

UNION SYNDICALE - SERVICE PUBLIC EUROPEEN - BRUXELLES

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2014 -2016 Activity Report of the Audit Board of Union Syndicale Bruxelles

I. Period

This is the first activity report of the Audit Board (AB) of Union Syndicale Bruxelles (USB), covering the activities performed during the period since its constitution until 30 June 2016. The AB intends to issue such a report on an annual basis in the future in order to present the results of its work to all members of the USB.

II. Role

The powers and duties of the Audit Board are specified in section XII of the USB Rules of Procedure as follows:

The Audit Board shall be responsible for regularly auditing the accounts on its own initiative, at least once per year. At the Ordinary General Meeting, it shall report thereon and propose that the Executive Committee be given a discharge.

III. Composition and election of members

Following the announcement of the AB's election results on 14 May 2014, the Audit Board held its first constitutive meeting on 3 July 2014. It elected its chairman at its second meeting that took place on 28 August 2014. Subsequently, two of the elected alternate members withdrew from the Board and were replaced by the next two candidates ranked seventh and eighth on the election results list and having obtained 92 votes each. Hence, the current composition of the AB is as follows:

President: Stefan Sapundzhiev (European Commission)

Members: Annette Björklund (Council) and Daniel Dekoster (Secretary, retired)

Alternate members: Dimitrina Karayotova (EC Delegation – Ankara), Bernard Philippart (Council) and Carlo Facci (Council)

IV. Rules of Procedure

The Audit Board adopted its Rules of Procedure at its fourth meeting held on 4 December 2014.

V. Activities

Over the period covered by this Activity Report, the Audit Board performed a number of activities, the most important of which are summarised below:

A. Audit opinions

The Audit Board issued three audit opinions covering the 2013-2014, 2014-2015 and 2015-2016 financial years of the USB and presented the first two at the 2015 Ordinary General Meeting of the USB held on 9 June 2015 and the third one at the 2016 Ordinary General Meeting of the USB held on 28 April 2016. The conclusion was that the financial accounts for the three years present fairly, in all material respects, the respective financial position of USB activities and the respective changes in cash flows. The AB conducted its reviews in accordance with generally accepted international standards on auditing, testing financial transactions on a sample basis, reviewing minutes of meetings of the USB Executive Committee and conducting a number of interviews.

B. Audit Report

In its 2013-2014 and 2014-2015 audit opinions the Audit Board committed to issuing a separate audit report to the Executive Committee of Union Syndicale Bruxelles with some recommendations for improvement of the accounts management and disclosure process. Consequently, the AB prepared a report on internal control and other operational matters, and presented it at the December 2015 meeting of the previous USB Executive Committee. It contained eight areas for improvement which came to the attention of the AB during its annual audits of the USB accounts. The Committee accepted the report's recommendations, but did not issue an action plan for their implementation until the end of its mandate in June 2016. The newly elected Executive Committee is expected to issue this action plan in the fourth quarter of 2016.

C. Meetings and interviews

The Audit Board held nine meetings and three working sessions over the period covered by this Report. In addition, AB members met twice with the Chairman of the previous Audit Board to obtain information on risks identified and recommendations made during earlier reviews. In the course of its reviews, the AB also conducted interviews with the USB external accountant, accounting officer and treasurers in order to learn more about the internal control environment and procedures of USB.

During its regular meetings, the AB discussed and approved its methodology for the review of the USB accounts.

VI. Outlook for the second half of 2016

A. Action Plan for the Audit Report

The Audit Board expects to receive this Action Plan in the last quarter of 2016 and will monitor its implementation during its review of the 2016-2017 financial accounts. It will report on progress made in its next activity report.

B. Training course for the Audit Board members

The Audit Board intends to organise a short training course for its members based on the experience gathered during the reviews of the 2013-2014, 2014-2015 and 2015-2016 financial accounts. The course will focus on auditing techniques for the main revenue and expense items of these accounts.