

**The Global Initiative against
Transnational Organized Crime
Geneva**

**Report of the Statutory Auditor
To the General Meeting of Members**
On the limited statutory examination
for the year ended December 31, 2023

Report of the statutory auditor to the General Meeting of Members on the limited statutory examination of The Global Initiative against Transnational Organized Crime, Geneva

As statutory auditor, we have examined the financial statements (balance sheet, statement of income and expenses and notes) of The Global Initiative against Transnational Organized Crime for the financial year ended December 31, 2023.

These financial statements are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of entity personnel and analytical procedures as well as detailed tests of entity documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

Forvis Mazars Ltd

Jean-Marc Jenny
Licensed audit expert
(Auditor in charge)

Karim Chaouki
Manager

Geneva, June 12, 2024

Attachments

- Financial statements for the year ended December 31, 2023 (balance sheet, statement of income and expenses, notes)

The Global Initiative Against Transnational Organized Crime

Geneva

Balance Sheet as of 31 December 2023
(in Swiss Francs)

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	3'302'382	424'707
Grants receivables	550'845	862'558
Sister organisation receivables	85'979	319'660
Other current receivables	60'756	82'207
Accrued income	476'503	1'524'663
Prepaid expenses	75'765	82'149
Current assets	4'552'230	3'295'944
Non-current assets		
Fixed assets	161'941	51'165
Financial assets	77'862	70'847
Non-current assets	239'803	122'012
Total Assets	4'792'033	3'417'956
LIABILITIES		
Short-term liabilities		
Vendors payables	50'956	216'045
Sister organisation payables	312'404	69'972
Other current payables	455'925	433'127
Accrued expenses	312'691	330'030
Deferred income	3'396'514	1'191'257
Short-term liabilities	4'528'490	2'240'431
Association own funds		
Balance brought forward	1'177'525	1'066'392
Expenditures over income	-913'982	111'133
Total association own funds	263'543	1'177'525
Total Liabilities and Association own funds	4'792'033	3'417'956

The Global Initiative Against Transnational Organized Crime

Geneva

Statement of Income and Expenses for the year ended 31 December 2023 compared to 2022
(in Swiss Francs)

	2023	2022
INCOME		
Grants received	10'863'459	10'581'412
Revenue from sister organisation	852'124	504'188
Deferred income variation	-2'205'257	314'725
Accrued income variation	-1'060'896	-1'191'365
Donations in kind	201'603	1'092'745
Total Revenues	8'651'033	11'301'705
PROGRAMME EXPENDITURE		
Personnel costs and salary consultants	-5'118'366	-4'420'442
Salary and consultant fees from sister organisation	-1'167'417	-1'136'785
Consultant costs	-1'326'905	-2'239'127
Consultant costs in kind	0	-948'892
Grants	-45'733	-47'776
Grants to sister organization	-883	-67'531
Travel expenses	-723'603	-1'255'588
Professional services	-240'900	-223'021
Communications, media and outreach	-159'444	-72'006
Total Expenditure related to programs	-8'783'251	-10'411'168
Net contribution to overheads	-132'218	890'537
OVERHEAD COSTS		
Rental and maintenance	-18'247	-33'091
Rent in kind	-102'048	-102'098
Administration costs	-208'031	-218'733
VAT not recoverable	-9'818	-3'365
Overhead from projects' partners	-13'574	-16'617
Overhead from sister organisation	-157'353	-172'184
Depreciation	-31'333	-23'671
Total Overhead Costs	-540'404	-569'759
Earnings (losses) before financial results	-672'622	320'778
FINANCIAL RESULTS		
Interests received	226	0
Exchange gain & losses	-225'885	-173'198
Bank fees	-48'672	-56'545
Total financial results	-274'331	-229'743
OPERATION FROM PREVIOUS YEARS		
Operating revenue from previous years	56'699	48'034
Operating charge from previous years	-23'728	-27'936
Total revenue and charges from previous years, net	32'971	20'098
Expenditures over income	-913'982	111'133

The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31 December 2023

(in Swiss Francs)

Association domicile

Avenue de France 23, 1202 Genève

Scope of the association

Promote cross-border and catalytic processes that attract new players and facilitate remodeling of reflection, coordination and responses to transnational organized crime; invigorate the global debate around transnational organized crime in order to promote sustainable translation and implementation of new approaches within a multilateral framework, regional and national levels; undertake research and develop new policy options to help inform a strategic development at national, regional and international levels; create the basic materials of a global strategy on organized transnational crime.

Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO).

Revenue recognition

Revenues are recognised on the basis of donor specific contracts using the percentage of completion method and related accruals have been booked in the balance sheet.

Contribution

Contributors	in CHF	in %
Australia	61'197	0.71%
Canada	0	0.00%
Denmark	270'391	3.13%
Europe Union	2'264'177	26.17%
Germany	1'704'632	19.70%
Institute for Security Studies as implementing	426'361	4.93%
New Zealand	0	0.00%
Norway	743'971	8.60%
Other donors	663'390	7.67%
Smaller projects and sister organisations	780'046	9.02%
Switzerland	191'074	2.21%
<i>Core Contribution</i>	89'165	1.03%
<i>Rent in kind</i>	109'906	1.27%
<i>Civil Society Engagement in UNTOC Mechanism 2</i>	-7'996	-0.09%
The Netherlands	80'101	0.93%
United Kingdom	100'488	1.16%
United Nations	69'817	0.81%
United States of America	1'295'389	14.97%
Total	8'651'034	100.00%

In many cases these contributions were contracted and received in their original currencies, and converted to CHF.

The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31 December 2023

(in Swiss Francs)

Contribution received from the United Kingdom

Following the specific requirement of the donor the following projects have been funded by the United Kingdom. Specific exchange rates have been used as stated on the grants agreements.

Projects Name	Contract N°	in GBP
Development Dialogue London	Ecm_5523	89'971

Expenditure recognition

Expenses are recognized in the financial statements on an accrual basis.

Depreciation

From 1 January 2022, Computers bought in the previous years have been activated at their net amortized value on 1 January 2022 as disclosed below. The computers are depreciated over their estimated useful life of 3 years.

Declaration of full-time equivalents

The association employs about seventy consultants - employees (2022 - about sixty) of which less than ten are located in Switzerland.

Pension liabilities

	2023	2022
Liability to pension scheme as at 31 December	CHF 1314.70	CHF 8'399.80

Lease commitment not considered in the financials

The Swiss confederation is providing an in-kind contribution covering the rent for the Geneva's office space. This contractual agreement ends by 31 December 2026.

Exchange Rates applied

Devises	2023	2022
AUD	0.5821	0.6323
CAD	0.6438	0.6883
DKK for 100	12.6442	13.4155
EUR	0.9424	0.9938
GBP	1.0840	1.1237
JPY for 100	0.6017	0.7043
NOK for 100	8.3560	9.4321
NZD	0.5407	0.5912
PKR for 100	0.3028	0.4115
SEK for 100	8.5295	8.9616
SGD	0.6459	0.6936
THB for 100	2.4835	2.6997
USD	0.8513	0.9325
ZAR	0.0462	0.0550

The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31 December 2023

(in Swiss Francs)

Operation from previous years

Operating revenue from previous years

2022

From 1 January 2022, Computers bought by the organisation have been considered as fixed asset while previously considered as expenses during the year of purchase. Computers that were bought in the previous years have been capitalised on 1 January 2022 for a total amount of CHF 31'049, thus generating revenue from previous years. Finally, a correction on a partner's invoice had to be filed.

2023

Income from previous years partly consists of in-kind revenues, which can only be recorded when they are definitively acquired. Additionally, in 2023, one of our suppliers conducted a reconciliation of the services provided in 2022 and sent us credit notes based on the actual costs.

Operating charge from previous years

2022

Several invoices related to the year 2021 have been received after the conclusion of the audit last year.

2023

Expenses from previous years come partly from in Kind expenses which can only be recorded when fully recognised. Like in the previous year, several invoices related to the year 2022 have been received after the closing of the 2022 audit.

Contingencies and litigations

During the 2020 year, a third party individual instigated proceedings against three GI staff members alleging defamation for a paper published under the EU-funded ENACT programme in 2018.

The GI-TOC has engaged legal counsel who considers that the claim has no merit, and they have recommended that to defend by all means necessary against the allegations which have been filed in the High Court of Kenya. An interlocutory procedural motion was refused in March 2021. Once the case begins, the process is likely to take upwards of 18-24 months to conclude. There were no significant developments in 2023 in relation to this case.

Accordingly, and in line with Swiss regulations, a contingent liability has been assessed and recorded in the financial statements to cover litigation costs and the required percentage of a potential judgement.

Subsequent events

The Management assessed subsequent events occurring after the date of the annual financial statements for the year ended 31 December 2023. It has not noted the existence of any significant event likely to require any modification to the annual accounts.