

## **AESOP, Financial Audit 2015**

*Louis Albrechts, Andreas Voigt, financial auditors of AESOP, appointed by CoRep 2013*

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### **Legal statement**

At our meeting in Rapperswil, Switzerland on 1<sup>st</sup> of February 2016 we were introduced by Thomas Matta, Treasurer of AESOP and his assistant Patricia Nigg to the following documents:

- AESOP Financial Statement 2015 by Treasurer (Rapperswil, 25<sup>th</sup> of January 2016), in addition: comments on accounts (draft version v.1, 25<sup>th</sup> of January 2016); overview of AESOP-assets (25<sup>th</sup> of January 2016)
- AESOP Financial Statement by Secretariat General (University of Wroclaw, 26<sup>th</sup> of January 2016)
- AESOP Financial Statement by Secretary General, (Instituto da Construção, Porto, 19<sup>th</sup> of January 2016)
- AESOP Budget 2014 (CoRep Lisbon, 7<sup>th</sup> of March 2014)
- AESOP Budget 2015 (draft v.1, 1<sup>st</sup> of February 2016)
- AESOP Budget 2016 (Thomas Matta, 25<sup>th</sup> January 2016)
- AESOP-assets 2015 (UBS 01\_P – CHF-bank account, 7E\_K – EUR-bank account, 60\_J – Projects; 62\_A (Quality recognition); 61\_U (Young Academics); S1 – Custody Account (Money Market Funds)), statement produced on 25<sup>th</sup> of January 2016
- List with all account transactions UBS, IBAN CH94 0025 1251 8310 847E K, 8401 P, 8462 A, 8460 J, period 01/01/2015-31/12/2015
- Transaction History PayPal, period 1<sup>st</sup> Jan. to 31<sup>st</sup> of Dec. 2015
- Booklets with income and expenses 2015 organized in a chronological way

The Treasurer and his assistant were standby the full day of 1<sup>st</sup> of February to provide any additional information and clarification we asked for.

In this way we had access to documents that provided insight in income from membership fees, advertisement and from assets and expenditures. The document (created on the 2<sup>nd</sup> and 26<sup>th</sup> of January 2015) with the account transactions with the UBS-account IBAN CH94 0025 1251 8310 847E K (EUR); 01\_P (CHF) and 62\_A (EUR), 60\_J (EUR), enabled us to cross-check every single expense. This allowed us to control full conformance with the said document account transactions and the physical evidence of all expenses as made available to us through the booklet of expenses. Moreover, we were informed of the decisions taken by ExCo and CoRep about the allocation of funds. The proof of spending for these has still to be provided. For the InPlanning-projects we got a preliminary financial report. This unfortunately did not allow us to check the expenses (receipts and invoices) for these projects within the Financial Audit 2015.

On the basis of this we conclude that all account transactions – apart from the pending final reports – are accurate according to documents provided to us.

Done, Rapperswil, 01.02.2016

Prof. Louis Albrechts

Prof. Andreas Voigt

### **Formal Comments**

1. We acknowledge that the official invoice by the home university of the *Secretary General* as asked for has been implemented. The university is expected to keep all the proofs (receipts) for the time required by law. We expect the same way of working in the future.
2. Although there has been some progress we stress that a detailed *financial report* of all expenses taken as well by officers of AESOP as for the different AESOP-projects have to be provided – according to some defined categories – and included in the financial report of the Treasurer.
3. Although most *officers* of AESOP reacted positively to our comments to be strict in providing evidence of their expenses, there is still room for improvement. We insist that this should be done in a structured way by including a summary according to defined categories. In case the expenses are made in another currency than Euros a proof of a currency converter related to a specific date (e.g. claiming reimbursement) needs to be attached. Each proof of evidence should have a number.
4. We still urge all AESOP-members (or their financial departments) to add the *AESOP-code* when paying membership fees.
5. Our last year's comments to control the costs of hotels and travelling were followed. We nevertheless insist to provide the Treasurer with the right to refuse to refund non-reasonable costs – hotels, transport – claimed.
6. Although the due amounts of fees from the members (EUR 20.564 per end of 2015) are less problematic than in the years before we keep urging the members of the *CoRep* to intervene more persistently with their national colleagues.
7. Expenses made by AESOP-VISA-*credit-card* should appear in a very clear and traceable way in the statement of expenses and income with all the proofs attached.
8. It is suggested that the member schools who are not within the *SEPA-system* have to pay the additional bank charges (3<sup>rd</sup> party charges).
9. For some categories (Young Academics, Thematic Groups, Hardship Fund, Projects) we expect for the next financial audit a clear statement how the money provided was used. This includes proofs of spending (invoices, receipts etc.).

### **Advice**

1. Costs of *meetings* could be reduced by selecting accessible venues, adequate modes of transport and early agreement on dates in order to allow to book well in advance.
2. The ExCo is invited to reemphasize the *maximum costs for travel expenses and hotels* and to stick to it.
3. Those members who did not pay the fees should not be allowed to profit from AESOP financial benefits. In this context it is suggested to provide the status of payment of membership fees asap in advance to the local conference host in order to cross-check the option for reduced conference fees.
4. We appreciate – as recommended – that a regular backup of the electronic financial database is implemented.
5. We recommend that digital copies of the database held by the Secretary General should be made available for the Treasurer, the President and the Vice President.
6. The total *assets* of AESOP (EUR 292.831,15 per 31/12/2015) are still high. We suggest to limit the assets to a strategic reserve of two years of functioning and to invest the remaining in very carefully selected strategic projects, which reflect the goals and aims of AESOP.

7. The *conference-contribution* should be paid in the same year as the conference is organized. Moreover the costs of AESOP-representatives responsible for organizing a conference should be included in the conference budget.
8. The AESOP-Treasurer needs an *invoice* and proofs of spending from all beneficiaries of financial support for the amount allocated.
9. Once a budget is allocated all expenses should be covered within this budget.
10. We also urge the people responsible for projects to keep track of the way they spent the money in order to avoid difficulties with tax offices.
11. A more standardized *website* and format for AESOP-conferences could make conferences more cost-effective and more user-friendly.
12. We are grateful that the ExCo clarified the terms of office of the *Financial Auditors* (5 years).

#### **Additional Recommendations**

- We are convinced that AESOP-projects could be used to open a debate within AESOP about political relevant issues. A discussion on the impact of the current migration crisis on our cities and regions is an example in this respect.
- The dominance of the Anglo-Saxon journals is still a major concern. We urge the leadership of AESOP to take an initiative in this respect.

Prof. Louis Albrechts

Prof. Andreas Voigt