Participants: Fernando Lobos (FL), Lingjiang Yang (LY), Patrick Tippoo (PT), Sai Prasad (SDP), Weidan Huang (WH), Sonia Pagliusi (SP), Sonia Villaseñor (SV)

Excused: Adriansjah Azhari (AA), Tiago Rocca (TR)

Meeting started at 12h05 and finished at 12h56.

PT facilitated the conversation. First, he gave his perspective regarding the misalignment in the emails exchanged. PT pointed there are two issues for discussion, one is the PwC audit completion and the other is the informal audit, which in the past has been performed by Biovac team and that he thought to be a good way of working and also gets the member companies involved, and it should be continued. However, that process has been complicated by the COVID situation. What we need to confirm and clarify is if there is linkage between the two external and internal audits. At present there is no linkage, nor dependency between the two. We have also agreed that for 2019 to take the lighter version proposed by PwC to have an external review, and that it will not be on a regular basis. However, there seems to be a connection that has taken place between the internal audit and perceived a dependency of the external and internal audit.

FL agreed with the understanding that external PwC review is not linked to the internal process review and we agreed that this external audit may be good to have an external firm experienced in accounting and non-profit organization, to look into DCVMN accounts. With more complexity, more activities and more donors, it takes time to work accurately. Due to the Covid-19 we delayed, or did not give priority to the internal review for every year. He thinks it was a good decision to engage PwC to make the review of 2019. FL said that the internal review from a team traveling to Geneva is not a straight forward process, the auditor needs to understand the accounts, discuss with SP and FL, and doing that virtually may make things more complex. However, it can be done and should be done.

SDP said that even though both audits are not linked, he feels uncomfortable in signing the accounts because the internal audit has been delayed ever since January and there was not a response from the secretariat. In June or July SDP and SP discussed and SDP suggested to convert it into a virtual audit to make best to review accounts and practices as possible. SDP concern raised when it did not happen and there was no follow up on the secretariat. It is important that to make sure every activity is as transparent and well documented as possible. Since this year everything has become virtual, the internal audit can be performed virtually so there is no need to discontinue it this year.

LY expressed that she considers the virtual review is possible. PT clarified that in previous years not only Biovac has performed the internal audits but also Sinergium team has contributed, and Bharat has also volunteered.

SP said that Biovac excused from doing the audit this year and Bharat volunteered. Covid came in February, and we were hoping that this could be done in the summer. However, it was never formally decided that that was going to be implemented. In June SDP sent a reminder because situation was getting better with Covid. But it didn’t happen because travel limitations and the query about virtual audit was not discussed in July’s EC TC, then it came in the agenda of the EC TC of September 23rd. At that time, it was discussed and clearly decided that the external audit would replace the internal audit for this year and that is why we went forward with PwC audit. PwC sent letter of representation and accounts and asked for the 3 signatures: SP, FL and SDP. SP and FL signed and got the signature on the letter from SDP on the letter, but did not get the signature from SDP on the accounts nor a communication to as he was uncomfortable to sign. SP sent reminders but did not get any reply. She did not know why the letter of representation was signed but not the accounts document. FL was always copied and EC was looped into the email conversations.

SP added that sometimes emails are not clearly defining, if it is a decision or an idea a member communicates for later discussion/decision. However, on the conversation held on 23rd September was agreed to execute the external review by PwC and not the internal one, as understood. SP made two queries:
1. The EC has to be careful to abide to decisions taken in a TC rather than by emails, in order to keep records
and to avoid misunderstandings, especially in key matters.

2. the PwC audit was completed on the 10th November and the auditor is waiting for the signature in order to release the report.

SP added that if EC agrees now to move forward with the internal audit, she will prepare letter of nomination as in previous years as the accounts are available to all members to review.

SDP said that DCVMN has an established practice for internal audits by prior presidents and it shall be continued. He thinks we should bring in more compliance and adherence to guidelines and transparency, as opposed to doing away with practices. SDP is conformable with PwC audit but his uncomfortableness is on not having performed the internal audit. It should have been put into the EC agenda before.

SP said the internal audit was on the agenda of the September 23rd EC and in the minutes, it was clearly said that this year the audit would be external by PwC and the internal audit would be for next year. SP then took action for the external audit with PwC; so, she didn’t take care for sending the documents for Bharat financial person; it was not clear that it was to be done. PT resumed that we have 2 issues:
1. PwC document that must be signed and we have to establish how to get it signed.
2. We have got the volunteering of this informal audit review by Bharat and the misunderstanding around that; but it has to be pivot around what the record of the meeting on September 23rd accurately reflects and we say to ourselves. None of us has accurate reflection of the proceedings. The EC needs to decide if we want to reconsider and proceed with the query for internal audit or whether we stick to what the record of September 23rd says and leave it for 2021 and hopefully Bharat will still have the resources available.

SDP requested SP that whenever the EC sends her an email requesting something, she makes it an item in the agenda and start conversations on that, without leaving anything out.

PT helped clarify that SDP’s current position is that without the internal audit being performed, SDP is not comfortable to sign the PwC accounts. SDP added that this internal audit does not need much time. It could be done in less than a week time.

FL said he signed the accounts because he is comfortable and more on the daily activities of financial of association. Sometimes there are details he does not work have and trust on the accountant and secretariat. He understands SDP concern and we should attend his request and expedite the internal audit first and communicate PwC that they will need to wait.

PT requested to take action in the next 24 hours (Friday afternoon through to Monday morning) to connect with the Bharat’s person. And reply to PwC with a position on when we can have the documents signed.

SP suggested in addition to that is to write back to SDP saying that DCVMN accepts the offer and formalize the process. It was agreed by the EC.

Nyon, 27 November, 2020

Notes by SV, edited by SP

Approved by

______________________________ Location/Date: Cape Town, South Africa, 18/01/2021

Patrick Tippoo, DCVMN Vice President and chairing this session.