



EVANGELISCHE KIRCHE IN DEUTSCHLAND
OBERRECHNUNGSAMT

(English version)

REPORT

ON THE AUDIT OF THE
FINANCIAL STATEMENT 2018

**WORLD COMMUNION OF REFORMED CHURCHES
(WCRC)**

HANOVER

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LIST OF IMPORTANT ABBREVIATIONS

ACRC	African Communion of Reformed Churches
BfW	Brot für die Welt (Bread for the World)
BSt.	Buchungsstelle (Booking account, classification level in the finance software KFM)
CWM	Council for World Mission
DVO.EKD	Dienstvertragsordnung der EKD (compensation regulation), new version from 25th August 2008 (ABl. EKD p. 341), last change on 29th September 2014 (ABl. EKD 2015 p. 2)
EKD	Evangelische Kirche in Deutschland (Evangelical Church in Germany)
EMW	Evangelisches Missionswerk (Evangelical Mission Society)
EUR	Euro (Currency code according to ISO 4217 for the Euro zone)
Ev.-ref. Kirche	Evangelisch-reformierte Kirche (Evangelical-Reformed Church)
GG	Grundgesetz für die Bundesrepublik Deutschland (Constitution for the Federal Republic of Germany)
KFM	Kirchliches-Finanz-Management (finance software of KIGST-GmbH, Offenbach am Main)
Madip	Making a Difference Project
Nds. BesG	Niedersächsisches Besoldungsgesetz (Remuneration Law of Lower Saxony)
Nds. MBl.	Niedersächsisches Ministerialblatt (official public announcement gazette)
OPM	Otto per Mille
ORA	Oberrechnungsamt der Evangelischen Kirche in Deutschland (High Audit Office of the Evangelical Church in Germany)
ORAG	Church law on the High Audit Office of the Evangelical Church in Germany of 12 th November 1993 (ABl. EKD p. 513)
SB	Sachbuchteil (Booking account, classification level in the finance software KFM)
TVPöD	Tarifvertrag für Praktikanten im öffentlichen Dienst (Collective wage agreement for trainees in public service)
Tz.	Textziffer (classification number of the content statements in this report)
UEK	Union Evangelischer Kirchen (Union of Evangelical Churches)
UK	Unterkonto (sub-account – classification level in the finance software KFM)
USD	US – Dollar (Currency code according to ISO 4218 for the USA)
WGRK	Weltgemeinschaft Reformierter Kirchen (World Communion of Reformed Churches)
WRV	Weimarer Reichsverfassung (Weimar Constitution)

I. AUDIT BASICS

Audit assignment

The High Audit Office of the Evangelical Church in Germany (ORA) audits the budget and asset accounting of the World Communion of Reformed Churches (WCRC).

The audit assignment is based on an administrative agreement reached between the WCRC and the EKD on 10th/11th December 2014. The Standing Budget Committee of the EKD synod approved the acceptance of this audit assignment in its conference on 12th/13th March 2014.

Audit subject and aim

The subject of the audit was the annual financial statement of the WCRC for the accounting year 2018. For this it was precisely audited

- whether the budget and economic management as well as the asset administration in the accounting year 2018 took place correctly and according to the relative principles and regulations (concerning the budget) and
- whether the annual accounts 2018 convey an appropriate image of the actual situation concerning the budget implementation as well as the assets, finances and results.

The correctness of accounting was the audit standard in this case. In this respect, the audit aim was to determine whether there were considerable differences between the amounts mentioned in the accounting and those proven in the books and whether the approval and authorization of the annual accounts as well as the approval of the WCRC General Treasurer and the WCRC General Secretary by the Executive Committee can be recommended.

Possible reporting duties resulting from the previous status as a charitable organization according to Swiss law towards Swiss authorities are not covered by this report.

Audit of the budget and economic management

In addition to the audit of the accounting, it is the assignment of the ORA to audit the budget and economic management of the WCRC. This specifically includes the administrative action which is not directly reflected in the annual accounts to be presented. In this case, the audit standards are the correctness and cost effectiveness of the actions.

For this, it was precisely audited:

- whether the entrusted resources were deployed in an adequate, economic and thrifty way,
- whether and in which cases of relevance the regulations and principles applicable to the budget and economic management were not complied with and
- what recommendations for action are to be derived from the audit results for the future, if applicable.

As a whole, it is the intention of the audit to support the elected leadership and organs of the WCRC in the execution of their functions and to stimulate economic thinking as well as responsible action concerning the handling of the resources entrusted to the organization.

Type, extent and execution of the audit

The ORA carried out the audit based on a risk-oriented audit approach. Accordingly, the audit must be planned and executed in such a manner that any incorrectness and infringements in the accounting and the budget and economic management of the WCRC are recognized with adequate certainty. It was not the aim and task of the audit to trace discrepancies without significance in single cases or the whole.

The audit was carried out according to the dutiful judgment of the auditor in samples and according to certain foci. These were selected so that they allowed for the significance of the different audit topics, conveyed a meaningful image of the corresponding section and facilitated the conclusion as to whether applicable law had been complied with.

In this context, the following audit foci were determined:

- correctness and completeness of the annual financial statement (appropriate reproduction of the asset and result situation, adherence to the budget),
- correctness of the asset evidence (correct compilation and applicable recording of the essential asset positions) and
- inspection of single fields of high significance.

If any action was taken against existing regulations in the accounts and this remained without audit objections, no approval is to be deduced from this fact.

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The audit was carried out – with interruptions - by Ms. Tanja Küster, Mr. Ralph Schönemeier and Mr. Tim-Niklas Behrndt in March 2019.

An on-site audit took place in the WCRC office in the Calvin Centre in Hanover (Knochenhauerstr. 42) on 12th March 2019.

The following documents were available for the audit among others:

- a) the 2018 budget for the WCRC and
- b) the financial statement presentation (annual financial statement KFM, SB 00) including General Assembly (SB 02), advances and transit accounts (SB 52), advances and transit accounts of the General Assembly (SB 53), as well as the capital account (SB 92) for the budget year 2018 of 6th March 2019 (ZB closure no. 0333).

In addition to the WCRC files, especially the accounting documents (invoice documents and bank statements), were available. The records requested within the audit were either submitted or access to the corresponding documents was allowed.

The audit was carried out based on the WCRC budget code (“WCRC General Finance Management Policies“), which has already been applied from the financial year 2013 onwards and was officially put into effect by the Executive Committee of the WCRC at its meeting of 11th to 18th May 2014. The information required on the occasion of the audit was provided by Ms Anna Krüger (Assistant for Finance and Communication) as well as Mr. Gerhard Plenter (Evangelical Reformed Church). In addition, other staff members were available for further enquiries when necessary.

Completeness statement

To ensure the audit basics, the ORA requested a representation letter for the financial statement 2018 from the WCRC. It was given by the General Secretary within the scope of this audit dated 12th March 2019.

Final discussion

On the occasion of the on-site audit, a conversation informing about the substantial results of the audit took place on 12th March 2019.

The participants were Ms. Krüger and Mr. Plenter for the WCRC and Ms. Küster for the ORA.

II. ORGANIZATIONAL CIRCUMSTANCES

The World Communion of Reformed Churches (WCRC) is a non-profit, international, non-governmental organization representing 230 member churches from over 100 countries with a total of approx. 100 million Christians as a united ecumenical body for Reformed churches. It developed from the association of the Reformed Ecumenical Council (REC) and the World Alliance of Reformed Churches (WARC) in 2010 and succeeded them legally.

The current WCRC constitution was approved by the Uniting General Council in 2010. A revised version was accepted by the General Council in the year 2017. The organization is officially based in Hanover.

In its self-concept, the WCRC follows the tradition of the Reformers John Calvin, John Knox and Huldrych Zwingli as well as the Reformation movements around Jan Hus and Pierre Valdo.

The mission of the World Communion of Reformed Churches is to foster its member churches in their community and support them in the social discussion. In addition, it is also to contribute to the ecumenical movement and the transformation of the world by standing up for economic and ecological justice, world-wide peace and reconciliation, promoting and protecting religious, civil and all other human rights; appealing for emergency relief and continuous development in the world and promoting them as well as pointing out Reformed perspectives for unity among the churches (see article V of the constitution).

In terms of articles 60 and the following of the Swiss Civil Code, the WCRC is constituted as an association. In Germany, its status is that of a public body in terms of article 140 GG in conjunction with article 137 paragraph 5 page 2 WRV, awarded by the Federal Government of Lower Saxony, order issued on 11th December 2012¹. It is subject to state supervision by the Ministry of Culture of Lower Saxony.

In addition, a contract for the regulation of issues corresponding to the legislative responsibility of the federal government was concluded between the Federal Republic of Germany and the WCRC dated 11th/14th April 2014. It was ratified by Federal Law on 10th December 2014.

¹ see announcement of the Ministry of Culture of Lower Saxony of 16th January 2013 (Nds. MBI 4/2013, page 67)

Executive Committee 2018

The organs of the WCRC are:

- the General Council (with President and General Treasurer),
- the Executive Committee and
- the General Secretary.

The Chief Executive Officer of the WCRC is the General Secretary elected by the Executive Committee. According to article XII of the constitution, he bears the responsibility for the management and coordination of their work towards the General Council and the Executive Committee. On 1st September 2014, Rev. Chris Ferguson (United Church of Canada) became the current office holder.

The WCRC President is Rev. Najla Kassab (Lebanon). The office of General Treasurer was assigned to Dr. Johann Weusmann (Germany).

The current administration of the WCRC is assumed by an operational office directed by the General Secretary. It was based in Hanover (Germany) during the audit period.

The accounting year (budget year) is the calendar year.

III. ACCOUNTING / PRESENTATION OF THE ACCOUNTING RESULTS

As before, the WCRC accounting was carried out in the cameralistic accounting style using the software KFM – Kirchliches-Finanz-Management (of the company KIGST GmbH – Offenbach am Main, Germany).

The ORA did not check the software applied. Within the scope of the audit activities, however, there were no indications leading to the assumption that the application might contain essential errors.

According to general financial principles, the annual accounts are to convey an adequate image of both the asset and the result situation. This can be summarized as follows:

Presentation of the result situation

The accounts results of the audit period according to the documents presented for the audit are as follows:

General budget

WCRC Annual Statement 2018	Revenues	Expenses
	EUR	EUR
Budget appropriation according to budget	3.815.050,00	3.815.050,00
TARGET COSTS 2018 (plan valuation)	3.815.050,00	3.815.050,00
According to the annual financial statement the following amount to:		
The actual receipts	2.746.544,39	
The transfers from program reserves	590.936,94	
The transfers from other reserves	97.765,29	
The actual expenditures		2.714.288,62
The allocations to program reserves		606.080,36
The allocations to other reserves		113.192,80
The surplus 2018 (allocation to General Reserve)		1.684,84
ACTUAL COSTS 2018 (result)	3.435.246,62	3.435.246,62

Investment budget

The investment budget (SB 02) was created for the accounting execution to handle the General Council, which took place in the year 2017.

In the budget year 2018, no entries for the General Council were made.

Advances and transit accounts

The advances and transit accounts of the WCRC (SB 52) were randomly audited. They were predominantly balanced within the year-end tasks. This especially refers to the passage accounts. The audit revealed no indications concerning any relevant cases of delayed accounting. As far as any audit-relevant circumstances arose, these were broached and/or spoken about during the audit statements.

The advances and transit accounts of the WCRC of the audit period according to the documents presented for the audit are as follows:

Advance payment					
Identification	Opening balance from 2017 EUR	Expense 2018 EUR	Revenue 2018 EUR	Closing balance 2018 carried forward to 2019 EUR	
General Advances	1.336,29	33.651,72	33.651,72	1.336,29	
Permanent Advance AIPRAL	993,00	586,43	910,71	1.317,28	
ACRC Membership	- 1.686,51	423,59	11,50	- 2.098,60	
Opening balance from projects	1.174.146,70	1.179.588,08	1.374.274,89	1.368.833,51	
Total:	1.174.789,48	1.214.249,82	1.408.848,82	1.369.388,48	

Holding ledger					
Identification	Opening balance from 2017 EUR	Revenue 2018 EUR	Expense 2018 EUR	Closing balance 2018 carried forward to 2019 EUR	
Transitory Items	- 4.046,11	227.077,73	231.625,16	501,32	
Transitory Items Endowment US/	-	-	6.308,78	6.308,78	
Deposit	- 3.390,00	2.048,00	893,00	- 4.545,00	
Transitory Items - ExCom	-	10.124,93	10.124,93	-	
Transitory items - downpayments	404.388,78	63.725,38	4.475,54	345.138,94	
Reclaimed Funds Provision	-	-	81.599,89	81.599,89	
Interests	-	9.374,49	9.374,49	-	
Asset	777.836,81	613.076,71	775.624,45	940.384,55	
Balancing Accounts	-	583.099,02	583.099,02	-	
Total:	1.174.789,48	1.508.526,26	1.703.125,26	1.369.388,48	

The position "accounting balance carried forward from projects" displayed under "advance payment" amounting to 1,368,833.51 EUR and the position "asset" displayed under "transitory items" amounting to 940,384.55 EUR correspond to the reserve stock in ledger 92 (asset stock).

Presentation of the asset situation

The asset accounting of the WCRC (SB 92) as of 31st December 2018 according to the documents presented for the audit is as follows:

WCRC - Assets

Continuation to the table reserve assets			
Reserve assets (including trust assets, according to SB 92)	Opening Balance 01.01.2018 EUR	Closing Balance 31.12.2018 EUR	Annual Percentage Change
WCRC Capital			
Reserve Fund	409.467,14	412.968,37	0,86%
IT Provision	12.063,59	12.063,59	0,00%
Fundraising Fund	11.012,44	11.012,44	0,00%
21st century reformation fund	3.964,36	0,00	-100,00%
Reserve for FX Fluctuations	100.000,00	100.000,00	0,00%
Oikotree	0,00	4.768,09	100,00%
Pension Contributions Reserve	596.491,08	655.610,76	9,91%
Specific Asset Items			
UEK special donation	683.056,08	0,00	-100,00%
Justice & Partnership Office Support	50.902,07	50.902,07	0,00%
General Council 2024 Fund	58.986,06	113.482,68	100,00%
CWM Endowment Reserve	1.211.500,00	1.211.500,00	0,00%
Endowment Contributions CWM	0,00	714.985,77	100,00%
Communion & Theology Office Programmes			
Global Institute of Theology (GIT)	4.110,36	58.802,28	100,00%
Theological Dialogues	-3.416,78	0,00	-100,00%
Anglican Dialogue	0,00	0,00	0,00%
Pentecostal Dialogue	0,00	0,00	0,00%
Catholic Dialogie	249,04	249,04	0,00%
Mission	11.295,53	11.295,53	0,00%
Multi-Agency Data Integration Project (MADIP)	27.965,33	0,00	-100,00%
Georges Lombard Prize	13.205,30	13.141,53	-0,48%
Network/Reference Group	4.595,32	4.595,32	0,00%
Justice & Witness Offices Programmes			
Covenanting for Justice	582,06	130,34	-77,61%
Gender Justice	41.530,88	41.530,88	0,00%
Theological Education for Women	106.510,58	37.456,96	-64,83%
New Econ. & Financial Archit. (NIFEA)	5.343,37	5.343,37	0,00%
Oikotree *	4.768,09	0,00	-100,00%

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Continuation to the table reserve assets			
Reserve assets (including trust assets, according to SB 92)	Opening Balance EUR	Closing Balance EUR	Annual Percentage Change
WCRC Capital			
Partnership Funds			
Partnership Fund A - BfW Funds*	85.574,83	84.384,83	-1,39%
Partnership Fund B	30.556,00	0,00	-100,00%
Partnership Fund D	0,00	1.229,67	100,00%
Partnership Fund E	632,17	632,17	0,00%
General Programmes			
Regional Support - ACRC	9.523,62	0,00	-100,00%
Global Internship Programme	55.773,22	64.670,56	15,95%
Global Internship Programme - GC	1.771,48	0,00	-100,00%
Global Anti-Racism Initiatives	0,00	1.120,84	100,00%
Key Initiatives			
EMW	126.154,44	0,00	-100,00%
OPM	64.212,10	307.932,82	379,56%
Ev. Church of Westphalia	0,00	23.564,22	100,00%
Custodian Funds			
Mission Fund	18.016,30	18.016,30	0,00%
Publications Fund	47.200,75	47.200,75	0,00%
UCC Death Penalty Consultation	5.175,70	5.175,70	0,00%
Equatorial Guinea	4.218,09	4.218,09	0,00%
Native American Project	3.164,33	3.164,33	0,00%
Sub-Total	3.806.154,93	4.021.149,30	5,65%
Trust Assets			
WCRC Europe	187.979,34	194.805,84	3,63%
Total	3.994.134,27	4.215.955,14	5,55%

The total asset stock of the WCRC amounted to 4,215,955.14 EUR for the year-end closing as of 31st December 2018. Compared with the previous year (3,994,134.27 EUR), this stock has increased by 221,820.87 EUR (5.55 %) according to the accounting balance.

IV. AUDIT STATEMENTS

1. General statements

1.1 Correctness of accounting / documentation

The WCRC has a significant accounting. The documents were randomly audited, their presentation is orderly and clearly laid out. The traceability of the audited business transactions was given. Upon request, further differentiated analyses apart from the compulsory annual financial statements were presented within the frame of the audit.

1.2 Job chart

The job chart presented is as follows:

No.	function	TVPöD	compensation	plan	result
1	General Secretary	NBesG	B 3	1.0	1.0
2	Exec. Secretary for Communications and Operations	NBesG	A 15	1.0	1.0
3	Exec. Secretary for Justice and Witness	NBesG	A 15	1.0	1.0
4*	Exec. Secretary for Communion and Theology	NBesG	A 15	1.0	1.0
5	Asst. for Finance and Communication	DVO.EKD	EG 9	1.0	1.0
6	Asst. for Justice and Communion	DVO.EKD	EG 9	1.0	1.0
7	Asst. for the Reformed Partnership Fund	DVO.EKD	EG 9	1.0	1.0
8	Asst. to the General Secretary	DVO.EKD	EG 9	1.0	1.0
Subtotal:				8.0	8.0
9	Cleaning personnel	DVO.EKD	E 2	0.18	0.18
10	Trainee (Intern)	TVPÖD	Fixed payment	1.0	1.0
11	Trainee (Intern)	TVPÖD	Fixed payment	1.0	1.0

* The employee is seconded by the Evangelical Church of Westphalia

No objections concerning the job chart have arisen.

2. Statements about the year-end closing

2.1. Correctness and completeness of the year-end closing

The 2018 year-end closing of the WCRC was compiled dated 6th March 2019 (ZB closing no. 0333). It shows a volume of 3,435,246.62 EUR.

For the audit, the documentation from accounting (SB) was provided as the annual accounting document. Close inspection and checking of the contained proven year-end closing results gave no indication for differences of relevant significance.

Finally, it is determined that the year-end closing for the accounting year 2018 shows no significant gaps according to the ORA findings.

2.2. Budget balance / Utilization of the 2018 surplus

The balancing of the ordinary budget was induced by an allocation of the profit remaining after execution of all necessary bookings amounting to 1,684.84 EUR to the General Reserve Fund (SB 92, BSt. 5110.00 UK 1).

2.3. Balancing of payment methods as well as of the investment accounts and deposits

For the audit, account and investment statements as well as account balance statements were presented for all the payment methods installed in the WCRC accounting as well as for all the asset components as proven in the balance sheet (SB 92). In this regard, no statements have resulted. No objections were made concerning the balancing of the payment methods either.

2.4 Reserves of the General Council

Within the frame of the General Assembly carried out in the year 2017, the WCRC did not require a share of the contributions received for this purpose from other (member) churches and partner organizations. In the budget year 2017, provisions amounting to 404,388.78 EUR were generated for the non-required means. They were booked as assets into the transit accounts and transferred into the budget year 2018 in full.

As already signalled during last year's audit by the ORA, the contribution notices of the contributors (especially of the EKD and the UEK) mandatorily stipulate that any non-required contribution means are to be reimbursed without delay. The connected risk of additional charge of interest payments was also pointed out.

The non-required means of the EMW amounting to 50,000.00 EUR were allocated to the reserve "Global Institute of Theology" with the approval of the EMW of 22nd May 2018, opposing the existing obligation of repayment. The non-required means from Bread for the World "Towards a Global Community of Life" were transferred to the Evangelische Werk für Diakonie und Entwicklung in February 2019.

3. Single statements

3.1. Development of the program budgets

The program budgets are processed within the ordinary WCRC budget (SB 00). Their financing mainly takes place by means of the provision of third party contributions.

The various program budgets are each separately administered and settled in the single plans 2 to 6 of the budget.

For the year 2018, the program budgets are as follows:

Programme Budgets 2017	Opening Balance	Revenues	Expenses	Closing Balance
	EUR	EUR	EUR	EUR
Communion & Theology Office Programmes				
Global Institute of Theology (GIT)	693,58	13.428,76	5.320,06	8.802,28
Theological Dialogs	4.844,36	45.240,25	45.240,25	4.844,36
Mission	11.295,53	35.744,94	35.744,94	11.295,53
Vision and Mission	0,00	101.015,10	101.015,10	0,00
Madip	27.965,33	0,00	27.965,33	0,00
Georges Lombard Prize	13.205,30	0,00	63,77	13.141,53
Communion - Regional Consultation	0,00	221,40	221,40	0,00
Justice & Witness Office Programmes				
Covenanting for Justice	582,06	0,00	451,72	130,34
Oikotree	4.768,09	0,00	4.768,09	0,00
New Economic & Financial Architecture (NIFEFA)	5.343,37	85.928,25	85.928,25	5.343,37
Gender Justice	41.530,88	16.087,90	16.087,90	41.530,88
Theological Education for Women	106.510,58	219,22	69.272,84	37.456,96
Inclusive Communities	0,00	36.440,78	36.440,78	0,00
Partnership Funds				
Partnership Fund A	85.574,83	0,00	1.190,00	84.384,83
Partnership Fund A - Provision	0,00	46.599,89	46.599,89	0,00
Partnership Fund A - OPM	0,00	107.595,56	107.595,56	0,00
Partnership Fund B	30.556,00	29.000,00	59.556,00	0,00
Partnership Fund D	0,00	1.229,67	0,00	1.229,67
Partnership Fund E	632,17	16.200,00	16.200,00	632,17
General Programmes				
Regional Support - Capacity-Building	0,00	98.704,30	98.704,30	0,00
Youth Programme	0,00	0,00	0,00	0,00
Global Internship Programme	57.544,70	72.229,23	65.103,37	64.670,56
Global Initiatives	0,00	20.979,70	19.858,86	1.120,84
Key Initiatives				
Otto per Mille	64.212,10	525.000,00	281.279,28	307.932,82
EMW	135.678,06	200.000,00	335.678,06	0,00
Evangelical Church of Westphalia	0,00	56.187,22	32.623,00	23.564,22
Total	590.936,94	1.508.052,17	1.492.908,75	606.080,36

The following statements concerning the program budgets resulted within the scope of the audit:

- For the administration of the program budgets the WCRC practices a procedure which completely transfers the earmarked stocks of the program reserves from the WCRC balance sheet to the ordinary budget for administration every year so as to make the available means visible in the program budget for the responsible executive secretaries. At the end of a financial year, the remaining means, considering the running revenues and expenses of the projects, are transferred back to the corresponding reserves within the scope of the year-end procedures. In the accounting year 2018, the program means were transferred back at the beginning of the accounting year at the beginning of March. Thus, the previously described procedure is given with the original intention of transparency.
- Six of a total of 26 programs showed no financial activities in the year 2018.
- The finance committee of the WCRC decided that a global administrative cost allocation of 8 % is to be paid from the program budgets to the core budget so as to finance the administrative overhead expenses resulting in the Hanover office. If funders indicate other administrative costs rates, these are applied.

A cursory review of the program costs showed no indications for a misappropriated utilization and/or classification of the funds.

3.2 Utilization and application of contribution funds

Apart from the program budgets, the WCRC carries out other project work, which is financed by contributors. The complete overview of the individual contributors for the year 2018 is as follows:

Donor	Remaining funds	Revenues	Expenses	Carry-over
	2017 EUR	2018 EUR	2018 EUR	2019 EUR
Council for World Mission	0,00	85.341,71	85.341,71	0,00
Otto per Mille	64.212,10	525.000,00	281.279,27	307.932,83
Evangelisches Missionswerk	135.678,06	200.000,00	335.678,06	0,00
Ev. Kirche von Westfalen	30.556,00	29.000,00	35.991,78	23.564,22
Total:	230.446,16	839.341,71	738.290,82	331.497,05

The non-required funds amounting to 331,497.05 EUR were carried forward into the budget year 2019 as earmarked or transferred to earmarked project reserves temporarily.

3.2.1 Council for World Mission

The contribution of the Council for World Mission was deployed for expenses for justice and witness as follows:

Council for World Mission	2018 EUR
Remaining funds 2017	0,00
Revenue 2018	85.341,71
Expense 2018	85.341,71
<i>thereof Executive Secretary</i>	69.152,39
<i>thereof Administrative Assistant</i>	16.189,32
Carry-forward 2019	0,00

A cursory review of the program costs showed no indications for a misappropriated utilization of the funds.

3.2.2 Evangelisches Missionswerk

The contribution of the Evangelisches Missionswerk was deployed for the WCRC mission work as follows:

Evangelisches Missionswerk	2018 EUR
Remaining funds 2017	135.678,06
Revenue 2018	200.000,00
Expense 2018	335.678,06
<i>thereof administration fee</i>	30.000,00
<i>thereof Mission</i>	139.432,50
<i>thereof Regional Empowerment</i>	98.704,30
<i>thereof Youth Empowerment</i>	67.541,26
Carry-forward 2019	0,00

A cursory review of the program costs showed no indications for a misappropriated utilization of the funds.

3.2.3 Otto per Mille

The contribution from Otto per Mille for the project work of the WCRC was deployed as follows:

Otto per Mille	2018 EUR
Remaining funds 2017	64.212,10
Revenue 2018	525.000,00
Expense 2018	281.279,27
<i>thereof Communion</i>	221,40
<i>thereof NIFEA</i>	85.854,15
<i>thereof Gender</i>	16.087,90
<i>thereof Inclusive Communities</i>	35.461,10
<i>thereof Partnership Fund</i>	123.795,56
<i>thereof Global Initiatives</i>	19.858,86
Carry-forward 2019	307.932,83

Concerning the funds from Otto per Mille it is to be noted that of the total available funds amounting to 589,212.10 EUR only 281,279.27 EUR were utilized. Among others, this is due to the fact that the receipts of payment did not occur until March or December 2018 respectively. The difference amounting to 307,932.83 EUR was temporarily assigned to earmarked project reserves, which is compatible with the regulations of Otto per Mille.

Other than that, a cursory review of the program costs showed no indications for a misappropriated utilization of the funds.

3.2.4 Ev. Kirche von Westfalen

The contribution of the Ev. Kirche von Westfalen (Evangelical Church of Westphalia) was deployed for the WCRC theology work as follows:

Evangelische Kirche von Westfalen	2018 EUR
Remaining funds 2017	30.556,00
Revenue 2018	29.000,00
Expense 2018	35.991,78
<i>thereof Administrative lump sum</i>	2.320,00
<i>thereof Partnership F and B</i>	1.048,78
<i>thereof Theological Dialogues</i>	27.791,73
<i>thereof Theology - Activities with other Communion</i>	4.831,27
Carry-forward 2019	23.564,22

Concerning the funds from the Evangelische Kirche von Westfalen it is to be noted that of the total available funds amounting to 59,556 EUR only 35,991.78 EUR were utilized. The difference amounting to 23,564.22 EUR was temporarily assigned to earmarked project reserves, which was agreed with the Ev. Kirche von Westfalen.

Other than that, a cursory review of the program costs showed no indications for a misappropriated utilization of the funds.

3.3. Membership fees

The development of the WCRC membership fees within the audited period shows the following figures:

Regional Membership Fees	Budgeted EUR	Actuals EUR	Difference EUR
Africa	20.000,00	37.307,04	17.307,04
Latin America	6.000,00	1.245,00	-4.755,00
Caribbean and North America	255.000,00	260.382,90	5.382,90
Asia	65.000,00	76.869,96	11.869,96
Pacific	3.500,00	5.970,65	2.470,65
Europe	420.000,00	502.832,97	82.832,97
total	769.500,00	884.608,52	115.108,52

The WCRC office is still busy processing the development of the membership fees of the last years so as to obtain an overview of the existing payment obligations and fee backlogs of the member churches.

3.4 Expat-Expenses

The so-called “expat expenses“ are benefits for the WCRC employees. The right to payment complies with the WCRC internal regulations of the “personnel policies and practices“. These are especially benefits concerning the costs of children’s school fees, rent and meals of children studying outside Hanover, language courses for spouses and children as well as travel to the employees’ home countries every two years.

The costs spent for this by the WCRC in 2018 can be summarized as follows.

Expat Expenses	Budgeted EUR	Actuals EUR	Difference EUR
111. Executive Secretaries	50.000,00	38.517,51	11.482,49
total	50.000,00	38.517,51	11.482,49

For the rest, the ORA carried out a random revision of singular cases and confirms agreement with the regulations of the “personnel policies and practices“.

3.5 Risks resulting from currency fluctuations

Within the frame of this audit, the ORA determined that the WCRC realized a gain from currency conversions amounting to 22,569.89 EUR (previous year loss of 81,773.82 EUR) in the accounting year 2018. `

Fx Gain/ Fx Loss	Budgeted EUR	Actuals EUR	Difference EUR
Fx gain	-	70.323,64	70.323,64
Fx loss	-	47.753,75	- 47.753,75
total	-	22.569,89	22.569,89

To safeguard against the risks resulting from currency fluctuations, an earmarked reserve of currently 100,000.00 EUR is being maintained.

4. Further statements

Various questions and problems were discussed orally during the course of the audit. Further dealing with these points within the frame of this report is superfluous since these questions have already been clarified and future attention is to be expected.

V. AUDIT RESULT

Audit of the year-end result 2018

Subject of the audit was the annual financial statement submitted by the WCRC for the year 2018. According to the result of this audit, the ORA can confirm that:

- the budget and asset accounting of the WCRC in the accounting year 2018 occurred in due form and in compliance with the relevant principles of orderly (budget) accounting and regulations,
- the financial statement for 2018 conveys an image of the budget implementation as well as the situation of assets, finances and results which corresponds to the actual circumstances.

Audit of the economic management and assets administration

With reference to the WCRC management of the budget and economy and the assets administration and as a result of the audit, the ORA can confirm that:

- the budget resolved by the WCRC Executive Committee was executed in due form, economically and thriftily and
- there are no indications for the fact that the regulations and principles effective for management might have been ignored to a considerable extent.

Recommendation of discharge

- According to the dutiful discretion of the ORA, there are no objections against the approval and authorization of the annual accounts by the Executive Committee according to articles X and XIV of the WCRC constitution.
- In the overall view, the exoneration of the General Secretary and the General Treasurer for the budget and economic management as well as the asset administration of the WCRC for the accounting year 2018 can be recommended.

Hanover, 29^h April 2019



AS REPRESENTATIVE

A handwritten signature in blue ink, appearing to be "Schönemeier".

(SCHÖNEMEIER)

OBERRECHNUNGSAMT DER
EVANGELISCHEN KIRCHE IN DEUTSCHLAND