

**The Parliamentary Assembly of the Or-  
ganization for Security and Co-operation  
in Europe**

**Central Business Registration No 35 44 34 79**

**Annual report for 2022/23**

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## **Entity details**

### **Entity**

The Parliamentary Assembly of the Organization for Security and Co-operation in Europe

Tordenskjoldsgade 1

1055 København K

Central Business Registration No.: 35 44 34 79

Registered office: Copenhagen

Financial year: 01.10.2022 – 30.09.2023

Phone: +45 33 37 80 40

Internet: [www.oscepa.org](http://www.oscepa.org)

E-mail: [osce@oscepa.dk](mailto:osce@oscepa.dk)

### **Treasurer and Secretary General**

Mr. Johan Büser, Treasurer

Mr. Roberto Montella, Secretary General

### **Auditors**

Deloitte, Statsautoriseret Revisionspartnerselskab

## **Treasurer and Secretary General's statement on the annual report**

The Treasurer and the Secretary General have today considered and approved the annual report of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe (OSCE PA) for the financial year 01.10.2022 – 30.09.2023.

The Annual Report has been prepared in accordance with the existing accounting policies of the OSCE PA.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2023 and of the results of its operations for the financial year 01.10.2022 - 30.09.2023.

We recommend the annual report for adoption at the Standing Committee.

Copenhagen, 25 January 2024

Johan Büser  
Treasurer

Roberto Montella  
Secretary General

## **Independent auditor's report**

### **To the Standing Committee of the OSCE Parliamentary Assembly**

#### **Opinion**

We have audited the financial statements of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe (OSCE PA) for the financial year 01.10.2022 – 30.09.2023, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies for the OSCE PA. The financial statements are prepared in accordance with the accounting policies of OSCE PA.

In our opinion, the financial statements give a true and fair view of the OSCE PA's financial position at 30.09.2023 and of the results of the OSCE PA's operations for the financial year 01.10.2022 – 30.09.2023 in accordance with the accounting policies of OSCE PA.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other matter**

The Entity has disclosed approved budgets as comparative figures in the income statement. These budget figures have not been subject to audit.

#### **The Treasurer's and the Secretary General's Responsibilities for the Financial Statements**

The Treasurer and the Secretary General is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the accounting policies of the OSCE PA, and for such internal control as the Treasurer and the Secretary General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer and the Secretary General is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless the Treasurer and the Secretary General either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Treasurer and the Secretary General.
- Conclude on the appropriateness of the Treasurer and the Secretary General's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

## Independent Auditor's Report

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal and regulatory requirements

#### Statement on performance audit

Management is responsible for the transactions covered by the financial statements complying with the appropriations granted, statutes, other regulations, agreements and usual practice, and for ensuring that sound financial management is exercised in the administration of the funds and activities covered by the project financial statements.

As part of our audit of the financial statements, it is our responsibility to perform performance audit procedures on selected subject matters in accordance with the standards issued by the International Organisation of Supreme Audit Institutions. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and in the operation of activities covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this.

We have no material critical comments to report in this respect.

Copenhagen, 25 January 2024

### Deloitte

Statsautoriseret Revisionspartnerselskab

Henrik Wolff Mikkelsen  
State Authorized Public Accountant  
MNE-no. mne33747

## Accounting policies

### Reporting class

This annual report has been presented in accordance with these accounting policies.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Comparative Figures

The presentation of the statement of income and expenditure is classified in accordance with the budget, which is shown for comparative purposes.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Contributions

Contributions from member countries are recognised as income if they relate to the financial year in question and if they have been received.

### Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

### Expenditure

Expenditure is recorded at cost in the period in which the International Secretariat has finally committed itself to the transaction.

## Accounting policies

### Balance sheet

#### Deposits

Deposits are measured at cost.

#### Tangible fixed assets

Vehicle are calculated at cost price minus accumulated depreciation. Linear depreciation is carried out on basis of the assets' expected useful life of 5 years and residual value.

#### Foreign Currency

Foreign currency transactions are translated at approximate rates of exchange prevailing on the transaction date. Exchange differences, realised as well as unrealised, are recognised as income or expenditure.

Current assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates ruling on the balance sheet date. Realised and unrealised profits and losses are included in the statement of income and expenditure under net financial income.

#### Reserves

Allocation to reserves is made for actions, activities or events anticipated to take place in the future, if there is uncertainty relating to the extent and exact amount necessary for such activities and events. Emergency Reserve shall amount 50% of the national contributions to the budget of the current financial year. Budgetary reserves shall over time amount 100% of one budget for the financial year.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

#### Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Income statement for 2022/23**

	<b>Notes</b>	<b>2022/23 EUR thousands</b>	<b>2021/22 EUR thousands</b>	<b>Budget* EUR thousands</b>
Contributions from member countries	1	3.849	3.645	4.094
<b>Income</b>		<b>3.849</b>	<b>3.645</b>	<b>4.094</b>
Salaries and staff expenses		2.698	2.770	2.649
General administrative expenses		267	296	275
Research assistant program		164	241	217
Helsinki + 50 initiative		8	61	62
Vienna Liaison Office		159	109	104
Annual session		408	295	289
Winter Meeting		55	31	55
Autumn Meeting		49	22	42
Bureau Meetings and Ministerial Council		19	39	38
Ad hoc Committees		6	9	22
Programme and Missions		38	73	41
Presidential Support		12	43	38
Election Monitoring		230	125	247
Publicity expenses		17	26	15
<b>Total expenditure</b>		<b>4.130</b>	<b>4.140</b>	<b>4.094</b>
<b>Income over expenditure</b>		<b>(281)</b>	<b>(495)</b>	<b>0</b>
Non-budgetary items	2	(53)	94	0
<b>Income over total expenditure</b>	3	<b>(334)</b>	<b>(401)</b>	<b>0</b>

\*Budget figures have not been subject to audit

**Balance sheet at 30.09.2023**

	<u>Notes</u>	<u>2022/23 EUR thousands</u>	<u>2021/22 EUR thousands</u>	<u>Budget* EUR thousands</u>
<b>Assets</b>				
Deposits		35	35	35
Vehicle		5	11	11
<b>Fixed assets</b>		<b>40</b>	<b>46</b>	<b>46</b>
Other receivables		53	48	48
Unpaid contributions		0	59	59
Prepaid expenses		5	71	71
<b>Receivables</b>		<b>58</b>	<b>178</b>	<b>178</b>
<b>Cash at bank and in hand</b>		<b>4.513</b>	<b>4.530</b>	<b>4.530</b>
<b>Current assets</b>		<b>4.571</b>	<b>4.708</b>	<b>4.708</b>
<b>Assets</b>		<b>4.611</b>	<b>4.754</b>	<b>4.754</b>
<b>Equity and Liabilities</b>				
Reserves	4	1.641	1.975	1.975
<b>Equity and reserves</b>		<b>1.641</b>	<b>1.975</b>	<b>1.975</b>
Termination Indemnity	4	785	625	625
<b>Obligated reserves</b>		<b>785</b>	<b>625</b>	<b>625</b>
<b>Reserves</b>		<b>2.426</b>	<b>2.600</b>	<b>2.600</b>
Deferred income		1.805	1.680	1.680
Holiday accrual		358	419	419
Other liabilities		22	55	55
<b>Current liabilities</b>		<b>2.185</b>	<b>2.154</b>	<b>2.154</b>
<b>Equity and liabilities</b>		<b>4.611</b>	<b>4.754</b>	<b>4.754</b>
Contingent liabilities	5			

## Notes

	<b>2022/23 EUR thousands</b>	<b>Budget EUR thousands</b>
<b>1. Contributions from member countries</b>		
Total budgetary contributions from member countries	4.094	4.094
Unpaid contribution, Russian Federation	(245)	0
	<b>3.849</b>	<b>4.094</b>
<b>2. Non-budgetary items</b>		
Interest income	14	0
Exchange rate differences	(67)	0
	<b>(53)</b>	<b>0</b>

### 3. Income over total expenditure

Income over total expenditure amounts to EUR (222)k compared to a budget of EUR 0k. The negative result should be seen considering that the member countries have accepted to allocate an additional budgeted amount of EUR 222k to the activities in the Financial Year 2022/23.

This amount is taken from the Organization's reserves and thus not included as income.

	<b>30.09.2022 EUR thousands</b>	<b>Used EUR thousands</b>	<b>30.09.2023 EUR thousands</b>
<b>4. Reserves</b>			
Emergency reserve	1.821	0	1.821
Budgetary reserves	154	(334)	(180)
	<b>1.975</b>	<b>(334)</b>	<b>1.641</b>
<b>Obligated reserves</b>			
Termination indemnity	<b>625</b>	<b>160</b>	<b>785</b>

## Notes

	<b>2022/23</b> <b>EUR</b> <b>thousands</b>	<b>2021/22</b> <b>EUR</b> <b>thousands</b>
<b>5. Contingent liabilities</b>		
Rental obligations	58	131
<b>Contingent liabilities</b>	<b>58</b>	<b>131</b>

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## JOHAN BÜSER

Økonomiansvarlig

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## Henrik Wolff Mikkelsen

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## Roberto Montella

Direktionsmedlem

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