

Auditor's report for the fiscal year 2021 (January 1 to December 31) to the Annual meeting 2022 of the European Music Council e.V. - EMC

Introduction

The auditor's mandate is to examine the material and factual correctness of the financial statements of EMC and to report to the General Assembly.

Here is the report for the fiscal year 2021

Audit

The undersigned, Stef Coninx, hereby declares that he was present at the offices of the European Music Council in Bonn on Monday 4 and Tuesday 5 April 2022.

On site I was given access to all documents relating to financial income and expenditure for the 2021 accounting year.

All incoming and outgoing invoices were correctly recorded and arranged so that a full audit could be carried out by me. I can state in all conscience that I did not find any irregularities.

General comments:

- the EMC is an international network organisation with quite a few members and is involved in several projects with numerous international partners; these projects are often multiannual and therefore also run over several accounting years; this makes it relatively complex
- I agree with the repeated comment of my respected predecessor Mr Daniel Kellerhals that the EMC depends on public funds for most of its income, which makes the EMC's position vulnerable.
- the corona-crisis also had a serious impact on EMC's (international) operations in 2021: various activities, campaigns and projects had to be postponed several times. EMC did receive permission to extend the duration of some EU projects and it was also possible to extend the term of the network subsidy. Both the Board and the entire EMC team deserve praise and respect for the way they dealt with the respective challenges, without compromising the quality of service to members and project partners.
- there is a strong demand from the same members and project partners to work concretely on the results of all these projects; this is in itself very valuable and positive, but it brings also extra work that requires special qualities from the team members; it is therefore recommended that EMC at least use the resources specifically earmarked for this purpose (i.e. training & capacity building)
- the fact that EMC also has an 'emergency budget' at its disposal bears witness to a great sense of responsibility; it is obviously advisable to continue this

Comments and recommendations on financial reporting:

- EMC has relatively few external 'customers' and/or services - this means that the number of incoming and outgoing invoices is rather limited and therefore easily verifiable; there are some fixed/specific suppliers of goods and services such as e.g. for salary calculation, IT services, graphic work etc.
- All documents are carefully filed and, if necessary, provided with comments and references so that the whole is clear and transparent
- The personnel costs are relatively high in relation to the turnover, but given the nature of the organisation, this is not abnormal.
- when reporting on 'external staff', a distinction should be made between fees for (one-off) services provided by experts such as speakers and/or artists on the one hand, and the suppliers of more general services such as translations, IT support or graphic design on the other
- after settlement on the basis of advance payments (2020), the cost of office rent has fallen slightly; nevertheless, the budget for subsequent years should take account of the sharp increase in energy prices

CONCLUSIONS

On the basis of the documents provided to me, I have established that the financial reporting and accounts have been properly carried out. The answers and explanations to my questions were convincing and sufficient to allow me in good conscience to recommend to the members of the General Assembly of the European Music Council to approve the financial report and accounts for the year 2021 and to grant discharge to the directors concerned.

Stef Coninx
Auditor
Brussels April 6th 2022

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