

Brussels, 02.05.2010
Interim treasurer's report for GA

After the final dismissal of the elected treasurer the office was busy with accountancy for the past 2 years, when no bookkeeping was done and the Financial control committee was not elected.

During the last ECM in Brussels we have met Pieter-Jan from the FCC and could exchange main problems and views on the next budget.

The most important issue was building up a new accountancy system, which is still not perfect and demands a high load of time and concentration to fill in and afterward to perform any checks.

For 2010 the system developed is in place, the accountancy (filing and archiving expenditures and incomes) is being done on a daily basis by the office assistant, regular bank account statements are withdrawn.

As for my part I have detected a few problems:

The fraud which happened during 2008 and 2009 was not detected earlier partially due to transfers to Battal that were aimed at cash reimbursements during activities.

1. The fraud happened on different occasions taking advantage of this system – first during GA MO fee payments (therefore my plea to change this practice),
2. through transfers to Battal's private account – the payments were though not used for expenditures during activities but were misused for private payments. Therefore I also propose to change this system and appoint for every activity a person responsible for a particular amount that will be used for payments in cash on spot (during the activity) or for travel costs reimbursements of participants coming from non EU states. Already for this year's Green economy seminar, the financial management was not done correctly. The money planned for the activity was sent through a private account due to savings in fees and time.
3. Battal's private phone bills – the current secretary general also did not have a separate cell phone and used the FYEG one at all times. This case is probably happening due to the very low wage the secretary general is receiving which should improve as soon as possible.

The fraud caused a very low balance on the account last year, which the previous EC did not question, but rather passed their bills on to the next EC (reimbursement claims happened even in September 2009). This caused a further damage to the liquidity of the organization and at the end of the year, during the COP15 training and at the beginning of the year 2010 FYEG could not pay its bills.

The situation improved after receiving the promised support from GEF for the COP15 activity and the Commission's administrative grant. We will also receive the EGPs support for 2009 soon.

My concern in this regard was a high amount of long due payments done by the secretary general in April, which caused again a low balance on the

account. This is worrying as the ENP seminar grant that we have received is still to be paid back, as the activity did not take place.

The EGP will support us for the near future only if a mechanism which would aim at preventing similar cases is installed. I believe that if adopted the ECs proposals, mine as interim treasurer's included, will help us regain the trust we have lost.