	40
Premises Reserve	-	-	-	300	-	300
Total Funds	2,966	4,931	(4,865)	-	117	3,149

The PQG reserve is equal to the bank balances and share of investments held by the Pharmaceutical Quality Group. This special interest group meets the needs of quality professionals within the pharmaceutical industry through regular meetings on quality assurance, good manufacturing practice and 'hot topics', and by developing guidance on a range of regulatory requirements.

The IT project reserve represents money set aside for the planned redevelopment of the Institute's digital infrastructure.

The Fixed Asset reserve represents the approximate value of tangible and intangible assets as these funds are not available for day-to-day operations of the Institute.

The Product Development reserve represents money set aside for the continuation of the Learning and Development Project.

The Premises reserve represents money set aside for any potential relocation when the Institute's lease of its Farnival Street offices expires in 2021.

Notes to the financial statements

21. Analysis of net assets between funds

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2018 Total Funds
Group 2018	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	181	-	-	181
Tangible fixed assets	-	-	-	203	-	-	203
Investments	1,344	59	-	-	-	-	1,403
Current assets	1,587	63	966	-	15	300	2,931
Current liabilities	(1,195)	-	-	-	-	-	(1,195)
Non-current liabilities	(79)	-	-	-	-	-	(79)
	1,657	122	966	384	15	300	3,444
The Institute 2018							
Intangible fixed assets	-	-	-	181	-	-	181
Tangible fixed assets	-	-	-	168	-	-	168
Investments	1,422	59	-	-	-	-	1,481
Current assets	1,356	63	966	-	15	300	2,700
Current liabilities	(1,036)	-	-	-	-	-	(1,036)
Non-current liabilities	(79)	-	-	-	-	-	(79)
	1,663	122	966	349	15	300	3,415

Notes to the financial statements

21. Analysis of net assets between funds (continued)

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2017 Total Funds
Group 2017	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	243	-	-	243
Tangible fixed assets	-	-	-	350	-	-	350
Investments	1,402	61	-	-	-	-	1,463
Current assets	2,115	54	242	-	40	300	2,751
Current liabilities	(1,498)	-	-	-	-	-	(1,498)
Non-current liabilities	(79)	-	-	-	-	-	(79)
	1,940	115	242	593	40	300	3,230
The Institute 2017							
Intangible fixed assets	-	-	-	243	-	-	243
Tangible fixed assets	-	-	-	348	-	-	348
Investments	1,410	61	-	-	-	-	1,471
Current assets	1,880	54	242	-	40	300	2,516
Current liabilities	(1,350)	-	-	-	-	-	(1,350)
Non-current liabilities	(79)	-	-	-	-	-	(79)
	1,861	115	242	591	40	300	3,149

Notes to the financial statements

22. Analysis of changes in net debt

	At 1 January 2018	Cash flows	Acquired	Foreign exchange movements	At 31 December 2018
	£'000	£'000	£'000	£'000	£'000
Group 2018					
Cash at bank and in hand	565	41	-	24	630
Short-term deposits	1,280	152	-	-	1,432
	1,845	193	-	24	2,062

	At 1 January 2017	Cash flows	Acquired	Foreign exchange movements	At 31 December 2017
	£'000	£'000	£'000	£'000	£'000
Group 2017					
Cash at bank and in hand	627	(48)	-	(14)	565
Short-term deposits	903	377	-	-	1,280
	1,530	329	-	(14)	1,845

Board of Trustees

Ian Mitchell, CQP FCQI works for Network Rail as Quality & Business Improvement Director. Before taking up the role as chair of the Board of Trustees in December 2015, Ian served the CQI as a Trustee and as a member of the Advisory Council, Governance Committee and the Professional Policy Panel. He brings to the CQI 37 years of quality management experience within the defence, nuclear and rail sectors globally. During this time, he has held positions in manufacturing, project management, procurement, finance and engineering, enabling him to see quality from many perspectives.

Hannah Kingsley, BVSc FCA works for the Rail Delivery Group as the Head of Commercial Finance, leading both the Finance Business Partner team and the Commercial & Procurement function. Prior to this, Hannah worked for both Deloitte LLP and Network Rail, holding several senior finance roles including within the first infrastructure and Train Operating Company Alliance with South West Trains and managing both Operational Route Finance and Infrastructure Projects Finance teams. She brings to the CQI, in her role as Honorary Treasurer, extensive experience working across financial control, financial planning and analysis and commercial finance.

Amanda McKay, CQP FCQI is Quality Director for Balfour Beatty Major Projects. She brings to the CQI 27 years of experience in the construction, nuclear and power generation sectors and experience in charity operation, people management and diversity in her role as a Trustee with other charities. A founding member and Chair of the CQI Nuclear Special Interest Group, she has worked to develop additional competency requirements for Quality Professionals and to help establish the first Quality Apprentice Scheme for the Nuclear sector.

Andy Pitt, CQP FCQI is now retired. He brings to the CQI 20 years of experience as a quality professional and the fiscal awareness and due diligence experience gained in his roles as a Trustee Director on three employer Pension Scheme Boards. Prior to his role as a Trustee, he served on the CQI Advisory Council and was a founding Fellow of the CQI.

David Straker, CQP FCQI is now retired. He brings to the CQI experience from an extensive career in a variety of roles, in both public and private organisations, which included a leading role in the award-winning Hewlett Packard UK Quality Department and as Quality Manager for the national school Statutory Assessment Tests (SATs). He also brings an understanding of psychology within the profession and still writes about 'changing minds' for a major knowledge website on this topic.

Mike Turner, CQP MCQI is Senior Partner at Oakland Consulting. He brings to the CQI over 35 years of experience in Quality and Operations Management in the private and public sectors and as a professional advisor to national and multi-national organisations. He also brings experience in research into quality and operations management practices. In his ambition to advance the contribution of the Quality Professional to society, he has become increasingly engaged in the work of the CQI, including contributing to the adoption of the CQI Competency Framework and broadcasting its value in his daily work.

Roxann Dawson, CQP MCQI works for Network Rail as Head of Quality & Systems. Before becoming a Trustee in September 2017, Roxann served as a member of the Advisory Council. She brings a wealth of experience stretching across Construction, Project Management, Transportation (London Underground & Rail), Construction including Civil experience. Roxann is known for her passion and energy for the sustainability of the quality profession. She is an advocate not only for CQI, but also for the profession at large.

Richard Allan, CQP MCQI works for Kimberly-Clark Corporation as Director, Global Quality Assurance. Before becoming a Trustee in September 2017, Richard served as a member of the Advisory Council, Nominating Committee and Standards Development Group. Richard has more than 35 years of industrial experience, predominantly in quality management. Richard brings extensive experience setting and deploying quality strategy, initiatives and metrics across a large and diverse multi-national corporation well known for its leading brands of everyday products.

Natalie Shoemark-Dyer, CQP FCQI

is Head of Quality at Aspire Defence Services Limited. Natalie brings a decade of experience in fields from facilities management to telecoms, implementing management systems and embedding quality culture. Natalie was Chair of the CQI's Next Generation Network from October 2014 to October 2018 and worked with her team in supporting the mission of the CQI redefining the profession and attracting the next generation of Quality Professionals. She is also Chair of the CQI's Thames Valley Branch. Natalie remains an advocate for the future of the profession in her role as a Board Trustee.

Nina Abbassi, CQP FCQI specialises in the training, consultancy and auditing of quality management systems and has experience working in North and South America, Europe, Africa and Asia. Nina advises national and international organisations, such as the British Standards Institution, on drafting and updating their respective standards, having also served on the CQI Standards Panel. Nina's company, Abbassi Ltd, is an Approved Training Partner of the CQI. Nina brings global perspective and extensive experience working with organisations in a wide variety of sectors and from SMEs to large complex international firms, and expertise in learning and development.



Board of Trustees

Position	Current office holder	Date of appointment/	2018 Board attendance	2018 sub-committees	2018 sub-committee attendance
Chair	Ian Mitchell	Appointed September 2012	4/4	Finance and Remuneration Committee	4/4
Honorary Treasurer	Louise Kavanagh	Resigned March 2019	4/4	Finance and Remuneration Committee	4/4
Honorary Treasurer	Hannah Kingsley	Appointed March 2019	n/a	Finance and Remuneration Committee	n/a
Board Member	Amanda McKay	Appointed September 2014	4/4	Nominating Committee	2/3
Board Member	Andy Pitt	Appointed September 2014	4/4	Governance & Risk Committee	1/1
Board Member	David Straker	Appointed September 2014	2/4	Governance & Risk Committee	1/1
Board Member	Mike Turner	Appointed December 2016	4/4	Finance and Remuneration Committee	4/4
Board Member	Roxann Dawson	Appointed September 2017	4/4	Governance & Risk Committee	1/1
Board Member	Richard Allan	Appointed September 2017	3/4	Nominating Committee	2/3
Board Member	Natalie Shoemark-Dyer	Appointed September 2018	2/2		
Board Member	Nina Abbassi	Appointed September 2018	2/2		

Membership Council

Name	Position	Name	Position	
Dave Smith	Chair	Victor Williams	Member	
Suzanne Hill	Vice Chair	David Seear	Member	Resigned 2018
Angela Fumpson	Member	Brian Cutter	Member	Term Ended 2018
Don O'Connell	Member	Dr Louise Boulter	Member	Term Ended 2018
Mark Davies	NGN representative	Hannah Murfet	NGN representative	Term Ended 2018
Marc Elmes	Member	Janette Hamilton	Member	Term Ended 2018
Mark Eydman	Member	John Oakland	Member	Term Ended 2018
Leigh Henderson	Member	Peter Lucas	Member	Term Ended 2018
Tim Holmes	Member	Simon Treharne	Member	Term Ended 2018
Cathryn Valentyn	Member	Stephen Beggan	Member	Term Ended 2018
Maurice Trevor Walton	Member	Steve Warwood	Member	Term Ended 2018

Key management personnel

Director General and Chief Executive Vince Desmond	Executive Director of Corporate Services Andrew Lannin
Executive Director of Operations Tally Singer	Executive Director Commercial Vina Bongiorno (left November 2018)
Executive Director of Policy Estelle Clark	

Principal professional advisers

Bankers

Lloyds Bank Plc
98 Victoria Street
London SW1E 5JL

External auditors

Haysmacintyre LLP
Chartered Accountants
10 Queen St Pl,
London EC4R 1AG

Investment managers

Newton Investment Management Ltd
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Professional Network Officers

EASTERN REGION	Regional Chair	Don O'Connell
	Regional Treasurer	Josefina Gil-Moya
Chiltern branch	Chair	Melanie Blackmore
Milton Keynes branch	Chair	Paul Simpson
	Secretary	Paul Robinson
Peterborough and Cambridge branch	Chair	Don O'Connell/Kevin Newey
	Secretary	Tony Hayward
	Treasurer	Josefina Gil-Moya
South Anglia branch	Chair	Barry Avis
	Secretary	Neil Hilton

MIDLANDS REGION	Regional Chair	Mark Braham
	Secretary	Mark Eydeman
Birmingham branch	Chair	Bob Hughes
Derby and Nottingham branch	Chair	Simon Dewsbury
	Secretary and Vice Chair	Sallie Anne Ellis
Leicester and Coventry branch	Chair	Mark Eydeman
	Vice Chair	Resh Plaha
	Secretary	Adrian Stokes
Wolverhampton branch	Chair	Mark Braham

NORTH EAST REGION	Regional Chair	Trevor Walton
	Regional Secretary	Chris Hughes
Teesside branch	Chair	Trevor Walton
	Vice Chair	Mike Amour
	Secretary	Austin McGlynn
Tyne and Wear branch	Chair	Chris Hughes
	Treasurer	Brian Cutter

Professional Network Officers

NORTHERN REGION	Regional Chair	John Davies
	Secretary	Victor Williams
Cumbria branch	Chair	Richard Smith
	Vice Chair	Tim Shuttleworth
	Secretary and Treasurer	Geoff Edmondson
Greater Manchester branch	Chair	John Davies
	Vice Chair	Tom Maddocks
	Secretary	Phil Carroll
	Treasurer	Victor Williams
Yorkshire branch	Chair	Hugh Everson
	Secretary	Bob Marshall

NORTHERN IRELAND	Regional Chair	Simon Treharne
Northern Ireland branch	Chair	Simon Treharne
	Secretary	Dan McQuade

SCOTLAND	Regional Chair	Steve Coles/Colin Campbell
	Regional Treasurer	Marc Elmes
	Secretary	Peter Lucas/Jeff Marven
North of Scotland branch	Chair	Colin Campbell/Ian Rose
	Secretary	Denise Morrison
	Treasurer	Colin Campbell
West of Scotland branch	Chair	Ron Rivans
	Secretary	Jeff Marven
East of Scotland branch	Chair	Gemma Parnell
	Secretary	Steven Cowey

Professional Network Officers

SOUTH EAST REGION	Regional Chair	Cathryn Valentyne
	Regional Treasurer	Craig Esterhuizen
London branch	Chair	Mark McNamara/Jonathan Bishop
	Secretary	Rashad Issa/Adrian Petch
Southern branch	Chair	Cathryn Valentyne
	Secretary	Brandon Killian
	Treasurer	Craig Esterhuizen
Thames Valley branch	Co-chair	Terri Bickford
	Co-chair	Natalie Shoemark-Dyer
Surrey and Sussex branch	Chair	Courtney Franklin
	Vice Chair	Nikki Thomas
	Secretary	Darren Russell

SOUTH WEST REGION	Regional Chair	Angela Fumpson
	Regional treasurer	Paul Snowdon
Avon branch	Chair	Angela Fumpson
	Secretary	Denise Ramsay
Gloucester branch	Chair	Paul Snowdon
	Secretary	Gary Martin
Wales branch	Chair	Derek Lewis
	Secretary (Joint)	Robert James
	Secretary (Joint)	Ralph Cannon

OVERSEAS		
Hong Kong branch	Chair	Jaco Lee
	Vice Chair	M.H. Isa
	Secretary	Eric Ng
	Treasurer	Grace Poon
Ireland branch	Chair	Caroline Geoghegan
	Vice-Chair	Shane Blaney
	Secretary	Susanne Carpenter

