

REPORT OF THE AUDIT COMMITTEE OF THE EFPC FINANCIAL YEAR 2019-2020 & BUDGET 2020-2021

The Audit Committee of the EFPC consists of Katerina Venovska, Loes van Amsterdam and Aigars Miezitis.

Herewith we declare that we examined the financial report of the EFPC 2019-2020 and the budget 2020-2021 with full cooperation of the treasurer of the Executive Board, Tino Marti. In April of this year we received a mid-term financial report and during the last month there has been e-mail conversation between the treasurer and the audit committee about the final financial report. Due to the pandemic situation of covid-19 in 2020, resulting in changes in programmes, we have not been able to discuss this in person.

We have looked at the budget lines and the balance sheet, asked questions and put our remarks to the treasurer online. There was full cooperation, we received clear answers to our questions and the remarks were taken seriously.

Findings:

- All income and expenses have been carefully administered; we did not find any sign of malpractice.
- The presented numbers give a realistic overview of the financial situation of the EFPC. This Fiscal Year (FY) 2019-2020 the collection of membership fees was almost entirely in line with the budget (€ 80.000 budgeted and € 76.336 executed), as it was the previous FY. This proves to be a structural and sound way of obtaining income.
- Expenses for salaries, insurances and taxes were below budget this FY (€ 76.842 budgeted and € 66.723 executed).
- Expenses for services however, have increased by € 11.625, due to change of personnel, and the new secretary being contract based.
- Due to covid-19 the planned Ljubljana 2020 conference was cancelled, which led to a deficit of expected income of € 9.025. Also, there was no feasible way to gain other income which was budgeted at € 10.000.
- Therefore, the result and reserves are below the level that the audit committee recommended during the previous years (€ 34.282 versus recommended € 40.000).
- In the budget for the coming FY (2020-2021), there is a modest target (other income to be acquired) of € 3.000 (approximately 3,5 % of the total income).
- The committee notes that for the PRIMORE project no longer income is provided in FY 2020-2021, whereas the expenses are budgeted on € 6.300.

Remarks:

- All recommendations of the previous Audit Committee Report (FY 2018-2019) have been taken over.
- In April 2020 a mid-term report was produced according to previous recommendations of the Audit Committee.
- The administration and collection of membership fees have improved well. We observe that the income from membership fees almost equal the structural expenditure of staffing. As a result the EFPC is not a great deal dependent on one-time projects or grants.
- We judge the presentation of the financial report and budget clear and accessible.
- For the coming FY the financial reserve is not as strong as was recommended; a good achievement is that there are no remaining debts to be paid.

- Recommendations:**
- Considering the unexpected confrontation with the pandemic situation of covid-19, the EFPc organization has been able to largely adjust to this situation and has remained within budget lines as much as possible.
 - The committee advises to keep salaries, insurance and taxes, as well as services related to staffing, below the amount received from membership fees.
 - Due to this situation the advised minimum reserve of € 40.000 per FY is de facto decreased to € 34.282; we therefore advise to raise the reserve again to the advised minimum of € 40.000 starting in the coming FY 2020-2021.
 - There is a continuing uncertainty as to the effects of covid-19 in the long term, therefore the financial position of the EFPc should be closely monitored during the coming budget year (2020-2021).
 - In line with this the Audit Committee recommends to the treasurer and the Executive Board to continue producing mid-term financial reports, that provide ground data to the Audit Committee members enabling them to timely analyse the financial situation and advise follow up measures to be implemented in the current FY.
 - The Audit Committee recommends the treasurer and the Executive Board to provide a long-term Strategic Action Plan and Strategic Financial Plan as soon as the situation caused by the covid-19 pandemic, allows to do so.

Conclusions:

- We recommend to the General Assembly to approve the realisation (FY) 2019-2020.
- We recommend to the General Assembly to approve the budget 2020-2021.
- We hereby give discharge to the treasurer and the Executive Board for the realisation of (FY) 2019-2020.

Place: Online

Date: September 28th, 2020

Signed: Members of the Audit Committee 2019-2020, by digital endorsement

Loes van Amsterdam



Katerina Venovska



Aigars Miezitis

