

# Audit Report



*The Phd chapter at KTH/ Doktorandsektionen vid Tekniska Högskolans Studentkår*

Faställd av Teo Elmfeldt, Doktorandsektionens revisor 2023-2024.

Provided by the Teo Elmfeldt, chapter auditor before the chapter meeting as ground of granting the outgoing chapter board freedom of responsibility.

## Statement

I have conducted an audit of the board's management for the The Phd chapter at KTH, for the operational year 2023-2024. In my opinion, the board members have not acted in violation of the association's statutes. Furthermore, I consider that the annual report provides an accurate representation of the chapter's activities.

I recommend that the chapter meeting grants the board members discharge from liability for the operational year.

## Basis for Statement

I have conducted the audit according to generally accepted auditing standards in Sweden to the extent possible. I am not entirely independent in relation to the association, but as an elected auditor in a smaller non-profit association in Sweden, this is very common and not an obstacle to performing the audit. My responsibilities are further described in the section Auditor's Responsibility.

I consider that the audit evidence I have obtained is sufficient and appropriate as a basis for my statement.

## Notable observations

Half-way through the operational year, I performed a careful review of all the financial activity in the book-keeping between July 2023 and December 2023. I was generally impressed by how easy it was to relate all expenses to the documented funding requests in the slack channel. However, during that investigation I noted that there were concerns regarding the following up of financial decisions. The board had a well-established method for granting funds, and most activities followed those structures. However, large scale events turned out to be more difficult to budget. One major example was the retreat hosted in the fall 2023, where a single decision made without prior approval increased the cost with about 65 000 SEK, corresponding to about 6 % of the entire chapter budget. The plan was to book single bed rooms, but due to miscommunication double bed rooms were booked instead and the budget set according to that. The chapter President decided to rebook with single bed rooms to provide the promised standard. I think this decision should have been put to the board for a per capsulam decision, and other alternatives such as asking participants if they were fine with double bed rooms, to only rebook for those who requested it, considered. However this does not, to my knowledge, go against any decisions by the chapter meeting, and I consider this decision to be fully legal. It is notable that the existing process for fast-track expense approval is capped at 250 SEK/participant, and this decision corresponds to about 2 000 SEK/participant.

I also recommended the board to set up a budget so that it is possible to account for larger events in a less ad-hoc way. The chapter has a tendency to "sila mygg och svälja elefanter" (filter mosquitoes and swallow elephants) when it comes to economic decisions. I also gave a few other recommendations to increase economical control in the decision framework. My impression is that the board has addressed the issues I brought up.

When the year was finished and I started looking for financial accounts, it turned out that they were missing for the spring semester. Bookkeeping was instead performed in a format that does not comply with accounting standards. Note that the



Chapter does not legally have to comply with those standards, but due to KTH funding it is advisable to be seen as a serious collaboration partner. This was because during the handover between 2023 and 2024, the chapter's bookkeeping routines were not transferred to the new treasurer. Furthermore, it was noted that some financial activity going back more than a year was not included in the bookkeeping. The Treasurer has since performed admirable work in ensuring that bookkeeping matches actual financial activity, that missing receipts have been collected, and that all expenses not explicitly authorized by the board have been accounted for and explained. I now feel confident in the full financial history of the chapter for the operational year.

## Board's Responsibility

The board is responsible for the management of the chapter.

## Auditor's Responsibility

My goal concerning the audit of the board is to obtain audit evidence to assess, with a reasonable degree of certainty, whether any board member has taken actions or been guilty of negligence that may lead to liability for compensation to the chapter. A reasonable degree of certainty is a high level of certainty, but not a guarantee that the audit will always detect actions or omissions that may lead to liability for compensation to the association.

The review has focused on actions, areas, and conditions that are significant to the operations and where deviations and violations would have particular importance to the section's situation. I have attended two chapter meetings and two board meetings. I have also continuously reviewed the chapter's bookkeeping. Finally, I have continuously supported the operations by answering questions, pointing out minor discrepancies when they occur, and informing about the various regulations that the chapter has established or is subject to.

## Suggestions

I recommend the chapter meeting

**To<sub>1</sub>** grant the members of the PhD chapter board discharge from liability for the operational year.

Chapter Auditor

Teo Elmfeldt

Auditor

Stockholm, 17 March 2025