

October Board Meeting

Date: Monday 24th October 2022 from 19h to 23h05

Location: Teachers' Canteen & Online (ZOOM)

Physically present: Eleonora APPONI-BATTINI – Monika BARABASZ-LOPES – Alexander CORNFORD – Bengt DAVIDSSON – Catarina DUARTE GOMES – Pim GESQUIERE – Andrea GRGIĆ – Sebastian GUERRERO – Nicolas LACROIX – Bruno LARANJEIRA – Mario MARINIELLO – Wolfgang MÜNCH – Johanna SCHULYOK – Giacomo SOMMA – Monika SZULYOVSKY

ZOOM: Ursula HÖNICH – Roberta MAGGIO – Gaspar MOLNAR – Ulrike STOROST

Absent: Christian BONDESON-EGGERT – Maija KNUTTI – David ZELINGER

Others: Anja GALLE – Erwin VAN DIJCK – Julien DANAN – Ferhan Pelister – Clémence EUGENE

All documents and reports were sent to all Board members prior to the Board meeting.

Agenda Points

1. Approval of the agenda

The Board approves the agenda.

2. Approval of the Board meeting report of the 14/9/2022

The Board approves the report.

Discussion Points

1. Financial report 2021-2022

M. Barabasz Lopes, as Treasurer presents the financial report 2021-2022, the auditors' advice regarding the reserves and the items that need to be discussed by the Board.

a. Approval of the financial report

The financial report has a positive balance of 183 984€, which is slightly more than the 2021-2022 budget as approved by the AGM. The Board discusses the reimbursement of the 3% security buffer and the financial report.

The Board votes on the 2021-2022 financial report as presented in the document. In favour (15 votes) = 80%, against (4 votes – A. Grgić – P. Gesquiere – G. Molnar – G. Somma) = 20%, abstain (0)

Decision: The Board approves the financial report 2021-2022 with a 80% majority.

G. Molnar states he votes “no” due to the high increase in ‘frais de personnel’. E. Van Dijck informs the increase is linked to the Group Cleaning outsourcing, to indexation, number of supervisors hired and number of days (as 2020-2021 was not a full school year, 2021-2022 following closures costs were cut, and others were added due to the Evere site opening).

P. Gesquiere wishes to add to his vote “no”. Figure wise the data is correct as competent accounting staff and auditors work on the information. However, P. Gesquiere has reservations regarding the

compliance with the internal procedures and what lies behind the figures. P. Gesquiere refers to agenda point 2.a, as the IT budget was approved (in June 2021) but the expenses exceed the approved expense without following APEEEs Delegation of Authority which establishes the financial procedures. P Gesquiere states he votes no since, if in this case procedures were not correctly followed, it is unclear if there are other instances where financial procedures were not followed.

A. Grgić also wishes to add to her vote “no” for two reasons. Firstly, the last years no discussions or questions were admitted and allowed about the budget. Regarding the “frais de personnel”, A. Grgić joins G. Molnar’s statement as the matter was brought up during a Budget working group meeting during the 2021-2022 Board and the costs were discussed only later. Secondly, the additional amount requested for the IT project did not follow the procedures correctly and the manner the budget is managed is not acceptable.

E. Van Dijck informs that in the financial report 2020-2021 the amount of 203 280€ (VAT included) for Salesforce is mentioned (see page 9 of the report). This is the amount of 168 000€ + 21% applicable VAT. The previous Board approved this financial report during the October 2021 Board meeting to be presented to the AGM. The APEEE had 193 000€ expenditure on the Salesforce project in year 2021-22, which means the project was 10 000€ under the budget. There was no breach of APEEE internal financial procedures in 2021-22: expenditure is within budget, invoices were approved and paid accordingly.

P. Gesquiere responds that if the AGM approves a budget, this does not mean that all expenditure within that budget is authorised. For each expense, the Delegation of Authority procedure should be followed.

G. Somma raises that it is not clear if with such budget the project has been completed in its original scope, thus resulting in a saving of 10,000 €, or if the project has not been completed or its scope has changed. It should be clarified what is the actual consumption of the budget envelope allocated to the original project and if there is any additional budget allocated / used for the project, specifying the amount corresponding to the original scope and, if the case, the amount corresponding to the additional items beyond the original scope (items to be detailed with the related cost estimated and/or already incurred).

On 25/10/2022, the day after the Board meeting, G. Somma wrote a statement to confirm that he votes no for the financial report. The statement is attached (annexe 1) to this Board report and is supported by A. Grgić and P. Gesquiere.

b. Reimbursement to parents

The Board votes on the reimbursement of the security buffer added last year to the 2021-2022 prices for the services. The security buffer was established following multiple closures during the COVID times and anticipating additional closures. Members mention the importance to follow up on the previous October 2021 message to parents.

The Board votes on reimbursement as indicated in yellow in the financial report:

- 33 186.14 € (*périscolaire*),

- 127 151.20€ (*canteen 3% buffer & food costs for meal of classes in quarantine*)

- 9 361.99€ (*transports*).

In favour (17) = 90%, against (1 vote A. Grgić) = 5%, Abstain (1 vote G. Somma) = 5%

A. Grgić explains her negative vote stating that she supports the reimbursement of actual costs endured by the parents. G. Somma declares that his vote 'abstain' as his vote in favour is conditional to the clarifications pending in relation to the budget for the years 2021-2022 and 2022-2023.

Decision: The Board approves with 95% majority the reimbursement to parents, as indicated in the financial report.

Action point: to inform the parent community about the reimbursement and organise the reimbursement.

2. Budget 2022-2023

a. Approval of the budget 2022-2023 & budget envelope for IT Salesforce

S. Guerrero presents the budget envelope of the Salesforce project and the additional requirements. In addition to the envelope of 203 280€ (VAT incl.) approved in the Budget 2021-2022, 84 500€ (VAT incl.) is needed to finalise and continue the project.

The Board concludes that the presentation lacks clarity and detail. The Board agrees it cannot proceed with a vote on the requested budget envelope for IT Salesforce. More details of the project (implications, procurement, etc) is requested and will be presented at the next Board meeting.

During the discussion APEEE procurement procedures are discussed. It is stated that the current procurement and financial procedures are minimal. Moreover, it is stated that for the additional amount required for the IT Salesforce project, it appears that the existing procedures have not been followed. The Board agrees to review procedures and the need to provide reporting to the Board when funding of a project is running out.

The President also raises, in parallel, the need of an audit.

Action Point: Budget working group to review the procedures/delegation of authority document.

Action Point: S. Guerrero to prepare a dossier to recap the past/present/future of the IT Salesforce project.

Following the discussions on the IT Salesforce budget and lack of clarity regarding the budget, the Board decides to postpone the 2022-2023 Budget approval to the next Board meeting in November 2022.

b. Price setting for 2022-2023 services

M. Barabasz Lopes presents the new prices and percentage increase for each service. The Board discusses and is invited to vote on the increase to apply to the Transport, Canteen & Périscolaire services. In June 2022, the parent community was alerted of the following possible price increases:

- 20 to 25% increase for Transport,
- 15% to 20% for Canteen,
- 7 to 10% for Périscolaire.

Prior to discuss the price increases, the Board agrees to vote on the target approach regarding the reserves. In order to establish the reserves, the Board needs to define the minimum reserve required. The minimum reserve is based on the fulfilling of contractual obligations in case of closure of APEEE. The legal minimum only consists of the employment contracts with an unlimited duration. However, in 2021, the minimum reserve was amended by adding the employment contracts with limited

duration and contractual obligations. The auditor had informed that APEEE would need to make a policy choice and that this choice would need to be approved by a vote by the General Assembly.

The Board votes:

- **reserve covering employment contracts with a limited and unlimited duration and ongoing service contracts**
- **reserve covering employment contracts with an unlimited and limited duration only.**

(17 votes G. Somma – C. Duarte Gomes – E. Apponi-Battini – M. Mariniello – P. Gesquiere – W. Münch – M. Barabasz Lopes. – B. Laranjeira – M. Szulyovszky - J. Schulyok – R. Maggio – U. Storost – U. Hönich – B. Davidsson – S. Guerrero – G. Molnar – A. Cornford) = 89% votes for an approach consisting of employment contracts with a limited and unlimited duration and cost for service contracts and (2 votes A Grgić – N. Lacroix) = 11% for a reserve only covering contracts with an unlimited duration.

A. Grgić clarifies that she is not against the principle as such. She explains her negative vote by that the risk of closing down the organisation next year is minimal and that this year the funds allocated to ongoing service contracts could be used to reimburse the parents the full costs they endured due to Covid related closures.

Decision: The Board approves with 89% majority the approach consisting of employment contracts with a limited and unlimited duration and cost for service contracts as a baseline for establishing the APEEE reserves.

Action point: to put forward this proposal for a vote at the General Assembly.

Once the baseline for building the reserves is established, the Board proceeds to vote on the price increases for 2022-2023. The figures presented to the Board show the scenario where prices would be maintained, the scenario where a price increase would result in a break even, and the scenario where the price increase would result in rebuilding the reserve. Maintaining the price would result in a negative for the next financial year. A vote then took place where the price increase would lead to a breakeven (called the “basic approach”) and a price increase which would result in a positive balance resulting in an increased reserve.

Vote on the price increase based on either the “prudent approach” or the “basic approach”.

- Prudent Approach: G. Somma C. Duarte Gomes – E. Apponi-Battini – M. Mariniello – P. Gesquiere – W. Münch – M. Barabasz Lopes. – B. Laranjeira – M. Szulyovszky - J. Schulyok – R. Maggio – U. Storost – U. Hönich – B. Davidsson – S. Guerrero – G. Molnar – A. Cornford (17) = 89%
- Basic Approach: A. Grgić – N. Lacroix (2) = 11%

The treasurer summarised the vote as:

- 17.35% increase for the transport service, since PMO puts a cap of 2% on any possible margin
- 11.60% price increase for canteen services.
- 11.23% price increase for périscolaire services

The possible price increase for périscolaire services was communicated in June to parents as forecasted between 7 to 10%. A discussion took place if the increase should exceed what was announced and the expectations of parents prior to registering for périscolaire services. There the Board decides to vote separately on the price increases for périscolaire: 10% as was announced as the forecasted maximum in June and 11,23% according to calculations.

The Board votes on the price increases (10% or 11.23%) for the Périscolaire Service.

10% price increase (11 votes A. Cornford – C. Duarte Gomes – B. Laranjeira – A. Grgić – M. Szulyovszky – P. Gesquiere – M. Barabasz Lopes – W. Münch – R. Maggio – U. Hönich – G. Molnar) = 58%,
11.23% price increase (8 votes J. Schulyok – U. Storost – B. Davidsson – N. Lacroix – M. Mariniello – G. Somma – E. Apponi Battini – S. Guerrero) = 42%

Decision: The Board approves with a majority of 58% the 10% price increase for Périscolaire Service.

Decision: final price increases:

Transport: + 17.35% (1901.32€)

Canteen: + 11.60% (6.36€ / 7.25€ / 7.64€)

Périscolaire: + 10%

Action Point: to inform parent community of the price increase and send the invoices to the parents.

3. Locally Recruited Teachers (LRT)

A Cornford explains the working conditions for LRT, including unstable contracts and lack of security as to the amount of their working hours or whether their contract will be renewed.

With the expansion of the school, the management may struggle to find qualified teachers. The Board discusses support to LRT: publicity, solidarity, need for proper representation, provide legal support. LRT make up around 50% of the teachers at EEB2. Discussion of the school plan to increase the percentage of seconded teacher to 65%.

Mention to raise the issue with the European Commission.

Action Point: A. Cornford to provide the different work contracts for LRT - interim contract, 2-year contract, 1 year contract, etc., and work with A. Grgić.

Action Point: to see if the contracts are the same for the Belgian teachers and possibility to file a complaint against the Belgian State if not.

Action Point: W. Münch to raise the issue in the appropriate forums.

4. Update on APEEE statutes

This spring, the Legal, Ethics & Statutes Working Group was tasked to update the APEEE statutes aligning them with legal updates having the APEEE statutes compliant with the AISBL law. For this purpose, the legal advisor, Ms Saba Parsa, has proposed an update of the APEEE Statutes by way of inserting the provisions needed to have them compliant with the AISBL law.

Ms Parsa has explained that should the updated statutes not be approved within 31st December 2023, then as of 1st January 2024, the AISBL APEEE shall continue to exist, nevertheless mandatory and suppletive rules of law will apply and therefore the APEEE Board could be held liable.

The President of the Board, W. Münch, reported at the meeting on the lack of progress made by the working group and took the view that the update of the APEEE Statutes will not be worked on this year (2022) but left to the next Board (elected in January 2023) and suggest that the deadline to align the statutes to AISBL law is 31st December 2023.

The working group coordinator R. Maggio, the Chair of the APEEE as well as the working group members who left the working group expressed their dissatisfaction with the lack of progress of the working group urging the Board to continue working on the review based on the proposal by the legal advisor.

The two Board members A. Grgić and P. Gesquiere have already resigned from the Legal, Ethics & Statutes working group while G. Molnar confirms during the Board meeting his resignation of same working group.

At the meeting, Board members discussed the importance of working on and approving the draft statutes as proposed by the legal adviser.

As a consequence, the extraordinary AGM meeting of 19/12/2022 will not be held as originally planned.

5. **Social Fund Request: sponsoring 500€ for an Ukrainian charity project following the organisation of a sponsoring event by parents on 8/10/2022**

A “Spaghetti” event was organised by an external association to raise funds for a Ukrainian charity project, for which the APEEE was asked to provide tomato sauce. The external association was supposed to be invoiced for the tomato sauce; however, following internal discussion A. Galle, as APEEE director, suggested to offer and fund the amount through the social fund.

The Board votes the APEEE to cover the 500€ amount for the tomato sauce and not to invoice such amount to the external association. **The Board unanimously approves the sponsoring.**

6. **Debriefing on Townhall meeting with parents on 19-10-2022. Board letter on restructuring of the Brussels European Schools**

Townhall meeting organised by the APEEE on 19th October 2022, inviting the parents, teachers and students’ representatives to discuss the overcrowding issue and the future of the language sections with the School Management and Secretary General.

The OSG documents are prepared by the Brussels Steering Committee. INTERPARENTS is representing the parents in the upcoming meetings leading to the Board of Governors meeting on 6-8 December 2022 where a decision is expected on the future linguistic structure in Brussels as well as measures to address the overcrowding situation at several of the school premises.

Action Point: the link and Secretary General presentation to be made available to the parents through the APEEE Newsletter.

To send the questions once the decision has been taken, as some questions have answers in the proposal paper and will be answered once the final decision has been taken. Bring up the principles against which any of the proposals need to stand up.

Suggestion to share and raise the overcrowding situation with the broader community through the APEEE newsletter.

During the Board meeting of the 14/9/2022, G. Somma and A. Cornford were tasked to prepare a common letter on behalf of the entire APEEE Board to be sent to the BoG in view of the meeting of the 27/10/2022. The letter has been prepared and revised by few members. However, upon suggestion of W. Münch, the letter was not discussed during this meeting. Instead, he suggested Board members to directly lobby BoG members at national and EC level.

Action Point: dedicate a newsletter to the overcrowding issue, sharing the views of students, teachers, how it is lived daily by the community & contact school staff who have brought up the issue of overcrowding within the context of CEES meetings.

W. Münch mentions the idea to create a working group dedicated to the overcrowding including the school, and European Commission. Board members support the idea.

Meeting ended at 23h05

Next Board meeting is scheduled on Tuesday 15th November 2022.

Annexe 1

Statement made on Tuesday 25/10/2022 in writing by G. SOMMA concerning the financial report 2021-2022:

"Giacomo Marco SOMMA: I disapprove the financial report 2021-2022 because during the Board meeting it became evident that there has been an error in the estimate of the IT project, which was approved by the previous APEEE Board without VAT, and because there are various uncertainties about the process, ranging from the selection and awarding of the contract (definition and approval of the "cahier de charge", selection criteria, assessment of the bids, ...) to the contractual monitoring of the execution of the IT project (verification of milestones, deliverables, invoices, payments, etc.).

During the meeting, the Board has been informed of an increase of the budget of the IT project of approx. € 84,500, but it is not clear if this has been already decided and/or approved (and by whom), on which grounds and following which process. In addition, although this is not a public procurement process, it should be clarified if there has been any competitive advantage for the winning bidder as compared to other bidders, e.g. in relation to (but not limited to) the definition of a.o. the "cahier de charge", the technical requirements / solutions, the cost estimate, and the contractual terms. For these reasons the IT project presented during the Board for the approval does not provide to me a reasonable assurance about the entire process. The apparent lack of internal monitoring processes and audits might potentially question in a similar way other service / supply contracts that the APEEE has stipulated with other suppliers, thus questioning the entire financial report 2021-2022."

This statement is also supported by Andrea GRGIĆ and Pim GESQUIERE.

Annexe 2

Statement made on Tuesday 15/11/2022 in writing by A. CORNFORD concerning the financial report 2021-2022:

The last board meeting raised some important points regarding procedure and communication. As a new board member, I did not get a clear picture of what was approved for the year 2021-2022, nor a clear idea of the current procedure for approving or deciding on various aspects of the budget, but which I was expected to vote on. Having been updated on Friday about the Salesforce project, it seems the best lesson to learn is that these procedures (and the timing of the budget) need to be reviewed and/or at least clarified for board members.

I understand that, at the next board meeting, greater detail will be provided on project deliverables, future commitments and contract processes. This is much needed to maintain trust with the parent community, the school and within the board. It is also important to recognize the hard work done by everyone on the budget and IT project.

Due to the unclear nature the way the budget was presented and discussed, I would like to add my name to Giacomo Somma's statement (excluding strikethrough text), quoted below, and also change (if still possible) my vote on the agenda point "1) Financial report 2021-2022", with respect to the item "a. approval of the financial report" from "approval" to "disapproval" – and for this to be reflected in the minutes –

Start quoted text:

"Giacomo SOMMA: I disapprove the financial report 2021-2022 because during the Board meeting it became evident ~~not only that there has been an error in the registration without VAT of the invoice(s) for the IT project SALESFORCE, but also~~ that there are various uncertainties about the process, from the selection and awarding of the contract (bidders, selection criteria, "cahier de charge") to the execution and monitoring of the contract (verification of the milestones, deliverables, invoices, payments, etc.) does not provide to me a reasonable assurance about this contract. In addition, although this is not a public procurement process, it should be clarified if there has been any competitive advantage for the winning bidder as compared to other offers. The apparent lack of internal monitoring processes and audits may potentially question in a similar way other contracts that the APEEE has stipulated with other suppliers and providers."

~~Consequently, the approval that I gave on the two other items under point 1 ("b. reimbursement to parents" and "c. allocation of the reserves") is subject to a clarification and approval of the above mentioned point a.~~

I look forward to receive clarifications on the Financial report 2021-2022 prior to the next Board meeting together with point 2) Budget 2022-2023, not voted yesterday.

End Quoted Text.