

Response of the Board of Directors to the Auditors' Report 2024–2025

4 May, 2026

Introduction

The Board of Directors would like to sincerely thank the auditors, Ulla Junghänel and Margherita Zocca, for their time, commitment, and the detailed review of the financial documentation for the period 2024–2025.

We appreciate the effort invested in this process, particularly given the limited timeframe available for the audit.

1. Administrative and procedural context

The Board acknowledges that the audit timeline was not optimal.

- The formal appointment process of the auditors (including confidentiality and acceptance documentation) needed to be completed prior to sharing financial documents.
- These documents were initiated in February and finalized later than anticipated.
- Consequently, the financial documentation was shared on April 25, with a shortened review period.

In addition, some technical and organizational challenges related to document consolidation contributed to delays.

2. Organisational context: voluntary work and transitional period

ELACTA operates as a non-profit organisation, and all Board activities—including financial management—are carried out on a fully voluntary basis, without a paid administrative or financial management position.

The audited period also coincides with a transition phase involving a newly appointed treasurer, during which processes and internal workflows were still being aligned and standardized.

This context is important in understanding that some of the issues identified relate to operational and documentation processes rather than to the underlying financial management itself.

3. Clarifications regarding specific points raised

- **“Voluntary fee” entries:** These represent a long-standing internal practice, already in place in previous mandates, intended to cover minor operational costs incurred by Board members (e.g.

printing, posting, communication, small administrative expenses, using personal platforms for meetings, etc). The fee is 70 euros/month/board member from 2022. This practice remained unchanged during the audited period.

- **Exchange rate differences (USD to EUR):** Conversions were performed at the time of transaction; however, documentation of the exact exchange rate was not systematically archived. The payment in US dollars was made only for the payment of CERPs Long term provider IBLCE. We will provide a bank statement showing the ratio between USD and euros.

- **Numbering inconsistencies and documentation gaps:** These reflect differences in working methods during a transition period and the absence of a unified system at that time. They impacted clarity but do not indicate financial discrepancies.

- Missing or unclear supporting documents (e.g. bank fees, receipts): These relate to documentation completeness and organization. Work is ongoing to consolidate and standardize these records. The receipts of payments made by ELACTA were attached, while we did not add receipts of income to the folder. The attached table showed that these were payments of membership fees by associations and individual members and participants of the CERPS international event. A receipt for each income of money will be provided to the auditors. The invoice 184 we will review again.

4. Overall assessment

The Board notes that the observations raised in the report predominantly concern documentation structure, traceability, and administrative consistency.

At the same time, the overall financial activity and budget execution of the organisation were not called into question, and no irregularities in the use of funds were identified.

5. Corrective actions

- Implementation of a standardized financial documentation system
- Introduction of consistent numbering and archiving procedures
- Improved documentation of exchange rates and financial justifications
- Formal clarification of internal expense categories (including “voluntary fee”)
- Strengthening internal processes and handover procedures

6. Statutory framework of the audit

According to Article 14.2 of the ELACTA Statutes, the role of the auditors is to assess:

- the correctness of the accounts
- the use of funds in accordance with the Statutes
- and to identify any deficiencies or risks to the existence of the organisation

The Board notes that the observations raised in the report relate primarily to documentation, structure, and administrative processes.

At the same time, the report does not indicate:

- misuse of funds
- irregular financial transactions
- or risks to the financial stability or existence of the organisation.

7. Governance Updates and Board Discharge Status

Regarding the recommendation not to discharge the Board of Directors, we would like to provide clarifying context based on the **ELACTA Statute** adopted at the General Assembly in Liege in 2024.

Specifically, under the updated **Article 11.5**, the following governance rules now apply:

- **Extended Term of Office:** The Board of Directors is now appointed for a four-year term (increased from two years).
- **Mandatory Continuity:** The current Board remains in office until a new Board is officially elected.
- **Non-Elective Assemblies:** While General Assemblies occur every two years in conjunction with ELACTA conferences, the 2026 Assembly is not an elective year for the Board under this new four-year cycle and the Board should not be discharged.

In addition, it is equally important to mention that the lawyer Franz Neunteufl from Erstberatung & Mitgliederservice BÜNDNIS FÜR GEMEINNÜTZIGKEIT, Interessenvertretung des Gemeinnützigen, Sektors & der Freiwilligenorganisationen ZVR-Zahl: 1766579989 was consulted on this matter.

8. Conclusion

The Board acknowledges the need to improve structure, documentation, and transparency, particularly in the context of organisational growth.

We remain fully committed to strengthening financial governance and ensuring clarity for future audits, while continuing to rely on the voluntary contribution of Board members.

We thank the auditors and the members for their trust and continued support.

The ELACTA Board of Directors 2024-2028