

Audit Report 2019

The fifth audit was conducted on June 11, 2021, from 10:00 am to 5:00 pm, on the premises of the office of TAFISA e.V. at Hostatostr. 2 in Frankfurt. The final discussion with Mr. Baumann and Mr. Martel was held on the same day.

The basis for the audit is formed by Article 10i of the current TAFISA Statutes, according to which so-called "auditors" are elected for the duration of two years. The auditors for the years 2019 and 2020 were elected during the General Assembly of TAFISA in Tokyo on November 15, 2019.

The following persons were elected:

Mr. Bartsch (Germany); Deputy Mr. Lusmägi (Estonia); substitute candidate: Mr. Carvalho (Portugal).

A specific description of the tasks for the auditors was set forth in the new Statutes adopted by the General Assembly in Korea on November 16, 2017 and described in the Financial Rules and Regulations. This year's audit was performed on this basis.

Current rules and regulations:

- Statutes
- Financial Rules and Regulations
- General Rules of Procedure
- Rules of Procedure for Membership
- Rules of Procedure for the Board of Directors and the Executive Office
- Code of Conduct for Integrity (Good Governance principles)

Other documents:

- Annual Financial Statements for 2019
- All bank statements related to the Balance Sheet and the Income Statement (P+L) until 2019
- All individual vouchers 2019
- Current notice of exemption dated May 18, 2021, for the years 2017 to 2019
- All TAFISA contracts with public sponsors and project partners
- Resolution on the creation and dissolution of reserves
- Minutes of the meetings of the Board of Directors

The Secretary General of the Association, Mr. Wolfgang Baumann, and his assistant, Mr. Ingrid Martel, were always at our disposal for questions throughout the whole day as well as on the days preceding and following the audit meeting and they have answered these questions to the complete satisfaction of the auditors.

In the kick-off discussion, as usual, the key audit matters of this year's audit were discussed and specified. Mr. Baumann reported on the current key areas of work and the projects of TAFISA. In this discussion, Mr. Baumann also pointed out that one of the key areas of his work in addition to the tasks associated with his position was securing the lasting and adequate financing of the association.

Items of the audit were:

1) Review of the revenues and the contractual basis

One key matter for this year's audit was the association's revenue.

All the relevant TAFISA contracts for 2019 with their project partners and public sponsors were submitted. The target revenue expected in 2019 and the actual revenue from the above contracts and the membership contributions were compared. All revenues were booked in the TAFISA accounts in accordance with the contracts.

The auditors recommend that the topic of membership dues be clarified, because merely 1/3 of the members are paying their dues. The association is dependent on the voluntary nature of the payment. Volume: 180,000 EUR.

2) Audit of the annual financial statements for 2018 including bank statements and a random check of the vouchers

Voucher check:

The auditors have randomly checked the vouchers on hand

- for their completeness
- for compliance with the requirements of the Association's rules and regulations (e.g., Financial Rules and Regulations)

Result:

The random checks did not disclose any complaints. All detailed questions regarding the vouchers were answered by Mr. Baumann and Ms. Martel during the audit meeting.

Recommendations:

All vouchers are to be consistently initialed by Mr. Baumann and Mr. Martel under the four-eyes principle in the future. The list of participants is to be attached to invoices for overnight accommodations and hospitality receipts (for tax reasons as well).

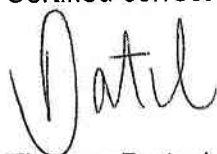
Annual financial statements: creation and dissolution of reserves

TAFISA has formed both unrestricted and earmarked reserves since the year 2017. The calculation for the creation and dissolution of reserves and the respective resolutions of the bodies were submitted.

Insurance

The auditors have taken a closer look at the issue of "insurance cover for honorary positions". Final clarification is still needed as to whether insurance is to be taken out for volunteers (e.g., travel insurance for auditors) in addition to the existing insurance for the full-time staff and the Board of Directors.

Certified correct



Thomas Bartsch

28.04.2022

Certified correct



Peeter Lusmägi