

## AESOP, Financial Audit 2016

*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 6<sup>th</sup> of February 2016 we were introduced by Thomas Matta, Treasurer of AESOP and his assistant Avivah Conen to the following documents:

- AESOP Financial Statement 2016 (v.1) by Treasurer (Rapperswil, 25<sup>th</sup> of January 2017), in addition: comments on accounts (draft version v.1, January 2017); overview of AESOP-assets (25<sup>th</sup> of January 2017)
- AESOP Financial Statement of Secretariat General (Porto, 2<sup>nd</sup> of January 2017)
- AESOP Budget 2016 (Thomas Matta, 9<sup>th</sup> of March 2016)
- AESOP-assets 2016 (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 2017
- List with transactions of all account UBS, IBAN CH94 0025 1251 8310 847E K, 8401 P, 8462 A, 8460 J, period 01/01/2016-31/12/2016
- Transaction History PayPal and VISA, period 1<sup>st</sup> Jan. to 31<sup>st</sup> of Dec. 2016
- Booklets with income and expenses 2016 organized in a chronological way

The Treasurer and his assistant were standby the full day 6<sup>th</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 16<sup>th</sup> of January 2017) 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.

The financial final report for the projects “Summer School” (EUSS) and “Lecture Series” were not provided as yet. The financial report for the Young Academics (YA) was only provided for the period June to December 2016. This is due to the change of office within the YA in July 2017.

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

Done, Rapperswil, 06.02.2017

Prof. Louis Albrechts

Prof. Andreas Voigt

### **Formal Comments**

1. We acknowledge that the official invoice by the home universities of the former and the actual *Secretary General* as asked for has been implemented. The universities are 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 substantial 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. Most *officers* of AESOP reacted positively to our comments to be strict in providing evidence of their expenses. But there is still room for improvement. We insist that this should be done according to the format provided by the Treasurer. 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 comments of the previous years 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 22.815 per end of 2016) are less problematic than in the years before (approx. EUR 30.000, 2015; EUR 38.000, 2014; 53.000, 2013) we keep urging the members of the *CoRep* to intervene 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. The PayPal only adds to the complexity of bookkeeping and the financial audit. So we strongly suggest to have all the payments exclusively through the USB-banking system.
10. For some categories (Young Academics, Thematic Groups, Bursaries, 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, attendance of meetings/conferences 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. As in 2017 decisions have to be taken about the next Treasurer and the next Financial Auditors, we suggest that for the audit in February 2018 both the current and the new Treasurer should be available.
7. The total *assets* of AESOP (EUR 262.227,89 per 31/12/2016) 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.
8. 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.
9. The impact of GPEAN/World Congress and the joint ACSP-AESOP on the budget is considerable. We urge the ExCo to reconsider the timing and conditions of these events.
10. The AESOP-Treasurer needs an *invoice* and/or *proofs* of spending from all beneficiaries of financial support for the amount allocated.
11. Once a budget is allocated all expenses should be covered within this budget. We noticed excesses of the allocated budget for some of the projects. Any excess of the budget should be negotiated in time with the ExCo.
12. 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.
13. A more standardized *website* and format for AESOP-conferences could make conferences more cost-effective and more user-friendly.

#### **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