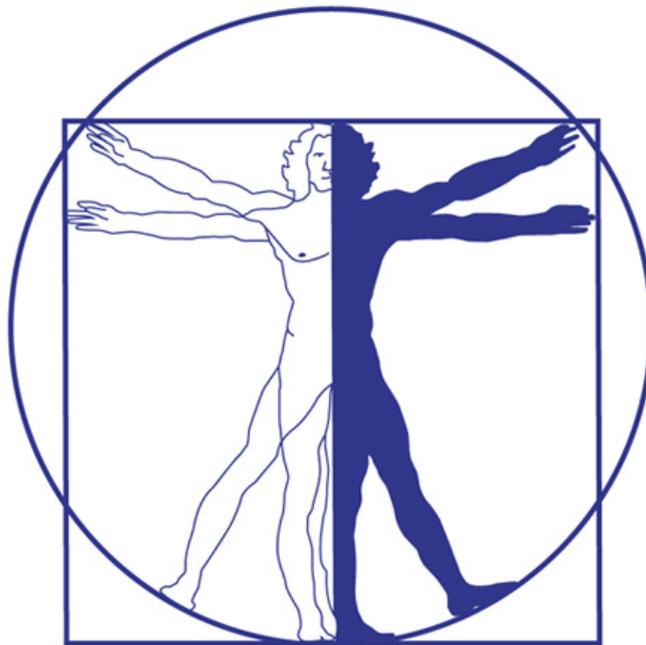


Publication of the Independent Body of Spring 2014

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and Julie Richert (secretary)



UNIVERSALIS

**Independent Body
Audit Report of Spring 2014**

In this third report of the Independent Body, the role of the Independent Body is explained to the benefit of the members of University College Maastricht Study Association (UCMSA) Universalis. It serves to clarify the tasks of the Independent Body and present the results of the auditing process concerning the finances of UCMSA Universalis Spring 2014.

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1 Introduction

Dutch law dictates that all registered Associations have their finances checked by an independent third party. It is by virtue of this law that during the Spring 2013 semester, hand in hand with the reforms of UCMSA Universalis and the introduction of the revised Policy Manual, the Independent Body was created. The primary task of the Independent Body is to audit the finances of UCMSA and the accompanying financial report as provided by the at-the-time Treasurer.

The initial tasks of the Independent Body and its structure stretched no further than auditing the expenses of the Association and assuring that the recorded flow of income and expenses matched that of the bank account. However, shortly after the establishment of the Independent Body and the initiation of its activities a revision of the tasks of the Independent Body was proposed to the General Assembly of the Association. It was asked to also comment on the justification of certain expenses. It would not be within the mandate of the Independent Body to overrule the responsibilities of the UCMSA Universalis Board and specifically its Treasurer, yet the Independent Body would advise UCMSA Universalis on its expenses with one main consideration taken into account: is this expense justified in a way that it concerns or benefits the UCMSA Universalis members? The addition of this task and dimension provided a wider and more solid basis for the Independent Body to critically review the semester finances of the Association.

The members of the Independent Body that have worked on the current report are the following:

- Christine Baljet (chair)
- Julie Richert (secretary)

Its activities during the review period were the following:

- To audit the financial administration of the UCMSA Universalis Board of Fall 2013;
- To review and comment on the financial report submitted by the Treasurer of the UCMSA Universalis Board of 2013;
- To assess the functioning of the UCMSA Universalis Board in accordance with the official Policy Manual;
- To write and present a publicly available report based on its activities.

As put forward in the Policy Manual this report is to be finished and published two weeks prior to the General Assembly that includes the discussion of the report, most commonly the first General Assembly of the new semester. This was however not possible as the transition between the previous Independent Body and the current Independent Body did not go as smooth as hoped. Firstly, the Independent Started with three members;

- Christine Baljet (chair)

- Srdjan Miletic (secretary)
- Maren Slangen

Maren Slangen was initially appointed to the Independent Body, but resigned in July 2014 before auditing had started. No further contact was possible with Srdjan Miletic, which led to his resignation by default. Julie Richert was consequentially appointed as the secretary of the Independent Body, as her previous experience as a UCMSA Universalis Board Member makes her a great addition to the Independent Body. This was a decision made by the previous and the current Independent Body in order to secure the functioning of the Independent Body.

We encourage all members to read the report thoroughly and critically reflect on its content. More so, we strongly advise those who form the Board of the Association after publication of this report, and the Treasurer in specific, to take notice of the report and read it carefully as it serves to assist and guide the Board. Acceptance of the report by the General Assembly further presses the importance to incorporate the motions of the report in the policies of the Board.

We invite all members to already pose questions and give comments before the General Assembly. Any messages are welcome to be sent to independentbody@gmail.com. Relevant questions will be attached to the final version of the report.

1.1 The Independent Body

Tasks and purposes of the Independent Body

Article 5 of the Policy Manual emphasizes the importance and describes the role of the Independent Body with respect to UCMSA Universalis. The article, in combination with the approved report of the Independent Body concerning Spring 2013, sets the mandate of the Independent Body. The Independent Body is to audit the finances of the Association and is given the additional responsibility to critically discuss these and base motions and other recommendations hereon. The work of the Independent Body in full has been assembled and can be found in this report, which will be published two weeks prior to a special General Assembly at which the Independent Body will orally explain and discuss the recommendations made.

The primary role of the Independent Body is auditing, i.e. checking and verifying the expenses made by the Association as recorded by the Treasurer. One part of this report is to fulfill this task as given to the Independent Body: stating that what the administration overview says is in accordance with the bills, receipts and agreements collected in the books and folders – the complete financial administration. Disparities or mistakes are reported.

However, since the report of Spring 2013 the Independent Body has expanded its mandate beyond a technical audit of the finances to an assessment of the expenses made. During its audit the Independent Body critically discussed and reflected upon the expenses made and whether they ought to be accepted. These discussions are included in this report and form the basis of the recommendations and motions put forward by the Independent Body. It is the intention of the Independent Body that the motions and recommendations included in every report, once accepted, are bundled in a set of guidelines. These guidelines should help the Board to achieve consistency in its policies, should assist the Board in assessing whether certain expenses will be considered justified and should support the Board in its functioning in accordance with the Policy Manual by adding concrete examples and situations to the rules provided by the Policy Manual.

No attention is given to tasks related to the issue of elections in this report. The organization and regulation of presidential elections remains one of the tasks of the Independent Body. Elections were held at the end of the Spring 2014 semester, under the supervision of the previous Independent Body. As this led to a lack of information on the part of this Independent Body, it was not possible to write a report about those elections.

It is emphasized by the Independent Body that any points raised, conclusions reached and motions proposed in this report were arrived at without any interference by parties or persons not included in the Independent Body. The report is the result of the auditing and review process performed by the members of the Independent Body that were appointed by the General Assembly held on the 16th of April, 2014. Furthermore, it must be noted that, following article 5.2 of the Policy Manual, motions approved by the General Assembly cannot be refuted, unless of course the General Assembly would decide to do so. The

Independent Body thus stresses the importance of this report as it sets the background for the proposed motions. The motions that are approved by the General Assembly constitute an addition to the rules of the Association. The report in totality serves as a guideline to the daily management of the Association.

The Independent Body would like to point out that the role of the General Assembly towards the Independent Body is of key importance for the functioning of the latter. The General Assembly of UCMSA Universalis, i.e. the members of the Association, appoints the members of the Independent Body and grants them their mandate. Those who wish to be member of the Independent Body must notify the chair well in advance, as the chair must propose candidates two weeks in advance to a General Assembly in order for the Association to decide on whether to accept the candidacy or not. Any member of the Association can, when this is believed to be necessary, an extraordinary General Assembly to dismiss members of the Independent Body.

2 Audit

2.1 Technical issues

2.1.1 Form no. 26/27

A receipt or proof from Hage/Sprakel should be provided to UCMSA Universalis.

2.1.2 Form no. 30/31

Such expenses should be avoided through special inspection before payment.

2.1.3 Form no. 35

Proof of Elliot Burke-Perrin's bank statement should be provided or have the car company transfer money directly to UCMSA Universalis.

2.1.4 Form no. 60

Proof of payment of 30 euros to EXCO and proof of EXCO's use of the money should be provided.

2.1.5 Form no. 78

A receipt should be provided.

2.1.6 Form no. 79

A receipt should be provided.

2.1.7 Form no. 80

A receipt should be provided.

2.1.8 Form no. 90

A description and bank statement are provided however this is not sufficient and the receipt should also be provided.

2.1.9 Form no. 193

The internal payment amount of 105.00 euros does not match with the cash flow overview of 80.00 euros.

2.2 Content issues

2.2.1 Form no.9

This is not a justified expense however the treasurer solved the issue but this should be avoided in the future.

2.2.2 Form no. 20

This is not a justified expense as the university can provide light bulbs.

2.2.3 Form no. 73

This is not a justified expense, as UCMSA Universalis should ensure that the costs of the books sold equal the costs calculated by the Study Store. This should therefore be avoided.

2.2.4 Form no. 76

This is not a justified expense, as UCMSA Universalis should ensure that payments are made on time. This should therefore be avoided.

2.2.5 Form no. 86/101

This is not a justified expense, as UCMSA Universalis should ensure that the costs of the books sold equal the costs calculated by the Study Store. This should therefore be avoided however the Study Store later on repaid this cost as a mistake was made on their part.

2.2.6 Form no. 91

This is not a justified expense and should therefore be avoided. The thief in question should reimburse the stolen sweater.

2.2.7 Form no. 102

The monthly payment of 72 euros for Google Apps is not justified as the Independent Body does not see why this is of crucial necessity for the board of UCMSA Universalis. The university can provide UCMSA Universalis with ICT assistance free of charge.

2.2.8 Form no. 132

The cost for international transfers is not a justified expense. This cost should be covered by the person making the payment and not by UCMSA Universalis.

2.2.9 Form no. 145

The monthly payment of 72 euros for Google Apps is not justified, as the Independent Body does not see why this is of crucial necessity for the board of UCMSA Universalis. The university can provide UCMSA Universalis with ICT assistance free of charge. Additionally, this payment is for Fall 2013 and should therefore not be booked under Spring 2014.

2.2.10 Form no. 150

The monthly payment of 72 euros for Google Apps is not justified, as the Independent Body does not see why this is of crucial necessity for the board of UCMSA Universalis. The university can provide UCMSA Universalis with ICT assistance free of charge.

2.2.11 Form no. 202

This is not a justified expense. Deposit was not retrieved. Committee should be responsible for material rented and the deposit for the rental for the red carpet should have been retrieved.

2.2.12 Form no. 222

This is not a justified expense, as UCMSA Universalis should not purchase books for staff members.

2.3 Organizational issues

2.3.1 Form no.2

In accordance with the minutes of the General Assembly of April 16th 2014, using paid transportation services should be avoided. Therefore, the rental of a car for the purpose of stock up is not a justified expense. Furthermore, no receipt was provided as a bank statement is not a valid receipt.

2.3.2 Form no.3

The cost of the bottles includes a container-deposit that should be returned.

2.3.3 Form no.6

The cost of coffee for Gecco's Fair Friday event falls under Gecco's budget and should thus be returned to UCMSA Universalis.

2.3.4 Form no. 11

Dates on internal payment form marked as 6/02/2014, does not match the cash flow overview marked as 11/02/2014. See conclusion 4.1.2 for further elaboration.

2.3.5 Form no. 61

The internal payment form is overall very sloppy. Furthermore, UCMSA Universalis should not be making profit off a pub-crawl.

2.3.6 Form no. 72

The receipt provided by the Gastronomy committee is from Fall 2013. Committee's should provide UCMSA Universalis with receipts in a timelier manner.

2.3.7 Form no.96

The internal payment form is sloppy.

2.3.8 Form no. 98

The reimbursements of the Freiburg trip should have been made in a timelier manner.

2.3.9 Form no. 131

The internal payment form concerning the breakfast of the blind city trip in March 2014 does not provide proof that the money was used for the mentioned purpose. This contributes to the overall sloppiness of the internal payment form.

3 Non-financial audit

Apart from the expenses, the Independent Body has taken the liberty to evaluate the non-financial matters of the Study Association as well. Based on conversations with Board members and other Association members, we have noticed the following issues:

3.1 Independent Body

We would like to evaluate the workings of the Independent Body itself, for improvement in the future.

3.1.1 Auditing bank transcripts

The Independent Body recognizes that an important part of a credible financial audit contains the reviewing of the transcripts of the online bank account of UCMSA Universalis. A review of the books is important, but it is also essential to see if the actual transfers and final bank account balance match the information provided by the Treasurer.

Neither the previous nor the current Independent Body's have reviewed bank statements, but we believe this is a weakness in the audit and should be improved for the future. We therefore strongly encourage the next Independent Body to request the bank statements of the association and review those along with the Internal payment forms.

3.1.2 Transition of the Independent Body

The Independent Body recognizes that an important part of transparency is that the members of the association directly choose the Independent Body. It is therefore important that the members of the Independent Body who are chosen at the General Assembly, truly are the ones who audit UCMSA Universalis. This semester, the secretary of the Independent Body was not chosen at the General Assembly. We acknowledge that this was a flaw in the system and think that a better transition between Independent Bodies can lead to a more legitimate functioning of the Independent Body.

The Independent Body therefore proposes a more noticeable campaign to recruit members, as well as a meeting before the members are chosen to become part of the Independent Body. This will ensure that members are serious about joining the Independent Body and will not drop out when the time of auditing comes. After the General Assembly, the Independent Body guidelines as well as all previous documents should be handed over in a timely manner. This should go hand in hand with a meeting between the chair of the previous Independent Body and the new Independent Body in its entirety during UCM's 'project period'.

3.2 Official documents

Transparency is the key of the existence of the Independent Body, as it provides accountability of the Board towards the members of the Association, as well as enables engagement of the members in the Association.

3.2.1 Availability on the website

The list of documents available on the website of Universalis is incomplete as it does not have all required documents available. The following documents we have found missing:

- Financial Report Spring 2013;
- Independent Body Report (Auditing Report) Spring 2013;
- Board Semester Report Spring 2014;
- Financial Report Spring 2014;
- Independent Body Report (Auditing Report) Spring 2014;
- Budget Proposal Fall 2014

Furthermore, we believe these documents should also be distributed through the Newsletter. Some of these documents have been published through the Facebook page or in Facebook event pages, but this does not suffice.

3.2.2 Semester Reports

According to Article 3.8, the Board is required to publish an Annual Report and an Annual Financial report at the first General Assembly of the Fall semester. However, it seems that this annual report has never been written nor published. It does not appear in the minutes of the respective General Assembly. Financial reports have been written consistently every semester, but not published. The Independent Body finds it important that these reports are written as well as published in order to maintain transparency within the organization.

4. Conclusions, discussion and recommendations

This section highlights some of the more general issues we encountered in Universalis' finances. We believe these should be subject to discussion in a General Assembly. In the next section, we will propose motions based on these discussion points.

4.1 Financial clarity

4.1.1 Consistency across financial documents

The Independent Body noticed that there are discrepancies between different financial documents. In the financial report of Spring 2014, there are discrepancies between the published numbers and the cash flow overview. Numbers do not match within the financial overview as well as in comparison to the cash flow overview. We encourage the treasurer to check the numbers in the cash flow before publishing the Financial Report.

4.1.2 Dates on Internal Payment forms

The Independent Body noticed that there are discrepancies between the dates on the Internal Payment forms and the cash flow overview. The treasurer should make sure that the dates on all financial documents are the same as this can cause uncertainty.

4.1.3 Transaction references

The Universalis Treasurer should make sure the forms in the books make a reference to the corresponding online transaction. This enables the Independent Body to check the transactions from the bank account with those reported in the books. This should be done in accordance with the minutes of the General Assembly of April 16th, 2014.

4.1.4 Audit of the Universalis bank accounts

The Independent Body stresses that the Universalis Treasurer should include an exhaustive print-out of the transactions made with the bank accounts of Universalis in the tangible financial overview at the end of every semester.

4.2 Independent Body

It is important that the members of the Independent Body who are chosen at the General Assembly, truly are the ones who audit UCMSA Universalis. The Independent Body therefore proposes a more active campaign to recruit members, as well as a meeting before the members are chosen to become part of the Independent Body. This will ensure that members are serious about joining the Independent Body and will not drop out when the time of auditing comes. After the General Assembly, the Independent Body guidelines as well as all previous documents should be handed over in a timely manner. This should

go hand in hand with a meeting between the chair of the previous Independent Body and the new Independent Body in its entirety during UCM's 'project period'.

4.2 Official documents

4.2.1 Availability of documents

The Board should at all times make all required documents available to its members. These documents include GA minutes, Independent Body reports, Financial reports and Semester/Annual reports. This is necessary in accordance with the UCMSA Universalis Policy manual as well as the minutes of the General Assembly of April 16th, 2014.

4.2.2 Semester Reports

Stressing the conclusions of the previous Independent Body, the current Independent Body believes that the board should publish Semester Reports rather than Annual Reports. This motion was passed at the General Assembly of April 16th, 2014, but the available Policy Manual on the Website does not reflect this change.

4.2.3 Updates Policy Manual

The Independent Body has found that the Policy Manual that is available on the website does not reflect the most recently adopted motions. This means that either the Policy Manual was not updated, or that the most recent version is not available to the members of the association. The Independent Body also believes that it is nearly impossible for the new Board Members to be aware of the previous motions and changes to the policy manual if it is not updated nor published. The Independent Body strongly encourages the current Board Members to update the Policy Manual - if this has not been done yet - as well as making it available to the members of the association.

4.3 Academic Council budget proposal

In the May 2013 General Assembly, a motion was approved by the General Assembly that stated that the Academic Council has to present a budget proposal at every budgetary General Assembly (similarly to the UCMSA Universalis budget proposal). This budget proposal has to be approved by the General Assembly, or it can be adjusted through (ad hoc) motions. The Independent Body finds that the Academic Council is currently in violation of this decision by the General Assembly. In order to ensure full transparency of UCMSA Universalis it is necessary for the treasurer of the Academic Council to publish a budget proposal along with the UCMSA Universalis' budget proposal.

4.4 Income vs. Expenditure

UCMSA Universalis is a non-profit association. That means that at the end of the semester there should not be any money left. According to the cash flow overview of the Spring 2014, the total money spent was €19,780.40. The total income was €24,776.11. That means that the balance at the end of the semester is at €4,995.71. UCMSA Universalis

should avoid having that much money left over as the association should try to spend most of its money on its members.

4.5 Google Apps

Upholding the opinion of the previous Independent Body, this Independent Body disapproves of the scope with which Google apps was used in the Spring of 2014. The Independent Body is happy to hear that UCMSA Universalis will no longer use Google Apps for committees as this was very costly. The Independent Body holds its reservations about the cost benefit of Google Apps but as the Board has said several times that Google Apps has truly supported the growth of the association, the Independent Body sees this as the best solution.