

**EUROPEAN MICROFINANCE
NETWORK AISBL**

Attn: the Board of Directors
Rue de l'Industrie, 10

1000 BRUSSELS

Brussels, 10th April 2018

Our refs.: MD/ld/18.2190

Dear Members of the Board,

Subject: Management letter following the audit of the accounts for 2017.

As part of our mandate as statutory auditor to the AISBL **EUROPEAN MICROFINANCE NETWORK** (EMN), we have conducted the audit of the financial statements for the year ending 31 December 2017. The draft accounts that will be submitted to you for official finalisation with a view to seeking the approval of the next general meeting present a balance sheet total of €530.879,03 and a provisional surplus before appropriation of €104.673,86.

The purpose of this letter is to set out our main comments and observations arising from our audit for 2017.

1. Comments on the draft financial statements as of 31 December 2017

There are no particular comments to make on the situation as of 31 December 2017. All inconsistencies that were noted during our audit have been analysed by the persons responsible for accounting and have given rise to the adjustments necessary for the fair presentation of the accounts.

Please note that the annual accounts that should be presented using the template given by the National Belgian Bank has not been yet submitted to our review. Our project of report dedicated to the General Meeting is based on the hypothesis that these will be correctly established. Therefore, our project does not integer any remarks on the annual accounts.

2. Comments on internal audit

Your internal audit system was the subject of a thorough review, as required by the audit mandate. In general, the procedures in place seem well suited to the size of your organisation. We did not identify any significant problem.

3. Legal and administrative points

No significant omissions were detected during the audit. However, we wish to draw your attention to the following points and principles:

3.1. **Deadline for filing accounts at the registry of the commercial court**

Our recommendation regarding the deadline for filing accounts has been followed up on properly.

3.2. **Account signatories**

Our recommendation regarding the list of signatories on bank accounts has been followed up on properly.

3.3. **Letter of confirmation**

The Belgian Institute of Auditors (IRE) states that the issuance of a statutory auditor's report is subject to the obtaining of a letter of confirmation signed by the management body. A model letter has been sent to Mrs DUEZ.

3.4. **Our draft report**

Our final report will be submitted to you once the Board of Directors has approved the draft financial statements (please send us a copy of the minutes of the Board meeting at which the annual financial statements are finalised) and a signed copy of the letter of confirmation has been received.

* *
*

Please extend our thanks to Mrs DUEZ for her excellent work and the time she made for us, and for her hospitality and cooperation during our audit work.

We look forward to discussing the points raised in this management letter at your earliest convenience.

Yours faithfully,

Fernand Maillard
Auditor
Manager

Laurent Dethier
Auditor
Manager

Enclosure:

- draft audit reports (FR/EN)
- Progress 2017 report