

# **Independent Body Audit Report of Spring 2015**

## **Independent Body Fall 2015:**

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## Abbreviations

AC	Academic Council
GA	Independent Body
IB	Independent Body
UCSRN	University College Student Representatives of the Netherlands
PM	Policy Manual

## 1. Introduction

In compliance with Dutch law, relating to the need of associations to have their finances audited by an independent party, and in accordance with UCMSA Universalis' Organizational Statutes, Policy Manual and practices, it is the Independent Body's foremost task to undertake both a financial as well as non-financial audit of the association.

It is thus the pleasure of the Independent Body Fall 2015 to hereby present the Audit Report of the preceding spring semester of 2015.

The report at hand consists of three parts: the first part concerns the audit of the finances of the association; the second part relates to the non-financial audit of the semester; the third part offers further discussions, recommendations as well as concluding remarks.

Further, the more general recommendations and discussion points are meant as an invitation to discuss and exchange ideas on the issues for both the association as a whole as well as the current and future Universalis board.

While there have been some minor issues in the financial audit, the Independent Body concludes that none of the issues raised in the report presents a significant impairment of the working of the association. **The Independent Body is thus delighted to report that the association's finances have become increasingly more transparent, coherent and clear, and would like to congratulate the past board for their solid work.** As no significant problems have been found during the auditing process, no motions to such ends will be presented at the General Assembly.

The Independent Body would like to encourage every member of the association to critically read the report and invites the members to kindly direct any potential questions to [independentbody@gmail.com](mailto:independentbody@gmail.com) or to any member of the Independent Body.

Sincerely,

Svea Windwehr (chair)

## **2. Financial Audit**

### *2.1 Technical Matters*

- Form 10: Informal statement that lacks a signature instead of formal receipt. In the case when formal receipts cannot be issued, a signature by the recipient is desirable.
- Form 13: Income for the Charity Committee - miscalculation and unclear notation.
- Form 35: Related to the Freiburg trip organised by the AC. In the case of such big events, one overview of expenses would be desirable so as to keep track of total expenses.
- Form 48: How many UCM students participated in the event? As a general comment for book keeping, the IB finds it desirable that it is always clearly stated how many students participated in one event so that the cost/person can easily be calculated.
- Form 49: Money was lent to a board member for private purposes. This issue regarded only 4€; however, considering previous experience with using money for private matters, the IB principally advises against this type of private lending of the community's funds.
- Form 50: Items are booked as purchased in Indonesian currency and reimbursed in Euros. However, the receipts suggest the purchase was made in Malaysian currency. This issue naturally needs to be checked by the treasurer. As an example, the expense of RM 274 on this receipt translates to 56,6€ versus 0,017€ for Malaysian and Indonesian currency respectively (on the 7th of September 2015). Moreover, whenever a payment is made in foreign currency an indication of the exchange rate at the time when the transaction was made is desirable.

- Form 59: It would be desirable that the amount of bags and the price per bag was indicated.
- Form 61: No sufficient proof of payment. 150€ was transferred to committee member for the purchase of a piano, but no bank statement is present showing the payment for the actual piano.
- Form 68: Dinner paid by Universalis in advance and paid back by participants. One participant is booked in the form but did not pay back according to transaction records.
- Form 74: The reimbursement bank and cash transactions of the Book Sale period 4 do not add up to the amount mentioned on the form. Bank and cash transactions amount to 542 euros whereas the form states 625 euros was reimbursed in total.
- Form 84: 41,84€ spent on printing booklets for the Politics Society. Description on form: "Booklets printed for EuroMUN. Since we lost the copy card we told them it was okay to use a printing shop". The IB recommends the board to keep better track of the printing card in order to avoid unnecessary costs.
- Form 87: When such large expenses are made (in this case 750€) the IB recommends payment to be made electronically. This in order to avoid the risks associated with carrying around such large amounts of cash belonging to the community.
- Form 106: Reimbursement to board member for beer stock up with present receipt. However, also attached to the form is a delivery confirmation and receipt form Albert Heijn with 191€ with a handwritten revision for 127,8€. There is no sign of how this delivery was paid for, neither why it is attached to form 106.

- Form 126: Was either never reimbursed or paid in cash but booked as a transaction.
- Form 129: Wrong transaction date.
- Form 135: Bank statement or receipt missing. The IB considers it insufficient that a person claiming to be reimbursed writes a letter “promising” that an expense was made.
- Form 138: Receipt of 50€ missing.
- Form 155: Description of expenditure is partially in Dutch and therefore unclear for non-Dutch speakers. This represents an example of a general issue occurring in the books. Due to the international nature of the community all bookkeeping should be understandable in English.
- Form 163: The month on this form is April; considering the order of the books this should be May.
- Form 165: This form concerns the second hand Book Sale: the spreadsheet indicating whose books were sold misses headings; therefore it is unclear what the information means. Does the date indicate the day when students were reimbursed? Does this in turn mean that when there is no date mentioned with a name, this student was never reimbursed? This would explain the 100 euros that the treasurer booked as ‘not able to reimburse’, however, it remains unclear now. Moreover, the IB questions how far the treasurer went in trying to contact the student who was not reimbursed before deciding that this was not possible, as the amount in question is rather substantial.

In addition, the total of reimbursements via bank transactions (353 euros) does not match the number on the form (323 euros). The amount on the form is not split up in bank and cash transaction respectively, so it remains unclear what the actual numbers represent.

Form 191: Unclear notation of the gas and parking expenses.

Transaction: Transaction on 22.04.2015 of 8,40€ to DBA van de Rijzen. Form and receipts are missing.

Transaction: There have been several Universalis members who transferred 100 euros to Universalis for their participation in the Wine Trip (June 2015). However, this income – 1000 euros in total – has not been mentioned on a form in the books.

## *2.2 Organisational Matters*

- Apparently, the Universalis copy card has been lost/ misplaced at various times. Reimbursement of copy costs students paid with their own UM cards can be hard due to the difficulty of proving such costs, therefore, more attention should be paid to the copy card. If the practice of members paying for copies themselves should continue, a suitable receipt system should be considered.
- According to the receipts, several different bus companies have been hired throughout the year (e.g. for UC Tournament, EXCO trips). We would like to encourage Universalis to investigate the idea of always using the same bus company so that cheaper deals could be negotiated and money ultimately saved.
- As the Academic Council does receive 5% of the overall budget, we believe it is crucial for the AC to keep its own books on its own financial matters. This could not only help the AC to grow more independent from

Universalis (if desired) but would also highly improve the clarity, accountability and transparency of the AC's finances.



### **3. Non-financial Audit**

#### *3.1 Document Availability*

- The version of the Statutes available on the Universalis website is still the draft version. As the Statutes are a central document relating to the functioning of the Association, an updated version should be made available as soon as possible.
  
- The policy manual from September 2014 is the latest policy manual available on the website. Changed policies have not been recorded in an updated version yet; for example the composition of the board, which has consisted of six board members for the past year, contrary to 7 members according to the policy manual. Another provision not updated in the PM is Article 3.6.4 that stipulates that the board needs to publish all motions (including reports) no later than two weeks before the GA. This is in fact an out-dated provision. The GA of May 2013 decided to shorten this period for 1 week. As soon as this is amended in the PM, the following Article (“The Board shall accept proposed motions for a period of no less than a week, before the GA”) ceases to stand in opposition to Article 3.6.4.

This means that the current board is not adhering to the (out-dated) policy manual, even though this may be justified with accepted mandates. In order for the policy manual to be a useful guideline for all Universalis members and the board itself, changes or additions should be included in an updated policy manual, or the accepted mandates should be accessible for all its members. This has already been mentioned in the last Audit Report.

- The document named “Minutes GA September 2014” does not contain the indicated document but motions of the April 2014 GA. The correct document should be provided as soon as possible.

- The document named “Minutes of the GA December 2014” contains the minutes of the GA of February 2014. The correct document should be provided as soon as possible. Generally, we propose an overall inspection of all documents (and especially minutes of GA’s) available on the website.
  
- All financial report documents should be made available on the website.

### *3.2 Website*

A simple Google search produces two results for the ‘official’ website of UCMSA Universalis: a) ucmsauniversalis.com and; b) ucm-universalis.nl. The latter website is not in use anymore and has not been updated since April 2014. Unfortunately, this website does show up as the first result in Google. It is therefore highly recommended that this website is deleted as soon as possible.

Additionally, we wonder whether this unused websites generates any costs to the association. We urge the current board (secretary/treasurer) to look into this as soon as possible.

### *3.3 Elections*

Presidential elections were held in period 5 of the spring semester, the winner has been announced accordingly. In the wake of the election, the General Assembly discussed whether it would be beneficial to not only publish the name of the successful candidate but to also publish the voter turnout as well as the percentages of votes each candidate won. The General Assembly agreed that it would not bring any advantage to the UCM community but could even be detrimental. The Independent Body then decided to take the opinions of the GA into account and to come up with a policy recommendation and/or motion. The IB of this semester will pursue this in the second GA.

### *3.4 Board Appointments*

#### *3.4.1 Universalis*

As the Universalis board of Spring 2015 wanted to address a general lack of transparency in the board member appointment procedure, members of the Independent Body Spring 2015 were invited to sit in on board interviews. This was discussed with the GA, which generally approved of this measure. Additionally, it was mentioned that it would be beneficial if the new board composition were published before the GA. This desire has been taken up by the current IB and a relevant motion will be suggested.

#### 3.4.2 Academic Council

When appointing its new board, the AC found itself in the unfortunate situation that one additional board position opened up last minute. Rather than reopening the application process, a suitable candidate was chosen from the students already interviewed for the other open positions. There was a complaint about this procedure at the GA; the IB will look into this.

#### 3.4.3 Independent Body

The appointment procedure of the new Independent Body was not transparent. According to Article 5.5 of the Policy Manual, *“The Chair of the Independent Body proposes candidates for the next semester publicly at least two weeks in advance of the last General Assembly of the semester. People willing to be candidate can apply by contacting the Chair of the Independent Body.”*

The former IB chair did not propose candidates two week in advance of the GA. More importantly, there was no official call for applications, rather, specific students were asked to fill these positions. While the Policy Manual does not specify that the IB must announce open positions, the GA expressed disagreement with how the current IB was formed. We believe that IB, like the Board and the AC, should follow a transparent and fair procedure when appointing new IB members. The IB of the Fall 2015 semester will propose a more transparent and accountable procedure to appoint IB members. As a result of the flawed application and appointment procedure, and as only four new board members were chosen (out of the possible five members – Policy Manual

Article 5.3.), the current IB opened the application procedure for the remaining position. The selected candidate will be presented to the GA.

## **4. Recommendations**

### *4.1 Academic Council*

The (treasurer of the) Academic Council does not seem to be keeping books on the Council's expenses. There is confusion about last semester: the former treasurer says the finances have been updated and sent to the new treasurer, but the latter denies ever receiving these overviews. While the Independent Body realizes that it is the Universalis Board that makes transactions on the AC's behalf (as the AC does not have its own bank account), we believe that it would be beneficial to the financial oversight of the association as a whole if the AC kept track of its budget independently.

### *4.2 Document Availability*

We would like to stress the urgent need to update the policy manual and to publish the correct and most up-to-date version of the Statutes. To improve the accessibility of all documents, they should be published as PDF documents.

### *4.3 Book Sale*

During the past year the Universalis first hand book sale has been discontinued. Considering that this change has now been in place for one year, we propose a revision of this decision with regard to its success. Especially with regard to the facts that the first hand book sale was one of the few direct services to UCM students, that it increased the board's visibility and interaction with students, and that neither books nor cash have been stolen from the boardroom related to the book sale, this should be reviewed. The satisfaction of UCM students should hereby be taken into account.

### *4.4 Excess Budget*

During the last GA of the past academic year (May 2015), the Board asked the GA to approve the spending of 2000 euros on an – at that point secret and unspecified – event to be held during the Universalis summer week. This expense was partly justified by using Universalis' leftover money of the Spring 2015 budget. While we support the Board's objective to spend the entire available budget per semester, we believe that in cases in which budget money is

left over, the GA should be consulted on how this money will be spent. Rather than confronting the GA with a decided plan on what will happen with the money, an open discussion (announced prior to the GA) that encourages students to come up with original and creative ideas should be recommended.

#### *4.5 Independent Body & Follow-Up on the Audit Report*

We have noticed that the respective boards have not taken up several issues raised in previous IB Reports. These issues mainly relate to the availability of documents. Considering this, we would like to suggest a discussion about the benefits for the association of regularly being checked on the implementation of IB reports. Such a decision should be discussed and taken by the GA.