

## **Report of the Audit Committee**

### Issues from last year(s):

- Appointment of new external auditor: This has been arranged. The new auditor reported prior to the work of the Audit Committee.
- Appointment of a new accountant: Starting with the book year 2021 a new accountant will be in charge. The book for 2020 were closed by the old one.
- Savings at KBC Bank: The Board agreed last year to close this account and transfer the money to another one. At the time of the review by the Audit Committee in July 2021, this still hasn't been realized. There is a 2 years backlog in formal publication of changes in the Board positions in "het Staatsblad". We have been informed that in addition the treasurer has to appear in person at the bank in Brussel to realize this (NYC). Due to travel issues related to Corona, this has not been realized. A formal statement from KBC confirming the outstanding balance has been received.

### New observations:

- The invoice for the 2019 profit of the Luxembourg share was issued very late (May 2021). This was due to the fact that the hosting Institute did not deliver the final statements earlier. We recommend that ECIIA send in the future an invoice for an advance payment before year end based on the latest estimate of the final result. Advance Payment should be done also before year end. The final settlement should be done no later than six months after the conference. An adequate regulation should be included in the MoU.
- The 2020 conference in Portugal was canceled. We were informed that there are no financial liabilities for ECIIA.
- The 2021 conference in Brussels has been postponed to 2022 (?). There is an agreement with the venue that there will be no penalties, providing that the conference will be held in 2022.
- The new accounting system is in place and ECIIA is happy with the performance of the accounts payable module. Functionalities to provide remote access to the complete General Ledger for the treasurer and staff have not been established yet. We recommend that this will be operationalized as soon as possible, so management information can be generated timely.
- Several misclassifications occurred in the expenses. We recommend that incoming invoices are reviewed (timely) to get the correct accounting assignment and the G/L is reviewed in detail by the treasurer and the secretary general prior to submitting the data to the Board and the External Auditor.
- For the first time in five years the report of the (new) external auditor was received prior to the review of the Audit Committee. This is an improvement.
- The year 2020 closes with a loss of € 41,703. This is mainly due to cancelling the conference.
- The external auditor expressed an unqualified opinion.

### Conclusion:

- Overall, internal controls are adequate. We recommend the General Assembly to approve the financial statements for 2020 as presented.

30 August 2021

Hans Nieuwlands, Chairman of the ECIIA Audit Committee