

Report from the UBC Board of Audit

The Board of Audit was summoned during the UBC X General Conference in Kristiansand, September 2009, on basis of article 5 of the UBC Statute.

The Board of Audit has had the following members:

Mrs Ewa Back, Councillor of Sundsvall, Sweden

Mrs Marta Chelkowska, Director of Tourism Department, Marshall Office of Pomeranian Voivodeship, Poland

Mr Jukka Vilen, Director of the City Office, Kemi, Finland

Article 12 in the Statute of the UBC states: "The Board of Audit checks the auditor's report for correctness and proper use of the resources for purposes laid in the decisions of the General Conference and the Executive Board, in the Statute and according to the regulations of the donors of contributions. The Board of Audit has the right to check and read all books, accountants' files etc. of each body of the Union, Secretariat and the Commissions. The Board of Audit reports to the General Conference".

The Board of Audit held a meeting in Tallinn, Estonia, on the 13th of October 2010. On the 5th of May 2011 the board met in Gdańsk and reviewed the books of UBC and followed up documents from the Executive Board and the Commissions.

The following files were submitted to the examination by the Secretariat:

- invoices and bills passed to UBC in 2009 and 2010
- confirmation of the payments made by UBC in 2009 and 2010
- bank statements
- receipts of payments by electronic cards from the UBC account
- financial reports
- tax declarations

The Board of Audit has also had the following documents produced or presented by the UBC as a basis for the audit:

- Statute of the UBC
- Internal Regulations
- UBC Strategy 2010 - 2015
- Minutes from the Executive Board Meetings in 2009 and 2010
- Report from the X General Conference in Kristiansand 2009
- UBC budget for 2009 respectively 2010
- UBC membership fees for 2009 and 2010
- Statement of the accounts for the period 1 January 2009 until 31 December 2009 respectively 1 January 2010 until 31 December 2010, along with explanatory notes
- Auditor's report made by the licensed auditing company BILANS for 2009 respectively 2010
- Budgets and reports from the Commissions for 2009 and 2010, including copies of invoices.

The Board of Audit makes the following statements:

1. We have read the Minutes from the Executive Board Meetings in 2009 and 2010. We have also looked at the UBC Strategy 2010 – 2015 and the Action Plan 2008-2009.
2. We have found that the intentions of the Strategy as well as the Action Plan have been activated or fulfilled. Since there is a new strategy from 2010 we expect the Executive Board to follow up the factors success is to be measured by in 2011.
3. The assessment of the books is commissioned to the licensed company BILANS, Gdańsk, according to the decision of the General Conference in Kristiansand 2009. BILANS' has checked the correctness of the books and their contents in accordance with the Polish book-keeping rules and found everything in order.
4. The Mayor of Gdańsk has in a letter to the General Conference in Pärnu 2007 expressed that the city continues to take responsibility for the secretariat for 2008-2011. The three employees of the office have all an employment relationship with the city of Gdańsk.
5. We find it good that the Executive Board evaluate the commissions work and decides on next years according to activity reports and actions plans.
6. We have noticed that there is a lack of receipts in 2009 from the commission of Energy.
7. We want to lift up the reports from the commission on Youth Issues as a good example.
8. The Strategy 2010 – 2015 states that a survey of member city views should be conducted both in 2010 and in 2014. We have not found any document of a survey in 2010.

Recommendations from the Board of Audit to the General Conference in Pärnu 2007 as well as in Kristiansand 2009 has been followed up:

1. A change in the Statute was decided by the General Conference in Kristiansand 2009, “so that the absolution is not only for the Presidium, but for the whole Executive Board, as well as for the Secretary General”.
2. “Economic decisions made by the Executive Board should include an exact or estimated cost, alternatively a cost limit”. The budget for 2009 respectively 2010 have been adopted by the Executive Board. Decisions on additional grants are recorded in the minutes.
3. “The Commissions can use one third of their grant from the UBC to cover costs of their secretariats. These costs, as well as other costs covered by the grant, should if possible, be verified by copies of invoices. If this is not possible, a written summary of the secretariat-costs can be done”. We have noticed that this recommendation isn't always followed and stress the importance of the commissions to contact the president when necessary to use more than one third of their grant to cover costs of their secretariats.
4. “We recommend the Executive Board to discuss reports from the Commissions more frequently, perhaps could 2 -3 commissions give reports at each Board meeting. This way every Commission gets a good opportunity to bring up their difficulties as well as possibilities and development”. With start at the Executive Board meeting in Trelleborg in June 2010 a number

of commissions have been invited to each meeting and a more thorough discussion has taken place.

5. "To recommend the Executive Board to... discuss the Loss and Profits Account and larger deviations from the budget". With a few exceptions the expenditures have been kept within the budgets. For 2010 the Executive Board decided to give a discount on the membership fees, due to the economic crisis 2009.

The Board of Audit recommends the XI UBC General Conference:

1. A city who has not paid the membership fee to UBC for two following years should be suspended for the next 3 years. To become a full member again a city has to pay all due fees.
2. To stress the importance of that a commission when representing UBC in exhibitions etcetera, makes sure that the UBC logo is visible and UBC-information available.
3. To ask the secretariat to develop a form for the commissions budgets, spending and activities.
4. To decide that the original Minutes of Board Meetings should be signed by hand by the president, general secretary and, if possible, the adjusters; the documents from 2009 and onwards should be kept in the secretariat.
5. To give the Executive Board the commission to develop common criteria for evaluating the work of the commissions.
6. To express the General Conference's thanks and gratitude to the city of Gdańsk for its generous support to the UBC.

On the basis of the completed examination the Board of Audit proposes the General Conference in Liepāja 2011 to decide:

to absolve the Executive Board and the Secretary General for the years 2009 and 2010.

Sundsvall	Gdańsk	Kemi
11 July 2011	22 August 2011	August 2011
Ewa Back	Marta Chełkowska	Jukka Vilen