

**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 2023/24

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Organisation details

Organisation

The Parliamentary Assembly of the Organization for Security and Co-operation in Europe
Tordenskjoldsgade 1
1055 Copenhagen K

Central Business Registration No.: 35 44 34 79

Registered office: Copenhagen

Financial year: 1 October 2023 to 30 September 2024

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Treasurer and Secretary General

Johan Büser, Treasurer

Roberto Montella, Secretary General

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Treasurer's 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 Co-operation in Europe (OSCE PA) for the financial year 1 October 2023 to 30 September 2024.

The annual report has been prepared in accordance with the accounting policies of the OSCE PA.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 30 September 2024 and of the results of its operations for the financial year 1 October 2023 to 30 September 2024.

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

Copenhagen, 7 February 2025

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 Co-operation in Europe (OSCE PA) for the financial year 1 October 2023 to 30 September 2024, which comprise the income statement, balance sheet, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the accounting policies of the OSCE PA.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 30 September 2024 and of the results of its operations for the financial year 1 October 2023 to 30 September 2024 in accordance with the accounting policies of the 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 Organisation 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 Organisation has disclosed budget figures approved as comparative figures in the income statement. These budget figures have not been subject to audit.

Treasurer's and Secretary General's responsibilities for the financial statements

The Treasurer and the Secretary General are 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 determine 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 are responsible for assessing the Organisation's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern and for using the going concern basis of accounting in preparing the financial statements unless the Treasurer and the Secretary General either intend to liquidate the Organisation or to cease operations, or have 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 Organisation'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's 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 Organisation'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 Organisation to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures in the notes, 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

The Treasurer and the Secretary General are 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 in the operation of 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, 7 February 2025

Deloitte

Statsautoriseret Revisionspartnerselskab

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the accounting policies listed below.

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

Comparative figures

The presentation of income and expenditure is classified according to the budget, which is shown for the purpose of comparison.

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 Organisation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Organisation 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 Organisation, 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 effected 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, social security contributions, pension contributions, etc., for organisation 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.

Cash at bank and in hand

Cash comprises cash in hand and bank deposits.

Prepaid expenses

Prepaid expenses comprise incurred costs relating to subsequent financial years. Prepaid expenses are measured at cost.

Tangible fixed assets

Vehicles are measured at cost less accumulated depreciation. Straight-line depreciation is made on the basis of the asset's useful life estimated at five 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 unbudgeted 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 recognised in the income statement as financial income or financial expenses.

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 to 50% of the national contributions to the budget of the current financial year. Budgetary reserve shall, over time, amount to 100% of the budget for the financial year.

Provisions

Provisions comprise anticipated costs of termination indemnity. Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Other financial liabilities

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

Accounting policies

Deferred income

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

Income statement for 2023/24

	<u>Note</u>	<u>2023/24</u> <u>EUR'000</u>	<u>2022/23</u> <u>EUR'000</u>	<u>Budget</u> <u>2023/24*</u> <u>EUR'000</u>
Contributions from member countries	1	3,960	3,849	4,195
Extra budgetary contributions		9	0	18
Income		3,969	3,849	4,213
Salaries and staff expenses		(2,777)	(2,698)	(2957)
General administrative expenses		(274)	(267)	(216)
Research assistant programme		(151)	(164)	(184)
Helsinki + 50 initiative		0	(8)	(8)
Vienna liaison office		(128)	(159)	(96)
Annual session		(214)	(408)	(247)
Winter meeting		(57)	(55)	(54)
Autumn meeting		(81)	(49)	(42)
Bureau meetings and Ministerial Council		(27)	(19)	(38)
Ad hoc committees		(11)	(6)	(20)
Programme and missions		(53)	(38)	(41)
Presidential support		(30)	(12)	(36)
Election monitoring		(146)	(230)	(259)
Publicity expenses		(20)	(17)	(15)
Total expenditure		(3,969)	(4,130)	(4,213)
Income over expenditure		0	(281)	0
Non-budgetary items	2	22	(53)	0
Income over total expenditure	3	22	(334)	0

*Budget figures have not been subject to audit.

Balance sheet at 30 September 2024

	<u>Note</u>	<u>30.09.2024</u> <u>EUR'000</u>	<u>30.09.2023</u> <u>EUR'000</u>
Assets			
Deposits		32	35
Vehicles		5	5
Fixed assets		<u>37</u>	<u>40</u>
Other receivables		91	53
Unpaid contributions	4	0	0
Prepaid expenses		55	5
Receivables		<u>146</u>	<u>58</u>
Cash at bank and in hand		<u>4,519</u>	<u>4,513</u>
Current assets		<u>4,665</u>	<u>4,571</u>
Assets		<u>4,702</u>	<u>4,611</u>
Equity and liabilities			
Reserves	5	1,663	1,641
Equity and reserves		<u>1,663</u>	<u>1,641</u>
Reserves		<u>1,663</u>	<u>1,641</u>
Termination indemnity	6	910	785
Provisions		<u>910</u>	<u>785</u>
Deferred income		1,818	1,805
Holiday accrual		237	358
Other liabilities		74	22
Current liabilities		<u>2,131</u>	<u>2,185</u>
Equity and liabilities		<u>4,702</u>	<u>4,611</u>
Contingent liabilities	7		

Notes

	2023/24 EUR'000	Budget 2023/24 EUR'000
1. Contributions from member countries		
Total budgetary contributions from member countries	4,213	4,196
Unpaid contribution, Russian Federation	(253)	0
	3,960	4,196
	2023/24 EUR'000	2022/23 EUR'000
2. Non-budgetary items		
Interest income	56	14
Exchange rate differences	(34)	(67)
	22	(53)

3. Income over total expenditure

Income over total expenditure amounts to EUR 22 thousand compared to a budget of EUR 0 thousand.

4. Unpaid contributions

Unpaid contribution from Russian Federation has been written down to EUR 0.

	30.09.2023 EUR'000	2023/24 EUR'000	30.09.2024 EUR'000
5. Reserves			
Emergency reserve	2,047	286	2,333
Budgetary reserve	(406)	(264)	(670)
	1,641	22	1,663

The emergency reserve at 30 September 2024 amounts to 50% of the total budgetary contributions from member countries in accordance with OSCE's Financial Regulations.

The budgetary reserve is currently negative. According to OSCE's Financial Regulations, this reserve shall, over time, comprise 100% of the budgeted costs for the coming year.

Notes

	<u>30.09.2023</u> <u>EUR'000</u>	<u>2023/24</u> <u>EUR'000</u>	<u>30.09.2024</u> <u>EUR'000</u>
6. Provisions			
Termination indemnity	<u>785</u>	<u>125</u>	<u>910</u>
		<u>30.09.2024</u> <u>EUR'000</u>	<u>30.09.2023</u> <u>EUR'000</u>
7. Contingent liabilities			
Rental obligations		<u>32</u>	<u>58</u>
Rental obligations		<u>32</u>	<u>58</u>

A claim has been raised against the Organisation regarding dismissal of a former employee. It is the Management's assessment that the claim will not have a significant impact on the Organisation's financial situation. No provisions have been included in respect hereof.

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Henrik Wolff Mikkelsen

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IP: 163.116.xxx.xxx

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Roberto Montella

Secretary General

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JOHAN BÜSER

Treasurer

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