



INTERNATIONAL FEDERATION
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Introduction

On Saturday 15 and Sunday 16 April 2017, the 2016 audit took place in London. Unfortunately, due to the (difficult and sudden) changes in the office and treasurer, the audit could not be well prepared.

However, we would like to thank the treasurer, Robert Landheer, the executive director, Andrea Ugrinoska, executive assistants Philomena Taylor and Mona Ramadhan and the former executive director Mane Manukyan and the former treasurer Daniel George for their time and efforts to help us as much as they could in answering our questions.

Our findings and recommendations are filed in this report. We look forward to discussing them with you during the General Assembly.

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Findings and recommendations

In general, we noticed that there were a lot of (minor) flaws (double payments, wrong bookings, no proof attached to expense or income forms, wrongly filled in expense or income forms, etc.) in the bookkeeping in the last quarter of 2016. After pointing out these flaws, the office, treasurer and former treasurer worked hard to correct all these flaws.

We feel that the root of these flaws is in (1) the short period of time that the new executive director was given to learn from the old executive director, (2) the change of the executive assistants and multiple people responsible for the same task, (3) the disappearance of the old treasurer, and (4) the many new faces at the same time. Since we deem it impossible to prevent people from the bureau from disappearing, our recommendations would be:



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- 2017 – I: When a (major) change in the office occurs, free the resources to make sure that the leaving and the incoming person have enough time to transfer knowledge and processes.
- 2017 – II The office should, together with the bureau, set up, find or improve (as extensively as possible) the working manuals, so that new assistants (and executive directors) always have an extensive back-up document to refer to and that everyone works with the same system.
- 2017 – III The bureau should draft an emergency manual in which they describe after what period the tasks of a non-responding member of the bureau should be taken over by another member of the bureau. Make sure that every member has a back-up replacement within the bureau and that that person knows enough to replace them should it be necessary.
- 2017 – IV Starting as a treasurer, auditor, executive director or executive assistant can be overwhelming. To save time and to prevent errors, we would suggest that at the beginning of their term, treasurers, auditors, executive directors and executive assistants should receive a training so they can start their term knowledgeable and with confidence.

Guidelines and exceptions

During the audit, we sometimes wondered why a certain refund was or wasn't given, and Mane or Andrea could always answer these questions. However, these answers were all only in their heads and can't be checked. Also, there is a lot of responsibility for the executive director to decide which expenses are okay, and which aren't.

- 2017 – V In case of exceptions to the financial guidelines, we would suggest keeping track of decisions made by the office, treasurer or bureau and refer to minutes or e-mails on the income and expense forms.



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2017 – VI The bureau should set guidelines for the budget of e.g. meetings, and decide whether it is okay for IFLRY (or grants) to pay for alcoholic drinks. These guidelines should be approved by the next General Assembly. That will help the executive director in deciding the budget and approving expenses.

Saving money

IFLRY can save money on e.g. plane tickets when events and meetings are confirmed earlier.

2017 – VII The bureau should plan events and meetings earlier and stick to the deadlines to cut down the costs of e.g. plane tickets.

Interim audit

Finally, since we found many (minor) flaws in the bookkeeping at the 2016 audit, the auditors would suggest:

2017 – VIII The auditors, the bureau and the office should plan an interim audit for 2017 at least two months before the next General Assembly.

Earlier findings and advices

We noticed that a lot of the previous advices made by the auditors have not been implemented. Therefore, the auditors strongly advise:

2017 – IX The bureau should write an action plan how and when they are going to implement the earlier advices. This action plan should be sent to the auditors two weeks before the interim audit 2017.



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Earlier advices

- 2014 It is necessary to raise the financial reserves to a substantial amount, providing IFLRY with enough financial reserves to operate at a basic level for at least a year. This build-up of reserves will have to be based on the IFLRY membership fees, as grants may not be used to build up reserves. The preferable amount of this safety net is not fixed and should be explicitly determined.
- 2015-02: the bureau should consider the working processes and tasks of the office. This may mean other officers within IFLRY, such as vice presidents and program managers, should take over tasks from the office.
- 2015-04: the bureau should work out a proposal for the next GA, concerning the preferable amount of financial reserves for IFLRY. **(same as advice 2014-03)**
- 2015-05: the bureau should explore the advantages and disadvantages of restarting the bookkeeping system with a primary currency of euros from 1 January 2017 onwards.
- 2016-1: the executive director and bureau should evaluate the recent hand-over of affairs between the old and new executive director, and write a concrete advice for a future next handover process, and timing in relation to bureau change.
- 2016-2: the bureau should work out a proposal for the next GA or EC, concerning the preferable amount of financial reserves for IFLRY. **(same as advice 2015-04 and 2014-03)**
- 2016-3: to increase the transparency of programs income and expenditure, these should be included in the IFLRY bookkeeping and profit and loss accounts.
- 2016-4: the budget should be updated by the bureau on a quarterly basis and discussed with the auditors, to present the most actual picture.
- 2016-5: to make it easier to gaze how the economic outcome of the year matches that of the budget, include a comparison to budget when presenting the year to date figures.



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2016-6: the bureau and auditors should submit a statutory reform to suggest how to deal with inappropriate bureau members (such as disappearing, fraudulent, etc.). This proposal may include removing them from office, and should be presented for the next GA.