



EVANGELISCHE KIRCHE IN DEUTSCHLAND
OBERRECHNUNGSAMT

(English version)

REPORT

ON THE AUDIT OF THE
FINANCIAL STATEMENT 2020

WORLD COMMUNION OF REFORMED CHURCHES
(WCRC)

HANNOVER

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LIST OF IMPORTANT ABBREVIATIONS

ACRC	African Communion of Reformed Churches
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 6th September 2018 (ABl. EKD 2019 p. 74)
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)
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)
Nds. BesG	Niedersächsisches Besoldungsgesetz (Remuneration Law of Lower Saxony)
Nds. MBl.	Niedersächsisches Ministerialblatt (official public announcement gazette)
NIFEA	New Economic and Financial Architecture
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)
RAN	Racism, Authoritarianism and Nationalism
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)
WGRK	Weltgemeinschaft Reformierter Kirchen (World Communion of Reformed Churches)
WRV	Weimarer Reichsverfassung (Weimar Constitution)

I. AUDIT BASICS

Audit assignment

According to article X section G. No. 4 in connection with article XIV section C of the constitution of the World Communion of Reformed Churches (WCRC), it falls to the Executive Committee to accept and authorize (discharge) the audited year-end closing of the WCRC. The WCRC has instructed the High Audit Office of the Evangelical Church in Germany (ORA) to carry out the necessary auditing activities for this purpose.

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 2020. For this, it was precisely audited:

- whether the budget and economic management as well as the asset administration in the accounting year 2020 took place correctly and according to the relative principles and regulations (concerning the budget) and
- whether the annual accounts 2020 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.

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 verified in single cases and this remained without audit objections, no approval is to be deduced from this fact.

The audit was carried out by Ms. Tanja Fitzel in April and May 2021.

The following documents were available for the audit among others:

- a) the 2020 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 2020 of 15th April 2020 (ZB closure no. 0243).

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 completeness statement from the WCRC for the financial statement 2020. It was given by the General Secretary within the scope of this audit dated 11th May 2021.

Final discussion

A final discussion was mutually regarded as unnecessary.

II. ORGANIZATIONAL CIRCUMSTANCES

The World Communion of Reformed Churches (WCRC) is a non-profit, international, non-governmental organization representing more than 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 Hannover, Germany.

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).

The WCRC 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. The WCRC is also registered as a 501(c)3 corporate body in the state of Michigan in the United States of America.

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)

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/she 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 Hannover (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 and the result of the audit are as follows:

WGRK Annual Statement 2020	Revenues EUR	Expenses EUR
Budget appropriation according to budget	2.615.540,00	2.615.540,00
TARGET COSTS 2020 (plan valuation)	2.615.540,00	2.615.540,00
According to the annual financial statement the following amount to:		
The actual receipts	1.902.780,76	
Internal reallocations between programmes	422.296,05	
The transfers from program reserves	190663,72	
The transfers from other reserves	5.469,30	
The actual expenditures		1.424.671,34
Internal reallocations between programmes		422.296,05
The allocations to program reserves		341.506,08
The allocations to other reserves		280.267,03
The surplus 2020 (allocation to General Reserve)		52.469,33
ACTUAL COSTS 2020 (result)	2.521.209,83	2.521.209,83

Advances and transit accounts

The advances and transit accounts of the WCRC (SB 52) were randomly audited.

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 2019 EUR	Expense 2020 EUR	Revenue 2020 EUR	Closing balance 2020 carried forward to 2021 EUR
General Advances	0,00	1.200,00	1.200,00	0,00
Permanent Advance AIPRAL	-2.684,44	0,00	1.400,70	-1.283,74
ACRC Membership	-2.579,93	0,00	0,00	-2.579,93
Opening balance from projects	1.012.971,51	1.018.412,89	2.344.570,74	2.339.129,36
Total:	1.007.707,14	1.019.612,89	2.347.171,44	2.335.265,69

Holding ledger				
Identification	Opening balance from 2019 EUR	Revenue 2019 EUR	Expense 2019 EUR	Closing balance 2020 carried forward to 2021 EUR
Transitory Items	323,13	37.279,49	39.132,24	2.175,88
Deposit	-3.510,00	0,00	450,00	-3.060,00
Transitory items - downpayments	315.224,16	0,00	0,00	315.224,16
COVID Cancellation refunds 2019-2020	0,00	10.579,17	10.579,17	0,00
Interests	0,00	21.613,33	21.613,33	0,00
Asset	695.670,15	1.249.326,50	2.574.582,30	2.020.925,95
Balancing Accounts	0,00	152.465,97	152.465,97	0,00
Total:	1.007.707,44	1.471.264,46	2.798.823,01	2.335.265,99

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 position "accounting balance carried forward from projects" displayed under "advance payment" amounting to 2,339,129.36 EUR and the position "asset" displayed under "transitory items" amounting to 2,020,925.95 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 2020 according to the documents presented for the audit is as follows:

Reserve assets (including trust assets, according to SB 92)	Opening Balance 01.01.2020 EUR	Closing Balance 31.12.2020 EUR	Annual Percentage Change
WCRC Capital			
Reserve Fund	470.430,25	640.237,31	169.807,06
IT Provision	32.063,59	32.063,59	0,00
Fundraising Fund	31.012,44	31.012,44	0,00
Reserve for FX Fluctuations	100.000,00	100.000,00	0,00
Oikotree	4.768,09	4.768,09	0,00
Designated Core Funds	800,00	0,00	-800,00
Reformed World	0,00	6.972,92	6.972,92
Pension Contributions Reserve	814.274,03	980.108,53	165.834,50
Specific Asset Items			
General Council 2024 Fund	166.899,91	224.489,45	57.589,54
CWM Endowment Reserve	1.211.500,00	1.211.500,00	0,00
Endowment Contributions CWM	714.985,77	714.985,77	0,00
Programmes (Structure as per Strategic Plan)			
P1 CULTIVATING A JUST COMMUNION			
Internship Programme	75.435,37	18.765,00	-56.670,37
Internship Programme - Personnel Reserve	0,00	62.740,98	62.740,98
Reformed Partnership Fund B	17.305,25	0,00	-17.305,25
Reformed Partnership Fund E	2.619,35	2.639,84	20,49
P2 COVENANTING FOR JUSTICE			
NIFEA - Campaigns	5.343,37	5.343,37	0,00
Ecology	130,34	130,34	0,00
Gender, Leadership and Power	41.353,38	41.353,38	0,00
TESF	11.549,83	4.467,72	-7.082,11
RAN	2.033,86	2.033,86	0,00
P3 DOING THEOLOGY FOR TRANSFORMATION			
Global Institute of Theology (GIT)	68.402,28	77.102,28	8.700,00
Theological Networks	4.595,32	4.595,32	0,00

Reserve Assets			
Reserve assets (including trust assets, according to SB 92)	Opening Balance 01.01.2020 EUR	Closing Balance 31.12.2020 EUR	Annual Percentage Change
P4 ENGAGING GOD'S MISSION IN THE CONTEXT OF CRISIS			
Mission	11.295,53	10.829,48	-466,05
P5 WORKING WITH ALL THE PARTNERS GOD GIVES US			
Catholic Dialogue	249,04	249,04	0,00
Key Initiatives			
EMW	0,00	67.104,82	67.104,82
OPM	0,00	86.042,06	86.042,06
Ev. Church of Westphalia	0,00	7.795,56	7.795,56
Custodian Funds			
Database Project	14.503,78	32.916,07	18.412,29
Mission and Advocacy	0,00	145.695,26	145.695,26
Justice & Partnership Office Support	50.902,07	50.902,07	0,00
Justice and Witness	13.091,78	13.054,01	-37,77
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	3.943.319,80	4.657.673,73	714.353,93
Trust Assets			
WCRC Europe	186.654,91	174.025,11	-12.629,80
Total	4.129.974,71	4.831.698,84	701.724,13

The total asset stock of the WCRC amounted to 4,831,698.84 EUR for the year-end closing as of 31st December 2020. Compared with the previous year (4,129,974.71 EUR), this stock has increased by 701,724.13 EUR (16.99%) according to the accounting balance. However, this includes 325,012.22 EUR of earmarked funds consisting of the stocks of the EMW, Otto per Mille, the der Ev. Kirche v. Westfalen, the Data Bank Project, Mission and Advocacy and the Georges-Lombard Prize.

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	tariff scheme	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
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
				10.18	10.18

* The employee is seconded by the Evangelical Church of Westphalia

**vacant between 01 Aug-12 Oct

*** occupied Feb-Dec

No objections concerning the job chart have arisen. The ORA came to the conclusion that the agreed job chart was complied with.

2. Statements about the year-end closing

2.1 Correctness and completeness of the year-end closing

The 2020 year-end closing of the WCRC was compiled dated 15th April 2021 (ZB closing no. 0243). It shows a volume of 2,521,209.83 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 2020 shows no significant gaps according to the ORA findings.

2.2 Budget balance / Utilization of the 2020 surplus

The balancing of the ordinary budget was induced by an allocation of the profit remaining after execution of all necessary bookings amounting to 52,469.33 EUR to the General Reserve Fund (SB 92, BSt. 5110.00 UK 1).

2.3 Balancing of the 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). 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 Council 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 2020, provisions amounting to 315,224.16 EUR were generated for the non-required means. They were booked as assets into the transit accounts and transferred into the budget year 2020 in full.

Concerning the non-required contribution funds from the EKD amounting to 116,233.04 EUR and the UEK amounting to 138,063.95 EUR (254,296.99 EUR), the disposition of the funds has not been clarified so far. Thus, the risk that the non-required funds be reclaimed by these contributors still exists, the creation of the reserve was correct. In addition, the ORA points out the risk of additional claims of interest payments.

Concerning this matter, the WCRC imparted that no clarification concerning the disposition of the funds has taken place on the part of the contributors. If a clarification on this matter should occur, the disposition can be released and, if applicable, transferred to the reserve "General Assembly 2024" or reimbursed, according to the result.

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 7 of the budget.

For the year 2020, the program budgets are as follows:

Programme Budgets 2020	Opening Balance EUR	Revenues EUR	Expenses EUR	Closing Balance EUR
Main Structure 2				
THEOLOGY - GENERAL				
Georges-Lombard-Preis	13.091,78	0,00	37,77	13.054,01
Main Structure 6				
KEY INITIATIVES				
Otto per Mille	0,00	366.767,92	280.725,86	86.042,06
EMW	0,00	202.353,32	135.248,50	67.104,82
Ev. Church of Westphalia	17.305,25	29.000,00	38.509,69	7.795,56
Main Structure 7				
P1 CULTIVATING A JUST COMMUNION				
FULL AND JUST PARTICIPATION				
Youth	12.694,39	59.193,79	53.123,18	18.765,00
REFORMED PARTNERSHIP FUND				
Reformed Partnership Fund A	0,00	71.496,00	71.496,00	-
Reformed Partnership Fund B	0,00	34.200,00	34.200,00	-
Reformed Partnership Fund D	0,00	4.597,70	4.597,70	-
Reformed Partnership Fund E	2.619,35	154.028,49	154.008,00	2.639,84
P2 COVENANTING FOR JUSTICE				
New Economic and Financial Architecture (NIFEA)	5.343,37	13.306,06	13.306,06	5.343,37
Ecology	130,34	0,00	0,00	130,34
GENDER, LEADERSHIP AND POWER				
Gender, Leadership and Power	41.353,38	0,00	0,00	41.353,38
Ordination of Women	11.549,83	0,00	7082,11	4.467,72
Racism, Authoritarianism and Nationalism (RAN) - EMPIRE	2.033,86	6.904,72	6.904,72	2.033,86
P3 DOING THEOLOGY FOR TRANSFORMATION				
Global Institute of Theology (GIT)	68.402,28	9.732,00	1.032,00	77.102,28
Theological Networks	4.595,32	0,00	0,00	4.595,32
P4 ENGAGING GOD'S MISSION IN THE CONTEXT OF CRISIS				
Mission in the Context of Crisis	11.295,53	0,00	466,05	10.829,48
Peace and Reconciliation	0,00	38.032,90	38.032,90	-
Theological Dialogues	249,04	1.989,69	1.989,69	249,04
TOTAL	190.663,72	1.043.856,59	893.014,23	341.506,08

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

- For the administration of the program budgets, the WCRC strives for a transparent procedure which completely transfers the earmarked stocks of the program reserves from the WCRC balance sheet to the ordinary budget for administration every year, thus making 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. The ORA checked the procedure in the accounting year 2020
- Three of a total of 20 programs showed no financial activities in the year 2020.
- In the case of the means of the program “Global Institute for Theology (GIT)“, the opening stock was raised by 50,000 EUR from the reserve GIT at the beginning of the year.
- In the case of the means youth work “Internship Program“, an adjustment posting was carried out according to the resolution of the Finance Committee of 26th February 2021. A personnel costs reserve for interns amounting to 62,740.98 EUR was created from these means. Thus, the opening stock amounting to 75,435.37 EUR was reduced to 12,694.39 EUR.
- The 2020 carry-over of the means Theological Dialogues amounting to 4,844.36 EUR was split into 294.04 EUR (Theological Dialogues) and 4,595.32 EUR (Theological Networks).
- 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 Hannover office. If funders indicate other administrative costs rates, these are applied.

A revision of the program costs and an examination of the procedure showed no indications for a misappropriated utilization or assignment of means.

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 2020 is as follows:

Donor	Remaining funds 2019 EUR	Revenues 2020 EUR	Expenses 2020 EUR	Carry-over 2021 EUR
Council for World Mission	0,00	124.477,00	124.477,00	0,00
Otto per Mille	16.767,92	350.000,00	280.725,86	86.042,06
Evangelisches Missionswerk	2.353,32	200.000,00	135.248,50	67.104,82
Ev. Kirche von Westfalen	17.305,25	29.000,00	38.509,69	7.795,56
Total:	36.426,49	703.477,00	578.961,05	160.942,44

The non-required funds amounting to 160,942.44 EUR were carried forward into the budget year 2021 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	2020 EUR
Remaining means 2019	0,00
Revenues 2020	124.477,00
Expenses 2020	124.477,00
<i>thereof Executive Secretary</i>	82.626,18
<i>thereof Administrative Assistant</i>	41.850,82
Carry-over 2021	0,00

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

3.2.2 Otto per Mille

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

Otto per Mille	2020 EUR
Remaining means 2019 from reimbursements in the budget year 2020	16.767,92
Revenues 2020	350.000,00
Expenses 2020	280.725,86
<i>thereof NIFEA</i>	13.306,06
<i>thereof Peace and Reconciliation</i>	38.032,90
<i>thereof RAN</i>	3.882,90
<i>thereof Partnership Fund</i>	225.504,00
Carry-over 2021	86.042,06

Concerning the funds from Otto per Mille it is to be noted that only 280,725.86 EUR of the total of 366,767.92 EUR available funds were deployed. The difference amounting to 86,042.06 EUR was temporarily assigned to earmarked project reserves. This was agreed upon with Otto per Mille.

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

3.2.3 Evangelisches Missionswerk

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

Evangelisches Missionswerk	2020 EUR
Remaining means 2019 from reimbursements in the budget year 2020	2.353,32
Revenues 2020	200.000,00
Expenses 2020	135.248,50
<i>thereof lump sum administration</i>	30.000,00
<i>thereof Leadership Development</i>	49.972,68
<i>thereof Regional Empowerment</i>	52.254,00
<i>thereof Global Apartheid</i>	3.021,82
Carry-over 2021	67.104,82

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

3.2.4 Ev. Kirche von Westfalen

The contribution from the Ev. Kirche von Westfalen was deployed for the theology work of the partnership fund of the WCRC as follows.

Evangelische Kirche von Westfalen	2020 EUR
Remaining means 2019	17.305,25
Einnahmen 2020	29.000,00
Ausgaben 2020	38.509,69
<i>thereof lump sum administration</i>	2.320,00
<i>thereof Partnership F und B</i>	34.200,00
<i>thereof Reformed Dialogues</i>	1.989,69
Carry-over 2021	7.795,56

Concerning the funds from the Ev. Kirche von Westfalen it is to be noted that only 38,509.69 EUR of the total of 46,305.25 EUR available funds were deployed. The difference amounting to 7,795.56 EUR was temporarily assigned to earmarked project reserves. This was agreed upon with the Ev. Kirche von Westfalen.

Other than that, a review of the project 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	23.000,00	22.330,61	-669,39
Latin America	2.000,00	2.034,43	34,43
Caribbean and North America	230.000,00	231.357,15	1.357,15
Asia	40.000,00	60.493,96	20.493,96
Pacific	3.000,00	2.956,46	-43,54
Europe	420.000,00	437.045,55	17.045,55
total	718.000,00	756.218,16	38.218,16

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 Hannover, 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 2020 can be summarized as follows:

Expat Expenses	Plan EUR	Ergebnis EUR	Saldo EUR
1111. Executive Secretaries	26.000,00	23.849,48	2.150,52
Gesamt	26.000,00	23.849,48	2.150,52

The ORA carried out a revision of single cases and detected 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 had to realize a loss from currency conversions amounting to 16,949.04 EUR (previous year gain of 7,535.94 EUR) in the accounting year 2020.

Fx Gain/ Fx Loss	Budgeted EUR	Actuals EUR	Difference EUR
Fx gain	-	45.882,78	45.882,78
Fx loss	-	62.831,82	62.831,82
total	-	- 16.949,04	- 16.949,04

To safeguard against the risks resulting from currency fluctuations, an earmarked reserve of currently 100,000.00 EUR is being maintained. The exchange loss of 16,949.04 EUR was financed from the current budget.

3.6 Accounting entries of the program budgets

Concerning the program budget funds, the opening stocks of four programs were altered in 2020, as already mentioned in Tz. 3.1. Thus, the stated closing stock of the previous year does not correspond to the opening stock of the year 2020.

The opening stock of the reserve “Youth Internship Program” was altered due to a withdrawal of reserves amounting to 62,740.98 EUR. This withdrawal of reserves was

entered as a cancellation in SB 92. The ORA was able to reconstruct the corresponding entries.

The ORA recommends avoiding the cancellation of reserve stocks and opening stocks in the future. The closing stocks of the previous year have to correspond to the opening stocks. The corresponding cross entries are to be booked as reserve withdrawals within the frame of the year-end closing.

4. Further statements

Various questions and problems which arose during the course of the audit were discussed orally. 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 2020

Subject of the audit was the annual financial statement submitted by the WCRC for the year 2020. According to the result of this audit, the ORA can confirm that:

- the budget and asset accounting of the WCRC in the accounting year 2020 occurred in due form and in compliance with the relevant principles of orderly (budget) accounting and regulations,
- the financial statement for 2020 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 2020 can be recommended.

Hannover, 19th May 2021



AS REPRESENTATIVE

(SCHÖNEMEIER)

OBERRECHNUNGSAMT DER
EVANGELISCHEN KIRCHE IN DEUTSCHLAND