



A PRESIDENTE

Council of Europe (CoE)

1538th meeting

Exchange of views with the External Auditor

The President of the Court of Auditors of Portugal, Filipa Urbano Calvão



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Madam President of the Ministers' Deputies of the Council of Europe,

Ms Francesca Camilleri Vettiger

Ministers' Deputies, Honourable Ambassadors

Secretary General, Mr Alan Berset

Deputy Secretary General, Mr Bjørn Berge

Ladies and Gentlemen

Let me begin by highlighting the significance and context of our external audit mandate, and by underscoring its importance for the national and international prestige and recognition of the Portuguese Court of Auditors. This is a responsibility that honors us and reinforces the trust placed in our institution.

Indeed, this is not a path we are new to. The Court brings with it over two decades of experience in similar assignments carried out for various international organizations — such as the European Molecular Biology Laboratory (EMBL), the European Southern Observatory (ESO), the European Organization for Nuclear Research (CERN), the Organisation for Economic Co-operation and Development (OECD), among others —, and I do believe that this accumulated experience provides a solid foundation for the quality and consistency of our work.



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But it is nonetheless important to note, namely, the professional growth opportunities that such mandates offer to the members of our audit teams, who benefit not only from the technical demands of the work but also from the interaction with diverse institutional environments and cultures.

As 2024 marks the first year of our mandate, it required a particularly significant effort to gain a thorough understanding of the CoE — including its legal and regulatory framework, its management practices, and, equally important, the people who were directly involved in the areas subject to audit, such as finance, procurement, human resources, and internal audit, among others.

I trust this effort has ultimately led to the best possible results, which is why we hereby reaffirm the Court's firm commitment to continue delivering high-quality work, by mobilising the most appropriate human and technical resources at our disposal.

I must also express our appreciation for the open and constructive dialogue that has been established between the Court of Auditors and the Council of Europe — not only in general terms but especially throughout the audit process.



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Finally, I would like to warmly acknowledge the excellent collaboration of the Council of Europe, reflected in the timely and accurate provision of all relevant information and documentation, which has greatly facilitated the audit work.

Indeed, this constructive spirit has made it possible for us to accomplish the twofold objectives entrusted to the External Audit.

Firstly, to obtain assurance that the financial statements accurately present the financial position, the results of operations, and the cash flows of the Council of Europe. This includes ensuring that these statements have been prepared in full accordance with the International Public Sector Accounting Standards (IPSAS).

Secondly, to verify that the budgetary management accounts faithfully reflect the financial records and transactions of the Organisation. In doing so, we also ensure that these accounts have been prepared in compliance with the Financial Regulations, as well as any other rules or instructions issued by the Committee of Ministers.

In what concerns the key highlights of the 2024 Financial Statements, we would like to highlight a significant improvement in the net financial



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position, which increased by €171 million compared to the previous year. This result reflects the organisation's continued commitment to financial stability and prudent resource management.

Also, the Statement of Financial Position shows a notable 9.2% increase in total assets, primarily driven by the strong performance of the Pension Reserve Fund (PRF) and an increase in short-term deposits. These developments reflect sound investment decisions and a robust liquidity position.

On the liabilities side, there was a slight decrease of 1.3%, supported in particular by a reduction in employment benefit obligations, which contributed positively to the overall financial position.

However, we also observed an increase in payables, mainly due to higher pre-financing amounts and balances to be refunded to Member States. While this represents a rise in short-term obligations, it is closely linked to the timing of operational implementation and budget execution.

In conclusion, the 2024 financial results reflect not only a solid financial trajectory, but also a clear demonstration of responsible, transparent,



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and forward-looking financial management, aimed at delivering value and accountability to all Member States.

With regard to Human Resources, in 2024, staff costs represented 41.5% of total operating expenses, a slight decrease from 41.9% in 2023. This proportion remains within expected parameters and reflects careful planning and cost control in workforce management.

Following a thorough review of Human Resources and Payroll systems, I am pleased to report that no issues requiring immediate action were identified, and, as a result, the External Auditor will not issue any recommendations or observations in this area for the current financial year.

These outcomes underscore the effectiveness of internal controls and the soundness of our administrative and financial practices.

With regard to matters of fraud and compliance, the External Auditor's objective was to assess the financial statements for any material misstatements or irregularities resulting from fraud or non-compliance with applicable laws and regulations.



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In this context, management has confirmed that no instances of fraud were identified in 2024 that would have a material impact on the financial statements and on the Auditors' opinion.

I would also like to present a brief overview of the work carried out in the other domain of the EA, namely, the audit of cooperation activities such as Action Plans (Armenia/Georgia/Moldova/Ukraine) and related specific projects (3).

In this particular case, a Special focus was given to the accuracy, reliability, and integrity of accounting and financial data—cornerstones of transparency and good governance –, and seven audit reports were issued, highlighting several key observations and recommendations.

The audit covered various areas, including the engagement of consultants, grant management, human resources, and the delegation of financial responsibilities.

Risk management was also thoroughly reviewed, with findings underscoring the need to strengthen controls and procedures to reduce potential vulnerabilities.



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The recommendations provided in the reports offer consistent support for continuous improvement, helping to ensure enhanced compliance and operational efficiency.

Moving forward, it is essential to evaluate the effectiveness of the measures in place and closely monitor their implementation. Diligent application of these recommendations will help build a robust control environment and promote a management culture grounded in integrity and excellence.

A performance audit is currently being undertaken on procurement – and it is now in the contradictory phase. The objective is to evaluate how these policies are being implemented, and to assess whether the Organisation is achieving value for money in its procurement processes.

It is our task to continue conducting one such audit each year throughout the remainder of our mandate.

Moreover, in line with international audit standards, and as part of a participatory approach, the External Auditor has launched a survey designed to give stakeholders across the Council of Europe the opportunity to contribute to the selection of performance audit topics.



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The analysis of the responses received is currently ongoing, for further consideration.

I am confident that this initiative will enable us to better align our audit work with the Organization's priorities and key areas of concern.

In closing, I reaffirm our commitment to transparency and continuous improvement of the EA function, on behalf of the Council of Europe.

Thank you for your attention.