

EUROSAI FINANCIAL STATEMENTS
AND FINANCIAL REPORT
FINANCIAL YEAR 2023

Spanish Court of Audit

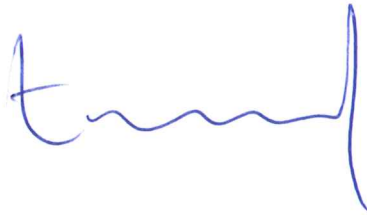
8th May 2024



2023 FINANCIAL REPORT CERTIFICATE

I hereby certify that the statements and financial report corresponding to the year 2023 have been prepared according to the generally accepted accounting principles and that they give a true and fair view of EUROSAI's operating results, as well as its financial and equity position.

THE EUROSAI GENERAL SECRETARIAT
PRESIDENT OF THE SPANISH COURT OF AUDIT

A handwritten signature in blue ink, consisting of a series of connected loops and a vertical stroke on the right side.

Enriqueta Chicano Jávega

BALANCE SHEET AS AT DECEMBER 31, 2023.

(In euros)

ASSETS	SECTION	FINANCIAL YEAR 2023	FINANCIAL YEAR 2022
(A) NON-CURRENT ASSETS		0.00	0.00
(B) CURRENT ASSETS		481,859.28	465,623.86
III. Trade and other receivables	IV.2	128.15	
440. Debtors for commissions to be repaid		97.15	
Article 448. Current Account members of EUROSAI		31.00	
VI. Short-term accruals			
480. Prepaid expenses			
VII. Cash and other equivalent assets	IV.1	481,731.13	465,623.86
570. Cash, euros		1,160.04	214.84
572. Banks and financial institutions euros		480,571.09	465,409.02
TOTAL ASSETS		481,859.28	465,623.86
NET ASSETS AND LIABILITIES		FINANCIAL YEAR 2023	FINANCIAL YEAR 2022
A) NET ASSETS		480,147.46	449,127.06
A-1) Equity	IV.3	480,147.46	449,127.06
I. Welfare Fund		449,430.55	412,868.38
101. Welfare Fund		449,430.55	412,868.38
VII. Result for the financial year		30,716.91	36,258.68
129. Result for the financial year		30,716.91	36,258.68
(C) CURRENT LIABILITIES		1,711.82	16,496.80
III. Current accounts payable	IV.4		15,792.70
521. Current accounts payable			15,792.70
V. Trade creditors and other accounts payable	IV.5	1,711.82	704.10
1. Suppliers		1,711.82	704.10
400. Suppliers		1,711.82	704.10
TOTAL NET ASSETS AND LIABILITIES		481,859.28	465,623.86

STATEMENT OF REVENUES AND EXPENSES AS AT 31 DECEMBER 2023.

(In euros)

	APDO.	FINANCIAL YEAR 2023	FINANCIAL YEAR 2022
(A) CONTINUING OPERATIONS			
OPERATING INCOME (1 + 5)	V.1	86,761.00	94,179.00
1. Income from contributions by members		86,761.00	94,179.00
(a) 720. Fee income		86,761.00	94,179.00
OPERATIONAL EXPENSES (4 + 7 + 8)	V.2	-56,044.09	-57,920.32
4. Publications and reports	V.2.1	-15,967.35	-19,375.05
(a) 623.2. Magazine		-15,967.35	-19,375.05
5. Other operating income			
(a) Non-trading and other operational income			
7. Other operational expenses	V.2.2	-40,076.74	-38,545.27
623.1. Translations		-4,197.85	-934.60
621. Shipments		-6.90	-1,810.71
623. Website Update			
625. Software renewal		-603.79	-1,126.63
626. Banking services and similar		-353.04	-1,899.77
627. Public relations, representation			-1,076.90
629. Other services		-335.54	-656.46
650. Strategic Plan/Subsidies		-34,579.62	-31,040.20
8. Depreciation of fixed assets			0.00
A.1) OPERATIONAL PROFIT (1 + 4 + 5 + 7 + 8)		30,716.91	36,258.68
14. Financial Income		0.00	0.00
15. Financial Expenses		0.00	0.00
A.2) FINANCIAL RESULT (14 + 15)		0.00	0.00
A.3) RESULT BEFORE TAXES (A.1 + A.2)		30,716.91	36,258.68
A.5) RESULT FOR THE FINANCIAL YEAR		30,716.91	36,258.68

STATEMENT OF THE EXPENDITURE BUDGET. FINANCIAL YEAR 2023.

(In euros)

ITEM	OPENING CREDIT	CREDIT MODIFICATIONS			(1)	(2)	PAYMENTS	(1) - (2)	(2) / (1) *100 % EXECUTION CTO. DEFINE.
		ADDITIONS	Remaining additions Financial Year 2022	TRANSFERS					
Ch. 1 OPERATING EXPENSES									
Art. 1.1. Translations	10,000.00	787.65	6,219.88	15,432.23	4,197.85	4,197.85	11,234.38	27.20	
Art. 1.2. Communications	1,300.00	102.39	0.00	1,197.61	6.90	6.90	1,190.71	0.58	
Art. 1.4. Representation	1,000.00	78.76	0.00	921.24	0.00	0.00	921.24	0.00	
Art. 1.5. EUROSAL Publications	19,000.00	1,496.53	0.00	17,503.47	15,967.35	14,255.53	1,536.12	91.22	
Art. 1.6. Others	1,800.00	141.78	0.00	1,658.22	1,292.37	1,292.37	365.85	77.94	
Art. 1.7. Website	500.00	39.38	500.00	960.62	0.00	0.00	960.62	0.00	
Art. 1.8 Contribution for the Congress organization	9,500.00	748.27	9,500.00	18,251.73	0.00	0.00	18,251.73	0.00	
TOTAL, OPERATING EXPENSES	43,100.00	3,394.77	16,219.88	55,925.11	21,464.47	19,752.65	34,460.64	38.38	
Ch. 2 IMPLEMENTATION EXPENSES OF THE STRATEGIC PLAN									
Art. 2.1. Financing of activities	51,079.00	4,023.23	20,038.80	67,094.57	34,579.62	34,579.62	32,514.95	51.54	
TOTAL, IMPLEMENTATION EXPENSES OF THE STRATEGIC PLAN	51,079.00	4,023.23	20,038.80	67,094.57	34,579.62	34,579.62	32,514.95	51.54	
OVERALL TOTAL	94,179.00	7,418.00	36,258.68	123,019.68	56,044.09	54,332.27	66,975.59	45.56	

STATEMENT OF THE INCOME BUDGET. FINANCIAL YEAR 2023.

(In euros)

ITEM	INITIAL BUDGET	BUDGETARY VARIATIONS Russia and Belarus	DEFINITIVE BUDGET	% OF TOTAL	SETTLEMENTS	% LEVEL OF EXECUTION
Chapter 1. Contributions of Members (fees) Financed by the Social Fund	94,179.00	(7,418.00)	86,761.00	92.12%	86,726.00	99.96%
Chapter 2. Other income (incorporation of carryovers from previous years)	36,258.68	0	36,258.68	100%	0	N/A
OVERALL TOTAL	130,437.68	(7,418.00)	123,019.68	94.31%	86,726.00	99.96%

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I. INTRODUCTION

I.1. Organization history

The Organization of European Supreme Audit Institutions (EUROSAI) was created at the Constitutive Conference held in 1990, thus complying with the Resolution adopted in Berlin on June 20, 1989, on the XIII Congress of INTOSAI (INCOSAI), with the purpose of:

- I. Improving relationships among European countries regarding public audit, beyond the different political, economic, and social systems.
- II. Giving a response to the need for collaboration between Supreme Audit Institutions, with a view to greater cooperation between European States.
- III. A greater contribution to INTOSAI goals through the combination of the European experience.

It is governed by the provisions of its Statutes, adopted at the Constitutive Conference. The last modification of the Statutes was on 2021 during the XI Congress.

EUROSAI is based in Madrid, at the Spanish Court of Audit headquarters. Currently, EUROSAI has 51 members.

The preparation of the financial statements is based on the Financial Rules approved by the Governing Board on May 2013 and drafted in accordance with the EUROSAI Statutes and Standard Procedures, gathering financial guidelines issued to date and adapting them to the EUROSAI's strategic goals and structure.

In order to comply with the provisions of International Financial Reporting Standards (IFRS)¹, it should be noted that items relating to fixed assets are not reflected in the Financial Statements as EUROSAI does not have its own assets for the execution of its activity, which are provided by the Spanish Court of Audit, in accordance with the provisions of article 13 of its Articles of Association. when it says that "The Supreme Audit Institution of the country in which the headquarters are located shall ensure the functioning of the Secretariat".

Likewise, in accordance with article 16.2 of the Statutes, "The Supreme Audit Institution of the country where the headquarters are located shall provide and pay for the personnel and premises necessary for the operation of the Secretariat".

I.2. Reference regulation

It is established by article 14.4 of the EUROSAI Statutes, and rules 72 and 73 of the Financial Rules, that the Secretariat will present the financial statements to the Governing Board, together with an annual Financial Report.

¹ International Financial Reporting Standards (IFRS) are the standards and interpretations adopted by the International Accounting Standards Board (IASB)

I.3 Activity period

This Financial Report refers to the period between January 1st and December 31st, 2023.

I.4. Content

As established by rule 73 of the Financial Rules, the Annual Financial Report shall contain, together with the Secretariat certificates in relation to the financial statements and the Secretariat contribution described in rule 60 thereof, information on the activities of EUROSAI during the financial year ended.

The annual accounts of EUROSAI as a non-profit organization include the balance sheet, the statement of revenue and expenditure, and the notes. These documents conform a single unit.

The statements of the financial year 2023 take as a starting point December 31, 2022, including in an orderly way the financial, patrimonial, and budget movements during 2023. The closing financial and equity position, as well as the result of the financial year, are represented through the balance sheet and the profit and loss account as of December 31, 2023. The development of the Welfare Fund is explained in section VI.3 of this report.

II. GUIDELINES FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

II.1. Fair view

The annual accounts are prepared according to the accounting record of the organization. They present the fair view of EUROSAI's equity, financial situation, and results. They are elaborated according to the current commercial law and the rules established by the General Accounting Plan for non-profit organizations approved by Royal Decree 1491/2011 of October 24th and the Resolution of March 26th, 2013, of the Spanish Institute of Accounting and Auditing, that approves the General accounting Plan for small and medium non-profit organizations. They are also affected by the General Accounting Plan approved by the Royal Decree 1514/2007 of November 16th, modified by the Royal Decree 602/2016, of December 2nd and by Royal Decree 2/2021, January 12th, as well as the sectoral adaptations and the Resolutions of the Spanish Institute of Accounting and Account Auditing approved under the first and third final dispositions of such decree.

Likewise, the instructions contained in International Accounting Standard No. 1 (IAS No. 1), which regulates the information to be presented in the financial statements, have been considered for its preparation. As EUROSAI is a non-profit entity, the descriptions used in International Accounting Standard IAS No. 1 have been considered, as indicated therein, for certain items and adapted to the activity carried out by EUROSAI, as well as in the title of the financial statements.

II.2. Accounting principles

During the 2023 financial year, the financial statements have been prepared in accordance with current regulations, having applied those accounting principles that are mandatory according to the Code of Commerce and the General Accounting Plan for non-profit organizations, that is: Going concern, Uniformity, Accrual, Non-compensation of income and expenses, Prudence, and Materiality.

II.3. Critical aspects of the assessment and estimation of uncertainty

- a) At the year-end date, there is no relevant data that could lead to significant changes in the value of the assets or liabilities for the next financial year.
- b) There are no significant changes in any accounting estimation that affect the current or future periods.
- c) The Secretariat of EUROSAI is not aware of any uncertainties that may raise doubts about the future of the Association.

II.4. Comparison of information

- a) No changes have been made to the structure of the balance sheet and the profit and loss account compared to the previous year.
- b) There are no reasons that prevent the comparison of the annual accounts for the year with those of the previous year, nor that they may affect future years.
- c) The amounts for the previous year did not need to be adjusted in order to be comparable with those for the current year.

II.5. Elements in several items

All assets and liabilities are included in a single balance sheet item.

II.6. Changes in accounting criteria

No adjustments have been made for changes in accounting criteria during the current financial year.

II.7. Correction of errors

No adjustments were made for accounting errors during the current financial year.

II.8. Going concern

It is considered that EUROSAI's activity is aimed at achieving its purposes and is expected to continue in the foreseeable future, and therefore the accounting principles and criteria of

going concern are applicable.

II.9. Post-closing events

The entity does not have to report any event that occurred after the closing of the annual accounts that affects the application of the going concern principle, as well as any other that reveals circumstances that may affect the figures contained in the annual accounts.

III. REGISTRATION AND ASSESSMENT STANDARDS

The accounting criteria applied in relation to the different items are as follows:

(1) Assets are recognized in the balance sheet when it is likely that they will produce income that can be used in their future activities. The accounting recognition of an asset also involves the simultaneous recognition of a liability, the decrease of another asset, or the recognition of another income or other increases of the net assets.

2) Liabilities are recognized in the balance sheet when resources with usable yields in their future activity are likely to be handed over on their due date in order to settle the obligation

(3) The following rules have been considered in the recognition of income in fulfilment of the purposes of the entity:

(a) Income for the supply of goods or services are assessed according to the agreed amount.

(b) Membership fees are recognized as income in the period to which they relate.

(c) Income from fundraising promotions, sponsors and partnerships are recognized when campaigns and events take place.

d) Where applicable, the necessary accruals have been made.

(4) The entity expenses are recorded in the statement of revenues and expenses of the corresponding financial year, regardless of the date on which the financial flow occurs. In particular, subsidies granted by the entity have been recognized when approved.

IV. BALANCE SHEET

The *Balance Sheet for the year* is attached at the beginning of this Financial Report. Assets, net assets, and liabilities are detailed below.

IV.1. Treasury

The *Cash* balance at the end of the year amounted to 481,731.13 euros, part of which, 480,571.09, is deposited in "*Banks and Credit Institutions*", and the difference in "*Cash*",

1,160.04 euros. The balance at the beginning of the year amounted to 465,623.86 euros, having increased by 16,107.27 euros.

IV.2. Accrual accounts and accounts receivable

Under "*Other Debtors*" there is a balance of 128.15 euros corresponding to two items: The first for 97.15 euros corresponds to the bank fees charged in the last quarter of the year which, by agreement with the bank from the second quarter of the year, are exonerated and returned to the EUROSAI account. This amount has been credited in January 2024. The second item amounts to 31.00 euros and corresponds to the net balance generated in the income from members' fees in the 2023 financial year.

An amount of less than 35 euros of the fee assigned as a member of EUROSAI was received from the SAO of Kosovo², which must be paid in the financial year 2024, and on the other hand, the SAI of Ukraine received 4 euros in excess of the amount of its annual fee, and that it must be deducted from the fee corresponding to the 2024 financial year.

IV.3. Net assets

The balance of "*Equity*" (480,147.46 euros) includes both the *Welfare Fund* generated by the accumulated results of previous years (449,127.06 euros) and the *positive results for the year* (30,716.91 euros). In addition, an amount of 303.49 euros has been applied to the Welfare Fund, and corresponds to the subsidy granted to Lithuania in the financial year 2022 that has been cancelled, because of not having sent justification for the total amount granted.

IV.4. Other short-term accruals

No outstanding debt has been generated at the end of the year.

IV.5. Trade creditors and other accounts payables

The balance at the end of the year of the "*Trade creditors and other accounts payable*" amounts to 1,711.82 euros corresponding to the unpaid invoices of the French and German layout of the 27th issue of the EUROSAI Magazine for 1,573.00 euros, and a translation invoice of 138.82 euros, which were paid in January 2024.

V. STATEMENT OF REVENUE AND EXPENSES

The "*Profit and Loss*" account attached to this Report shows a positive result of 30,716.91 euros.

² The designation of Kosovo in no way prejudices the status position and is in accordance with UNSCR 1244/99 and the Opinion of the International Court of Justice on Kosovo's declaration of independence.

V.1. Operating income

Appendix 2 contains the Statement of Fees for the financial year 2023. These fees are classified into the following four groups:

Table 1. Breakdown of fee groups

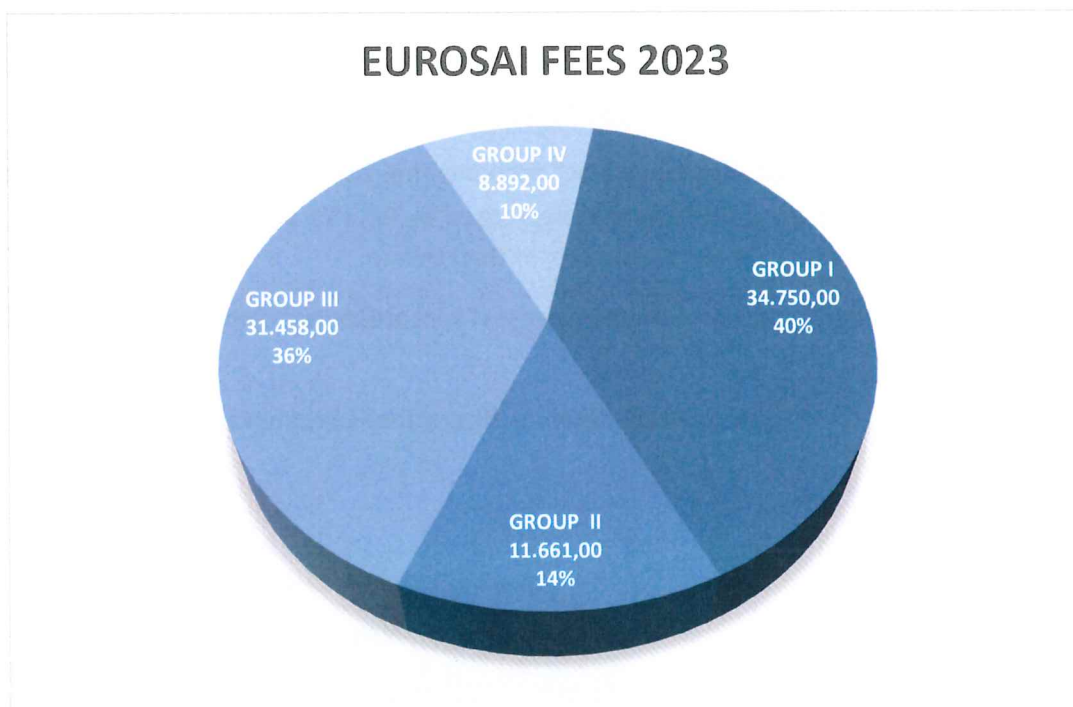
Group	EUROS
I	6,950
II	3,887
III	1,498
IV	468

The total resources budgeted for the year amounted to 94,179.00 euros that have not been fully collected because of the decision of the Governing Board not to claim the fees from the SAIs of Russia (6,950 euros) and Belarus (468 euros). This decision has led to a lower collection of 7,418 euros, leaving the revenue budget at 86,761.00 euros.

This amount was requested from the SAIs that are members of EUROSAI at the beginning of the financial year, having been paid in full, with the exceptions indicated in section IV.2.

The following graph shows the distribution of fees according to group and percentage of total income:

Figure 1. Fee distribution according to the group and percentage. Financial year 2023



V.2. Operational expenses

Expenses arising from transactions with consideration for the purchase of goods and services are recognized when the supplies are delivered and accepted by EUROSAI. They are valued at the amount reflected in the invoice. Expenses related to the service rendered during the period for which the invoice has not yet been received or accepted are estimated and recognized in the statement of revenue and expenses.

On the other hand, the amounts corresponding to the subsidies awarded are recognized in the accounts at the time the subsidies are approved by the corresponding body and communicated to the Member by the Secretariat of EUROSAI. Once these are justified, they are paid, adjusting the approved amount, if necessary, if the beneficiary member does not send the full justification of the approved budget, or if it does not comply with the requirements established in the Financial Rules.

In the 2023 financial year, "*Activity expenses*", which amounted to 56,044.09 euros, decreased by 3.24% compared to the previous year.

EUROSAI's expenditure is divided into two lines of action: operational expenses and expenses for the implementation of the Strategic Plan.

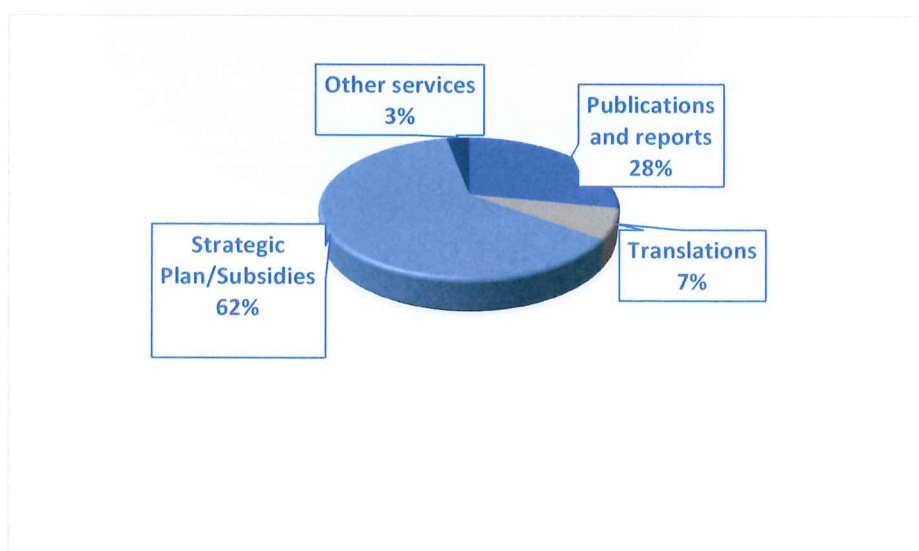
Operating expenses include "*Publications and reports*", a heading that includes the expenses for the publication of the EUROSAI magazine, totaling 15,967.35 euros, which is 17.59% less than in the previous year.

Another of the headings in this section, "Other expenses of the activity", amounted to 40,076.74 euros, with a year-on-year increase of 3.97% mainly due to the increase in the item "Strategic Plan/Subsidies", which was 11.40% higher than the previous year.

Excluding the "Strategic Plan/Subsidies" account, the rest of the expenses that make up the "Other expenses of the activity", have decreased by 26.75% compared to the previous year. The following sections set out the causes of this decline.

The distribution of the total "Activity expenses" is represented comparatively in the following graph:

Figure 2. Breakdown of Operational Expenses 2023.



These items are discussed in detail below.

V.2.1. Publications and reports

The "Magazine" account, (15,967.35 euros) which represents 28.5% of the total expenses of the activity, includes the costs of layout and translation of the EUROSAI magazine.

The breakdown of the amount for this year is as follows:

Table 2. Breakdown of expenditure on EUROSAI Publications and Reports. Financial years 2023 and 2022.

(In euros)

Concept	2023	2022
Layout Magazine 26	3,323.84	3,668.39
Layout Magazine 27	2,359.50	
Translations (Magazine)	10,284.01	15,706.66
Total	15,967.35	19,375.05

In accordance with the accrual principle, the layouts of 26th issue of the EUROSAI Magazine (apart from the English version) were not accounted for in the 2022 financial year as the work had not been completed and the invoices for an amount of 3,323.84 euros had not been issued and were therefore reflected in the 2023 accounts. In this year, the layouts in English, French and German have been made and accounted for 2,359.50 euros, pending those of the Russian and Spanish version with an estimated value of 1,573 euros.

V.2.2. Other operational expenses

a) The *Strategic Plan/Subsidies* account represents 62% of the total budgeted expenditure of the activity for the 2023 financial year. It records the expenditure arising from financial support granted for the organization of meetings, seminars, and other activities in implementation of the Organization's Strategic Plan. This account of 34,579.62 euros, 11.40% more than in the previous year, has increased for the second consecutive year.

The opening balance (15,792.70 euros) of the account *"521. Current accounts payable"* corresponds to two subsidies granted in the previous year. One corresponds to the SAI of Lithuania for the financing of the event called *"EUROSAI hybrid seminar of the working group on municipal audit. Digitalization of public service delivery and administration in municipalities and 6th annual meeting of the members of the EUROSAI TFMA"*, which was held from 18 to 20 October 2022. The amount approved by the Governing Board was 12,441 euros. In March, a payment of 12,137.51 euros was made. The difference of 303.49 euros had to be paid to the Welfare Fund, as sufficient justification for its payment had not been submitted. (See section IV.3).

Likewise, a payment has been made to the SAI of Spain for 3,351.70 corresponding to the video made in relation to the activity of EUROSAI to give visibility to the presence of EUROSAI and its activities in the XXIV INCOSAI, and which was approved at the 57th EUROSAI Governing Board.

In 2023, applications to fund events were received by the SAIs of North Macedonia, Lithuania, Latvia, and the Czech Republic

- An application for a subsidy was received from the SAI of North Macedonia as a contribution for the partial financing of the expenses incurred in holding the meeting on the results of the Joint Audit Report and the discussions related to cooperative auditing and the importance of strengthening the capacities of municipalities, organized in Skopje on September 26 and 27, 2023. The amount approved by the Coordination Team was 15,000 euros, having been paid only 13,392.1 euros due to insufficient justification.
- The SAI of Lithuania applied for a subsidy to partially finance the costs incurred in holding the 58th Governing Board held in Vilnius on 14 and 15 June 2023. The amount approved was 10,114.2 euros, with only 9,400.20 euros paid due to insufficient justification.
- The SAI of Latvia applied for a subsidy to partially finance the expenses incurred in the organization of the "Working Together Forum" Event of EUROSAI and the Confederation of Internal Auditors (ECIIA) that took place in Brussels, Belgium, on October 6th, 2023. The amount approved by the Coordination Team was 6,352.56 euros, with only 6,066.72 euros paid, due to a lack of sufficient justification.
- The SAI of the Czech Republic requested a subsidy to partially finance the expenses incurred in the organization of the Event "EUROSAI Working Group on environmental Auditing (hereinafter EUROSAI WGEA) and its Governing Board Meeting", which took place in Prague during the days 25-26 September 2023. The amount approved for the Czech Republic was 5,720.60 euros, which was justified and paid in the year.

b) The "*Translations*" account, amounting to 4,197.85 euros, includes "other translations" that have been required for the performance of EUROSAI's functions, other than the Journal. They are mainly related to the publication on the EUROSAI website of various documents, the largest item being the translation of the financial reports for years 2022 and 2021 into the different official languages of EUROSAI (other than English) for an amount of 1,957.37 and 1,589.00 euros, respectively ; in order to present them at the next celebration of the XII EUROSAI Congress for its approval.

c) EUROSAI's bank expenses are included in the *Banking and similar services* account, amounting to 353.04 euros, which represent a decrease of 81.42% compared to the previous year and 1% of the total expenses of the activity. The Secretariat has negotiated with Banco Santander, the financial institution where the accumulated funds generated from EUROSAI are deposited, the total elimination of banking fees as of the second quarter of the year. Although they are debited quarterly, they are later taken back from the bank statement. The

refund of the item corresponding to the last quarter will be reflected in the bank account in January 2024.

d) The “*Shipping account*”, with a balance of 6.90 euros, records the postage of letters and the sending of documentation. In this year, this type of expenditure has practically disappeared because of the decision of the Governing Board, at the proposal of the Secretariat, to eliminate the printing of the Journal and its consequent submission on paper, which means that this item is practically eliminated.

e) In the “*Software renewal*” account, with an amount of 603.79 euros (1% of the total expenses), the annual costs of the license of the new SAGE50 accounting program have been included.

VI. BUDGET STATEMENTS

In accordance with the Financial Rules of EUROSAI, the Organization's budget is prepared, managed, and settled in accordance with the principles of unity, balance, unity of account, universality, specialization, transparency, and three-year periodicity, covering the period between Congresses.

The implementation of the budget, in accordance with rule 6, is carried out annually and is presented in two statements: the statement of liquidation of the expenditure budget and the statement of liquidation of the income budget, which have been incorporated at the beginning of this Financial Report.

VI.1. Statement of the expenditure budget

The Organization's expenditure budget includes all EUROSAI's expenses, except for the staff costs of the Secretariat, office expenses at its headquarters and website accommodation, which are financed by the Spanish Court of Audit, in accordance with rule 32 of the Financial Rules (see Section IX).

The initial total amount of expenditure budgeted for this year was 94,179 euros, which has been reduced by 7,418 euros (7.88% of the total), because of the non-contribution of the contributions of Russia and Belarus (See section V.1). On the other hand, appropriations corresponding to the 2022 financial year have been incorporated for an amount of 36,258.68 euros, which corresponds to the unused remainder of the previous year, so that the initial credit of the revenue budget amounted to 123,019.68 euros.

During this financial year, it has not been necessary to make any changes to the appropriation in the implementation of the expenditure budget.

Obligations have been recognized and payments authorized amounting to 56,044.09 euros, representing 45.56% of the final appropriations (64.6% of the initial available appropriations).

More detailed information on the 2023 expenditure budget, broken down by chapter, is provided below.

VI.1.1. Chapter 1: Operating expenditure

The initial allocation of Chapter 1 (considering the incorporation of carryovers from the 2022 financial year) for the 2023 financial year amounted to 55,925.11 euros, which represents 45.46% of the total initial budget. The most significant item corresponds to *Article 1.8. Contribution to the organization of the EUROSAI Congress*, which represents 14.84% of the total budget, and is expected to be used in 2024 to cover the expenses incurred during the celebration of the XII Congress. Secondly, *Article 1.5 Publications of EUROSAI*, with 17,503.47 euros, represents 14.23% of the total of chapter 1. It is followed in quantitative importance by those corresponding to *Article 1.1. Translations*, amounting to 15,432.23 euros.

The authorization of operating expenses results from the approval of the three-year budget 2022-2024, at the XI EUROSAI Congress, in order to implement the Organization's Strategic Plan (2017-2023). In the 2023 financial year, obligations have been recognized in the Chapter 1 up to 21,464.47 euros, so their degree of execution is 38.38% of the final budget. The expenses incurred to produce the EUROSAI magazine for an amount of 15,967.35 euros, represents 74.39% of the expenses of Chapter 1.

In accordance with financial rule 38, budget allocations that have not been used during the financial period shall be incorporated into the relevant chapter in the next financial period.

VI.1.2. Chapter 2: Expenditure on the implementation of the Strategic Plan

The budget for the three-year period 2022-2024 provides for an initial annual allocation of 51,079.00 euros in Chapter 2, (which has been reduced in the financial year 2023 by 4,023.23 euros, as a result of the non-collection of the contributions of Russia and Belarus), represents 54.24% of the total initial budget, and aims to ensure that the activities organized for the achievement of the strategic objectives can count on sufficient financial support from EUROSAI.

The final budget for this year after incorporating the remainder of the 2022 financial year has been 67,094.57 euros.

In the 2023 financial year, the 34,679.62 euros of expenses recognized in *Article 2.1. Financing of activities*, involve a degree of execution of the final credit of 51.54%.

As in Chapter 1, the surpluses arising in the two years of the current three-year period of 32,514.95 euros will be incorporated into Chapter 2 in the next financial period.

The expenditure under Chapter 2 of the budget (consisting of subsidies granted to the SAIs of North Macedonia, Lithuania, Latvia, and the Czech Republic) has been expressly approved by the EUROSAI Coordination Team, making use of the delegation of powers agreed by the 49th

Governing Board, in implementation of rule 36 of the Financial Rules. The justification to the Secretariat of the financial aid has been made in the terms established in that rules.

The following table shows the details of the subsidized activities that constitutes 100% of the implementation of the Chapter 2 budget:

Table 3. Subsidies approved and implemented in the 2023 financial year.

(In euros)

EFSA	Seminar/event	Approved Amount	Expenditure Approval Body
North Macedonia	Meeting on the results of the Joint Audit Report and discussions related to cooperative auditing and the importance of strengthening the capacities of municipalities	15,000.00	Coordination Team
Lithuania	Celebration of the 58 th Governing Board held in Vilnius	10,114.00	Coordination Team
Latvia	"Working Together Forum" event of EUROSAs and the Confederation of Internal Auditors (ECIA)	6,352.56	Coordination Team
Czech Republic	Organization of the Event "EUROSAs Working Group on environmental Auditing (hereinafter EUROSAs WGEA) and its Governing Board Meeting"	5,720.60	Coordination Team

VI.1.3. Accounting and budgetary relationship of the expenditure budget

The accounting classification of expenditure into budgetary items is shown below, with the expense accounts having been numbered in accordance with the provisions of the applicable Chart of Accounts:

Table 4. Accounting classification of expenditure into budget items. Financial year 2023.

(Amounts in euros)

Expense Accounts	Amount of expenses	Budget concept
623.1 Translations	4,197.85	1.1 Translations
623.2 Annual Review	15,967.35	1.5 EUROSAI publications
626 Banking services	353.04	1.6. Miscellaneous
627 Public Relations, representation		1.4 Representation
629.0 Other services	287.64	1.6. Miscellaneous
629.1 Accounting Software Renewal	603.79	1.6. Miscellaneous
629.3 Submissions	6.90	1.2 Communications
629.4 Other expenses	47.90	1.6 Others
650 Strategic Plan/Subsidies	34,579.62	2.1 Financing of activities
Total	56,044.09	

VI.1.4. Payments

A total of 54,332.27 euros has been paid, which represents 96.95% of the obligations recognized in the year, with outstanding obligations of 1,711.82 euros, corresponding in their entirety to *Article 1.5 EUROSAI Publications*.

VI.2. Statement of the income budget

In accordance with the provisions of the approved three-year budget, the total annual amount of income is 94,179 euros, and corresponds to the fees approved for the year by the members of EUROSAI which were paid during the year, with the exceptions explained in section V.1.

VI.3. Remaining budget

As of December 31, 2022, the total equity of 449,127.06 euros, generated by the successive budget carryovers, plus the budget surplus generated in the current year, which amounts to 30,716.91 euros, and is recorded in the *Profit and Loss account*, its composition being as shown in the following table:

Table 5. Equity in 2023.

(In euros)

Concept	Amount
Equity as of December 31, 2022	449,127.06
Fee income for the 2023 financial year	86,761.00
Incorporation of the remainder due to cancellation of expenses 2023	303.49
Chapter 1 Funding in 2023	-21,464.47
Chapter 2 Funding in 2023	-34,579.62
Equity as of December 31, 2023	480,147.46

As indicated in section IV.3, in February 2023 the SAI of Lithuania justified expenditure corresponding to a subsidy granted in the financial year 2022 for an amount lower than that granted by EUR 303.49, which had the effect of a posteriori correction of the budgetary surplus and therefore of own funds, recorded in the financial statements for this financial year 2023.

The following table shows the composition of the budget surplus generated in this year for 30,716.91 euros:

Table 6. Evolution of the budget surplus and equity during the period 2022-2023

(In euros)

	Undrawn Chapter 1 Credit	Chapter 2 Credit Not Drawn	Equity
Balance as of 31.12.2021			411,518.01
Incorporation of the remaining cancellation of expenses 2021			1,350.37
Remainder generated in 2022	16,219.88	20,038.80	
Incorporation of the remainder of the cancellation of expenses 2022			303.49
Remainder generated in 2023	18,240.76	12,476.15	
Total, Cumulative carryovers	34,460.76	32,515.95	66,975.59
Balance as of 31.12.2023			480,147.46

VII. EVOLUTION OF THE COLLECTION OF FEES FOR CLOSED FINANCIAL YEARS

There are no outstanding fees for previous years.

VIII. ACTIVITIES CARRIED OUT DURING FINANCIAL YEAR 2023 AND THEIR RELATIONSHIP WITH EUROSAI'S OBJECTIVES

Financial rule 72 provides that the financial report must contain information on the activities carried out by the Organization during the period, which are detailed in Appendix 3.

IX. ESTIMATED CONTRIBUTION OF THE SPANISH COURT OF AUDIT TO EUROSAI

In accordance with article 16.2 of the Statute and rule 32 of the Financial Rules, the Spanish

Court of Audit covers the costs of the staff of the EUROSAl Secretariat and the premises necessary for its day-to-day management. These recurrent expenses are the estimated salaries of the staff involved in the activity of the EUROSAl Secretariat, the hosting/maintenance of the Organization's website, as well as the operating costs (electricity, premises, telephone, communication costs and computer equipment). In accordance with the above-mentioned regulations, these expenses are not included in the EUROSAl budget.

This expenditure amounted to 512,718.92 euros in 2023 and, in accordance with rule 60 of the Financial Rules, a certificate of its estimation, signed by the President of the Court of Audit, is attached to the financial statements (Appendix 4).

The main reason for the increase in this item is the incorporation of new officials to collaborate with the tasks entrusted to EUROSAl, as well as the amount of inflation in the global environment this year.

X. OTHER INFORMATION

X.1. EUROSAl Governing Bodies according to the Statutes

The governing bodies of EUROSAl, in accordance with its Statutes, are the Congress, the Governing Board and the Secretariat.

According to article 5, The Congress shall consist of Heads of the Supreme Audit Institutions who are members of EUROSAl or their duly authorized representatives. In order to be validly constituted, an absolute majority of the members must be represented .

In line with article 7, the Congress must be presided by the SAI of the country where it takes place and shall meet in ordinary session at least once every three years. Regarding the voting procedures the votes of an absolute majority of the members present being necessary for most of its resolutions (except as provided in articles 9.8, 10.1b and 19 of the Statutes).

The Governing Board, in accordance with articles 10 to 12 of the Statutes, is composed of eight members. It currently consists of the SAIs of the Czech Republic (Presidency), Israel, Poland, Spain (as Permanent Secretariat), Latvia, Lithuania, Türkiye, and the United Kingdom. The Chairmanship of the Governing Board implies the Chairmanship of EUROSAl.

X.2. Authorizations granted by the Governing Board affecting financial matters

The Governing board by resolution adopted in its 53rd meeting, delegated to the Coordination Team the approval of financial aid related to Chapter 2 of the EUROSAl budget, with the following exceptions:

- a) *"Subsidies for holding EUROSAI events (including joint events with external partners) exceeding 15,000 euros.*
- b) *Financing of programmes established by EUROSAI (e.g. Secondments Program).*
- c) *Financial support for EUROSAI non-members (rule 52 of the Financial Rules).*
- d) *Expenses related to other activities/tasks listed in Appendix III of the Financial Rules, exceeding 15,000 euros.*

X.3 Other relevant facts

At the XI EUROSAI Congress, several activities were approved to be carried out in the 2022-2024 triennium, including the **redesign of the EUROSAI website**, support for training for SAIs in information technology resources, collaboration with AFROSAI, and **the financing of staff exchange programs (secondments)**, among other projects.

X.3.1 EUROSAI website

The background to **the website** project can be traced back to the 52nd Governing Board, at which the Secretariat was tasked with updating the EUROSAI website, considering the growing need for its renewal to address issues such as obsolescence, vulnerability, slowness, etc. along with other requirements in terms of databases and other functionalities.

In June 2021, the EUROSAI Project Group for the "Relaunch of the EUROSAI Website" was constituted under the umbrella of the Communication Portfolio, and during the 55th Governing Board, a proposal for the EUROSAI website was presented which was approved, including the procurement forecast and indicating that the budget allocations would be approved by the Governing Board by written procedure once the estimated cost had been calculated.

In the budget approved at the XI Congress, section 1.6 indicates the inclusion of 60,000 euros, as an estimate, for the redesign of the website. The determination of the final amount authorized for expenditure requires the approval of the DC, as provided for in rule 13 of the EUROSAI Financial Rules.

In March 2023, after conducting a review of the requirements and a consultation with the market, the Governing Board approved allocating a maximum amount of 157,000 euros excluding VAT to be financed with the Welfare Fund.

The tender and subsequent contracting was carried out by the Spanish Court of Audit, in accordance with Law 9/2017 on Spanish Public Sector Contracts, being awarded the contract for the development services of the new EUROSAI website to SAGA CONSULTING AND SOFTWARE FACTORY S.L. for an amount of 138,678.10 euros. Payments will be made by the

Court of Audit in accordance with the plan set out below, and the amounts will then be reimbursed by EUROSAI.

The plan envisaged for the execution and payment of the works associated with the contract is:

ANNUITY	AMOUNT INCLUDING VAT
2023	0.00
2024	124,810.29
2025	13,867.81
TOTAL	138,678.10

These amounts will be applied to Chapter 2 of the EUROSAI Expenditure Budget in accordance with the provisions of section 1.6 of the approved budgets for the period 2022-2024.

X.3.2 EUROSAI "Secondment" Program

In October 2022, the SAI of the Czech Republic took over the secondment program that the SAI of Poland had led and tried to implement between 2018 and 2022, without success due to the pandemic.

In the 58th Governing Board, the SAI of the Czech Republic reported the approval by the Coordination Team of new Terms of Reference for the Program.

At the end of 2023, a pilot test was carried out, with the SAI of the Czech Republic requesting reimbursement of part of the expenses, amounting to 2,156.19 euros, which has been processed in 2024, and is therefore charged to the accounts for that year.

XI. APPENDIXES. ADDITIONAL INFORMATION

APPENDIX 1. BUDGET MODIFICATIONS. FINANCIAL YEAR 2023

THIS APPENDIX IS NOT PROVIDED FOR THIS FINANCIAL YEAR BECAUSE THERE HAVE BEEN NO ECONOMIC EVENTS TO REPORT.

APPENDIX 2. STATEMENT OF FEES. FINANCIAL YEAR 2023

(In euros)

SAI MEMBERS	CONTRIBUTION 2023	Fees Entered
<i>GROUP I</i>		
Germany	6,950.00	6,950
France	6,950.00	6,950
Italy	6,950.00	6,950
United Kingdom	6,950.00	6,950
European Court of Audit	6,950.00	6,950
TOTAL, GROUP I	34,750.00 (40.07% of the total)	
<i>GROUP II</i>		
Netherlands	3,887.00	3,887
Switzerland	3,887.00	3,887
Türkiye	3,887.00	3,887
TOTAL, GROUP II	11,661.00 (13.45% of the total)	
<i>GROUP III</i>		
Austria	1,498.00	1,498
Belgium	1,498.00	1,498
Croatia	1,498.00	1,498
Denmark	1,498.00	1,498
Slovakia	1,498.00	1,498
Slovenia	1,498.00	1,498
Finland	1,498.00	1,498
Greece	1,498.00	1,498
Hungary	1,498.00	1,498
Ireland	1,498.00	1,498
Israel	1,498.00	1,498
Kazakhstan	1,498.00	1,498
Lithuania	1,498.00	1,498
Luxembourg	1,498.00	1,498
Norway	1,498.00	1,498
Poland	1,498.00	1,498
Portugal	1,498.00	1,498
Czech Republic	1,498.00	1,498
Rumania	1,498.00	1,498
Sweden	1,498.00	1,498
Ukraine	1,498.00	1,498
TOTAL, GROUP III	31,458.00 (36.27% of the total)	

SAI MEMBERS	CONTRIBUTION 2023	Fees Entered
<i>GROUP IV</i>		
Albania	468	468
Andorra	468	468
Armenia	468	468
Azerbaijan	468	468
Bosnia-Herzegovina	468	468
Bulgaria	468	468
Cyprus	468	468
Estonia	468	468
Georgia	468	468
Iceland	468	468
Kosovo ³	468	433
Latvia	468	468
Liechtenstein	468	468
North Macedonia (Republic of)	468	468
Malta	468	468
Moldova	468	468
Monaco	468	468
Montenegro	468	468
Serbia	468	468
TOTAL, GROUP IV	8,857.00 (10.21% of the total)	
TOTAL, CONTRIBUTIONS	86,726.00	

³ SAO Kosovo has 35 euros pending payment that will be claimed together with the 2024 fee.

APPENDIX 3. ACTIVITIES CARRIED OUT BY EUROSAI. FINANCIAL YEAR 2023

OBJECTIVES	ACTIVITIES
SG - 1	3rd meeting of the EUROSAI Project Group for the drafting of the EUROSAI Strategic Plan (ESP) for 2024-2030
SG - 1	6th Meeting of EUROSAI Strategic Goal 1
SG - 1: 1.3	EUROSAI Symposium on Emerging Topics: "Digital Audit", "Emergency Preparedness"
SG - 2: 2.2	EUROSAI Project Group on Data Envelopment Analysis (DEA) and other benchmarking methods – Workshop. Madrid (Spain). Strategic Goal 2 – Institutional Capacity Development (ESP '17-'24)
SG - 1: 1.3	4th Webinar of the EUROSAI Project Group "Travelling Club of Experts". Online Strategic Goal 1 – Professional Cooperation (ESP '17-'24)
SG - 2: 2.1, 2.2	EUROSAI-ECIIA Webinar. Collaboration between internal and external auditing in the public sector. On-line
SG - 1	4th Technical Meeting of the EUROSAI Governing Board (Jerusalem-Israel)
SG - 1	4th Meeting of the EUROSAI Project Group for the drafting of the EUROSAI Strategic Plan (ESP) for 2024-2030 (Jerusalem-Israel)
SG - 1	5th Meeting of the EUROSAI Project Group for the drafting of the EUROSAI Strategic Plan (ESP) for 2024-2030. Online
SG - 2:2.1	Webinar of the EUROSAI Working Group on Information Technologies (ITWG). Online
SG - 1:1.2, 1.3	EUROSAI Project Group on Auditing the Response to the Covid-19 Pandemic – Webinar. Online
SG - 1	6th Meeting of the EUROSAI Project Group for the drafting of the EUROSAI Strategic Plan (ESP) for 2024-2030. Online

OBJECTIVES	ACTIVITIES
SG - 1	7th Meeting of the EUROSAI Project Group for the drafting of the EUROSAI Strategic Plan (ESP) for 2024-2030
SG 1:1.3	Kick-off meeting of the EUROSAI Project Group on Benefits and Methodologies of Real-Time Auditing. Rome (Italy)
SG 1:1.3	Spring Session of the EUROSAI Environmental Audit Working Group. Warsaw (Poland)
SG-1	8 th Meeting of the EUROSAI Project Group for the drafting of the EUROSAI Strategic Plan (ESP) for 2024-2030. Online
SG-1	58 th Meeting of the EUROSAI Governing Board. Vilnius (Lithuania)
SG 1:1.1, 1.2	New parallel audit initiative on "Artificial Intelligence". Online
SG 1- 1.1	Investigations Summer School. Initiative organized by the SAI of the Netherlands under EUROSAI Strategic Objective 1. The Hague, Netherlands. Strategic Goal 1 – Professional Cooperation (ESP '17-'24)
SG 1:1.1	5th Webinar of the EUROSAI Project Group "Travelling Club of Experts". Online. Strategic Goal 1 – Professional Cooperation (ESP '17-'24)
SG -1	4th Meeting of the EUROSAI Project Group on Data Envelopment Analysis (DEA) and other benchmarking methods
SG -1: 1.1	Annual Meeting of the EUROSAI Environmental Audit Working Group (WGEA)
SG -2: 2.1	EUROSAI-ECIIA "Working Together Forum" Brussels (Belgium)
SG - 1:1.3	16th Meeting of the EUROSAI Information Technology Working Group (ITWG)
SG - 1:1.1, 1.3	7th Annual Meeting and 6th Annual Seminar of the EUROSAI TFMA
SG - 1:1.1, 1.3	9th Meeting and Seminar of the EUROSAI Working Group on the Audit of Funds for Disasters and Catastrophes (WGAFADC)

APPENDIX 4. ESTIMATE OF THE CONTRIBUTION OF THE SPANISH COURT OF AUDIT TO EUROSAI: PERSONNEL EXPENSES, WEBSITE MAINTENANCE, OPERATION AND COMPUTER EQUIPMENT. FINANCIAL YEAR 2023.

In compliance with rule 60 of the Financial Rules of EUROSAI, the following is a quantitative estimate of the contribution of the Spanish Court of Audit to the expenses of the Secretariat, arising from the costs of staff, accommodation, and maintenance of the EUROSAI website, operation, and computer equipment. In accordance with the provisions of the aforementioned regulation, this estimate of expenditure is not included in the EUROSAI budget:

- Estimated expenses of personnel who served in the Secretariat of EUROSAI 436,574.26
 - EUROSAI website hosting and maintenance costs..... 4,431.00
 - Estimated office operating expenses.
(electricity, premises and telephone) 70,109.52
 - Computer equipment expenses 1,604.14
- TOTAL, EUROS..... 512,718.92**

Madrid, 8th May 2024
THE EUROSAI GENERAL SECRETARIAT,
PRESIDENT OF THE SPANISH COURT OF AUDIT



Enriqueta Chicano Jávega

