

REPORT OF THE AUDIT COMMITTEE OF THE EFPC FINANCIAL YEAR 2017-2018 & BUDGET 2018-2019

The audit committee of the EFPC consists of Katerina Venovska, Loes van Amsterdam and Aigars Miežitis.

Herewith we declare that we examined the financial report of the EFPC 2017-2018 and the budget of 2018-2019 with full cooperation of the treasurer of the executive board, Tino Marti.

During the last month there has been e-mail conversation and several on-site consultations in Heraklion, between the treasurer and the audit committee. We discussed the budget lines, the balance sheet, reflecting the EFPC Governance and administration. We have then submitted our questions and put our remarks to the treasurer. There was full cooperation and the committee received clear answers to the questions, and remarks were taken seriously by the treasurer.

Findings:

- All income and expenses are very carefully administrated; 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) 2017/18 there is a substantial difference of € 25.937 between the amount of planned and collected membership fees (€ 80.000 budgeted and only € 54.063 executed). As a result the structural income was below the budget.
- Due to the fact that EFPC is acting as an employer since September 2016, the budgeted line for Services for 2017/18 shows a difference of € 10.818 (instead of € 17.500 budgeted, the total of € 28.318 have been executed), because there were mainly standing invoices for the administrative support provided by University of Gent including renting of premises, insurance etc.
- There are no new projects this FY 2017-2018 with a due reflection in the budget.
- The reserves are at a level of € 73.118 in line with what the audit committee recommended before and the General Assembly agreed to (over € 40.000).
- There was a positive result for the Porto conference of € 5.005.

Remarks:

- Recommendations of the previous audit committee have been partially taken over and executed.
- This is especially raising a concern about the effectiveness of the membership fees' administration and continuation of the EFPC strong leadership.
- We judge the presentation of the financial report and budget clear and accessible.
- For the coming year, the financial reserve is still strong enough.

Recommendations:

- As before, the committee advises the board to search for structural financing so that the EFPC is not dependent on one-time projects or grants. This requires strong leadership and governance able to create strong organizational and financial strategic plan.
- In line with the committee's previous recommendations, advises to keep a minimum reserve of € 40.000 per financial year.
- The committee advises the budget balance to remain zero or to have surplus funds.
- The committee advises to keep salaries, insurance and taxes of the EFPC staff below the maximum amount received from membership fees.

- The committee recommends to the treasurer and the Executive Board to produce a Mid-term financial and strategic report that would enable Audit Committee members to timely analyse the situation and advice follow up measures to be implemented in the current FY.

Conclusions:

- We recommend to the General Assembly to approve the realisation (FY) 2017-2018.
- We recommend to the General Assembly to approve the budget (FY) 2018-2019.
- We hereby give discharge to the treasurer and the executive board for the realisation of (FY) 2017-2018.

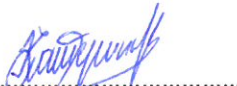
Place: Heraklion, Greece

Date: September 24th, 2018

Signed: Members of the Audit Committee:



Loes van Amsterdam



Katerina Venovska



Aigars Miežitis