

## Audit Report to the AGM

I have audited the financial statements of Indian Association of Geneva (IAG), which comprises of the Balance Sheet as at 31 December 2020 and the Income/ Expenditure statement for the financial year 2020.

1. Both the income and expenditure for the year 2020 have declined, when compared to 2019. The main reason for such a decline, as explained by the EC, is the COVID pandemic restricting any activity to be conducted during the year. It was also stated by the EC that the income collection, specifically on account of sponsorship, promotions and special events were significantly reduced, as these are linked to the conduct of the association activities, which couldn't be conducted due to lockdowns. The only sponsorship received during the year was from the Indian Embassy in Berne and has been recognized as revenue for the year. No other commitment has been made or recognized for the year.

Recommendation:

The membership revenue has remained reasonably consistent while several other revenue lines have shown significant fluctuations owing to COVID 19. From a sustainability point of view, therefore, it is recommended to continue structuring future spending of the annual budgets with anticipated (and more reliable) annual membership revenue estimates/trends as baselines.

2. On the expenditure side, payments have been made for bookings of halls etc for activities which couldn't ultimately be implemented during 2020. The EC has confirmed negotiations with vendor(s) for recoveries or adjustments to future activities. However no decision has been reached with the vendor(s) till the date of signing of this report and the attached financial statements. Therefore, in line with the cash based accounting policy and associated best practices, such payments have been expended. If, and when, a decision is reached with the vendor(s), confirming the recovery (partially or wholly) or the adjustment of such advance payments to future activities, accounting adjustments would be made in the fiscal year in which the payment is received back or the activity is conducted as applicable.

Recommendation:

It is recommended that a note be introduced in the financial statements especially in cases where expense recoveries may be under consideration. Currently the cash basis of accounting is used. However, it would be useful to a reader of the financial statements, to be able to assess if the cost recoveries being discussed are material (substantial) or not.

3. It is the EC's assessment that COVID 19 has had an impact on the activities, revenue and associated expenditures of the association during 2020. However it is EC's expectation that this is only temporary and has no impact on the going concern assumptions for the

association. In line with the requirements within the regulations, the expenditure has been kept within the revenue recognized for the year. The net assets (Assets- Liabilities) position of the association remains healthy.

Recommendation:

f

It is recommended that the EC continues to discuss projection scenarios at the AGM in its ordinary meeting as a general rule, and more specifically, for 2021, so as to mitigate risks of either lack of revenue or a sudden increase in activity expenditure, without revenue in hand.

Based on the information provided and disclosures made in the financial statements and based on the audit checks possible to be conducted under the COVID 19 restrictions in place, the financial statements provide a true and fair view of the financial position of IAG in accordance with generally accepted accounting principle.

I, therefore recommend to the General Assembly to adopt and approve the financial statement for the year ended 31<sup>st</sup> December 2020.

I would like to take the opportunity to convey my sincere thanks to the executive committee for all the cooperation extended in carrying out my duty.

Regards,



Nakshatra Pachauri

Auditor

22 January 2020