

Report from the UBC Board of Audit

On basis of article 5 of the UBC Statute the Board of Audit was elected during the UBC XII General Conference in Mariehamn, October 2013. The members of the Board of Audit are:

Mrs Ewa Back, former Mayor of the city of Sundsvall, Sweden

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

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

Article 11 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 met on the 11th of May 2015 in Gdansk to review the books of the UBC and to follow up documents from the Executive Board and from the Commissions. Members of the Board of Audit have also participated in a couple of Executive Board Meetings during 2013-2014.

The following files were submitted to the examination:

- Invoices and bills passed to UBC in 2013 and 2014
- Confirmation of payments made by UBC in 2013 and 2014
- Bank statements
- Receipts of payments by electronic cards from the UBC account
- Financial reports

The Board of Audit has taken part of the following documents:

- Statute of the UBC
- UBC Strategy 2010 – 2015
- Minutes from the Executive Board Meetings in 2013 and 2014
- Report from the XII General Conference in Mariehamn 2013
- UBC Budget for 2013 and 2014
- UBC membership fees from 2013 and 2014
- Statements of accounts for the period 1 January 2013 until 31 December 2013 respectively 1 January 2014 until 31 December 2014
- Auditor's report made by the licensed auditing company BILANS from 2013 and 2014
- Reports from the Commissions for 2013 and 2014

The Board of Audit makes the following statements:

1. We have read the Minutes from the Executive Board Meetings in 2013 and 2014.
2. The assessment of the books is commissioned to the licensed company Bilans, Gdansk, according to the decision of the XII General Conference in Mariehamn in 2013. Bilans has

checked the correctness of the books and their contents in accordance with the Polish book-keeping rules. They have found everything in order.

3. The XI General Conference decided, upon a proposal from the Mayor of Gdansk, that the city of Gdansk will continue to take responsibility for the UBC Secretariat for 2012 – 2015. The employees of the office all have an employment relationship with the city of Gdansk.
4. We find it good that there are reports from a number of Commissions at almost every Executive Board Meeting. The documents from the commissions however vary quite a lot, from activity reports, reports from conferences to action plans.
5. We have noted that the Executive Board has either decided on the budget for the next year or given the Presidium mandate to decide on the budget. Financial reports for 2013 and 2014 has been discussed in the Executive Board.
6. In October 2014 the Executive Board decided on the new organization of the commissions, with fewer commissions covering broader issues. The member cities have been asked which commissions they want to participate in and the interest has been satisfactory.
7. We have looked into the expenditures of the Commissions and found that some Commissions live up to the rule that no more than 40% of their grant from UBC shall be used for secretariat costs. Others spend more. We have also found that travel expenses for the lead cities representatives when going to Executive Board meetings often has been considered a secretariat cost. We see these kind of expenses are costs for the supervision the Executive Board has to fulfill.
8. The planned project on Expert Exchange has, due to lack of external financing, been cancelled. Partly expert exchange is being done naturally within the different commissions.
9. We have found that most of the proposals from the Task Force on Development of the organization have been realized. The proposal that every Commission should have a contact person in the Executive Board or Presidium is not executed.

Our recommendation to the XII General Conference 2013 that the Presidium should take Minutes or Notes when they make decisions on economical matters has been followed up. We have found that there are no formal notes made when the Presidium make decisions. Instead there are e-mails confirming the decisions.

The Board of Audit recommends the XIII UBC General Conference in Gdynia 2015:


1. The written reports of the work of the Commissions can be developed and become more systematic, covering both economic matters and activities.
2. The travel expenses for lead cities representatives of the Commissions when asked to come to the Executive Board should be covered by the UBC-budget, not the Commission-budget.
3. The proposal from the Task Force on Development of the UBC-organization that every Commission should have a contact person in the Executive Board or the Presidium need to be handled.
4. To express the General Conference's gratitude towards the city of Gdansk for its generous support to UBC.

On the basis of our completed examination we propose the XIII General Conference in Gdynia 2015 to decide:

To absolve the Executive Board and the Secretary General for the years 2013 and 2014.

Sundsvall

17 June 2015



Ewa Back

Gdansk

.... June 2015



Marta Chelkowska

Kemi

12 June 2015



Jukka Vilen