



2nd Report of the Financial Audit over 2017

Auditors: Rainer Plot, Per Staugaard

Summary

On June 19th 2018 the auditors met in Gent with Jürgen Plyson from the EBSA Administration Office (2MPact) and with the treasurer, Jillian Deans. Gijsbert van Willigen, appointed as auditor for 2018 and 2019 was present as observer.

The auditors received the additional documents required for the preparation of the audit four weeks before the audit.

The EBSA Balance and the Income and Expense Statement for the year 2017 was provided by KPMG.

The auditors did not again check the incoming and outgoing financial transactions. They had a good insight in the income and expenses for the conference and preconference courses in Madrid. A new format for presenting the financial figures to the AGM was presented and discussed.

Procedures, as described in the draft financial handbook are partially in place. The handbook is under development.

Agreements have been made on the use of the Paypal account, on the timing for the outstanding VAT for 2016 and 2017. An agreement with VNC will be made to guarantee the payment of the VAT over 2018 before Dec 31th of this year.

The auditors observed an immense increase in transparency, and concluded that the finances were treated in good order and advise the [extra] AGM to absolve council for the financial year 2017.

Background

After the first financial audit over the financial year 2017, on February 21st and 22nd, the auditors found the data not complete and not transparent enough to judge on the integrity. Therefore they advised the AGM not to absolve Council.

After completing the financial data, including the final balance by KPMG, a second audit was performed.

Banking arrangements and accounts administration

The Paypal account is still not directly visible for the treasurer. However, the account is very useful for the financial administration. To assure that the overview of the complete financial status is available for the treasurer any credit balance on the Paypal account will be transferred to the EBSA ING account before December 31st each year and monthly if ever possible.

It is still not clear whether the invoice address (including W. Mayer/Dechema as contact person) in the ING bank statement is adjusted to the new EBSA address.

Procedures

The financial handbook is discussed in council and with the administration office. As procedures might be adjusted through the year and by changing insights, the handbook will be revised yearly. It is planned to have a version operational after the summer, this will be authorized by council.

Budget Review

The figures for the conference in Madrid were presented by Mr Plyson in an detailed overview table. However, the figures did not completely fit to the results stated in the KPMG Income and Expense

Statement. Mr. Plyson delivered to the auditors by email after the audit a new overview with correct figures.

BBP finances for 2017 have been sorted out. The document showed an end balance of € 16.397,00 (BBP money on EBSA's account) at Dec 31st, 2015. However, at the AGM 2016 an end balance of € 14.540,28 was presented. The difference is due to the fact, that the document presented at the audit contained BBP income, that was not received in 2015 but in 2016, and was thus not on the bank account at Dec 31st, 2015. Mr. Plyson will change the figures accordingly. This will not influence the final budget figures (assets) of BBP, but only the distribution of BBP assets to the years 2015, 2016 and 2017.

Review of the books

The auditors did not review the ledgers with bank statements or with EVA entries in his extra audit.

VAT administration

EBSA still has a credit balance of French VAT outstanding from the Lille conference. The VAT surplus from the Madrid conference and courses is also still outstanding with VMC.

Findings - unclear figures - questions

- There is still a considerable drop of cash at EBSA's bank account. Council announced to present a strategy how to deal with the currently unbalanced EBSA budgets. However, expenses will be analyzed and cut down as good as possible. This has not yet been communicated to the members.
- The BBP finances are clarified. The overview presented showed a figure, different from the figure as presented at the AGM 2016. The figures will be corrected in the overview files.
- EBSA has considerable less income from corporate members.
- Income from individual membership is lower than expected. At the AGM a membership of 442 members was presented. An estimate based on an average of € 26 [excl VAT, yearly payment] would result in € 11.492,-; the balance shows only € 8401,70.

Recommendations

The recommendations as stated in the audit report on the 1st financial audit on Feb 21st and 22nd 2018 are still valid.

- Presentation to the AGM should not only include the balance of income and expenses. Also a overview should be presented of the amounts in EBSA accounts at the beginning and the end of the financial year.
- Council should continue to implement, in agreement with 2Mpact and Marc Mestdagh more detailed procedures and specifications of 2Mpact services as mentioned in the financial audit 2015 and 2016. and the first audit 2017
- Council should continue to strengthen it's efforts to supervise the work of the administration office, and the financial administration. Entries into the EVA bookkeeping system need to be up to date and transparent at any time.
- The financial handbook should describe procedures how the paypal account is used and how the VMC data and account details are communicated in a transparent way to the EBSA treasurer. Refund of VAT credit balances at foreign tax authorities should be requested as soon as possible. Written agreement with VNC should guarantee that the VAT surplus is paid timely.
- Council should continue to discuss and present at the AGM a sustainable strategy to keep EBSA's finances stable and to grow EBSA's budget reserve back to the agreed level of 1 conference budget.



Rainer Plot
Vienna, June 30, 2018



Per Staugaard
Utrecht, July 5th, 2018