

REP/AUDIT/GA19/11

Istanbul, 23 February 2011

**AUDIT REPORT  
ON IMPLEMENTATION OF THE BSEC-URTA BUDGET FOR 2010**

BSEC-URTA Headquarters, Istanbul - TURKEY  
23 February 2011

1. In compliance with the decision of the Seventeenth Meeting of the BSEC-URTA General Assembly (DEC/GA17/10) and the related provisions of the BSEC-URTA Financial Regulations (REG/GA06/FIN/04); the implementation of the BSEC-URTA Budget for 2010 by the International Secretariat, was audited and this audit report was prepared and undersigned by the following Auditors, who were elected at the abovementioned meeting of the BSEC-URTA General Assembly:

- Ms. Viliana Ivanova, AEBTRI (Bulgaria)
- Mr. Aybek Abdrakhman, UND (Turkey)

The BSEC-URTA International Secretariat was informed by the International Transporters' Association (UND) that Mr. Aybek Abdrakhman has left the UND and he is replaced by Mr. Alper Özel, Member of the Executive Committee.

2. The representatives of the BSEC-URTA International Secretariat and BSEC-URTA Accountant Mr. Irfan Bilgin also participated in the work of the BSEC-URTA Auditors, as necessary.

**3. Audit Programme**

1. BSEC-URTA International Secretariat Accounting System  
(Briefing by the International Secretariat)
2. BSEC-URTA Financial Results for 2010
3. Auditing of BSEC-URTA International Secretariat Accounts 2010
4. Situation of the BSEC-URTA Contribution Fees for 2011
5. Preparation of the BSEC-URTA Audit Report for 2010 Accounts

**4. BSEC-URTA Accounting System**

The official accounts are held by an external accountant, who works for the BSEC-URTA on part time basis. Official accounting records are kept in the computer under a special accounting program in local currency and language according to the provisions of Turkish legislation. However, the International Secretariat holds unofficial accounting records of its financial transactions in € currency and English language parallel with the structure of BSEC-URTA budgets so that the control and audit of BSEC-URTA accounts can be carried out, easily, by the appointed BSEC-URTA Auditors.

**5. BSEC-URTA Revenues**

- Contribution fees of Member Associations as approved by BSEC-URTA General Assembly
- Observer fees as approved by BSEC-URTA General Assembly
- IRU Contribution
- Interests accrued from the BSEC-URTA accounts
- Other

The Contribution Fees of the Member Associations and Observer fees for the subsequent year are decided by the Autumn Session of the General Assembly. Upon request of BSEC-URTA, IRU also confirms about level of its contribution to the BSEC-URTA budget before the end of previous year.

After approval of its budget for the next year, the International Secretariat informs the BSEC-URTA Member Associations and Observers about amount of their contribution fee and the necessary banking details.

Upon receipt of a contribution fee into its accounts, BSEC-URTA International Secretariat issues a receipt and records the amount of transfer under its accounting software. Such received amounts are kept under the official bank accounts, as demand or time deposits according to daily office needs.

## 6. BSEC-URTA Expenses

The International Secretariat executes the BSEC-URTA budget according to amounts approved by the General Assembly and in compliance with the BSEC-URTA Financial Regulations, which were adopted in Tbilisi at 6<sup>th</sup> Meeting of the BSEC-URTA General Assembly.

## 7. BSEC-URTA Budget Composition

Budget of the BSEC-URTA International Secretariat is composed of six principal chapters:

- Expenses related to the Staff of the International Secretariat
- Administrative and Office Expenses
- Expenses related to activities
- Program Funds
- Investments
- Contingency

Each spending or expense is documented as a rule and annexed to an internal Expense Authorization Form, as an evidence of abovementioned approval process. All such documentation is archived in the folders classified according to principal chapters of the BSEC-URTA budget.

## 8. BSEC-URTA Financial Results for 2010

The BSEC-URTA Auditors noted the information and controlled the financial documentation for 2010, as provided by the BSEC-URTA International Secretariat, and noted the BSEC-URTA Financial Results for 2010 as follows:

1. Transfer from 2009:	€ 64,374.48
2. Contribution fees received in 2010:	€ 144,965.00
3. Interests accrued from the BSEC-URTA accounts:	€ 2,027.24
4. IRU Management Support fee	€ 12,450.00
<b>Total Revenues 2010</b>	<b>€ 223,816.72</b>
<b>Total Expenses 2010</b>	<b>€ 143,405.20</b>
<b>Balance End 2010</b>	<b>€ 80,423.54</b>

## 9. Audit Notes

The Auditors checked the financial documentation and held meetings with the BSEC-URTA Staff in full freedom and friendly atmosphere.

As a result of audit, it was witnessed and confirmed that all the transactions were recorded, the documentation was full and the accounting records were in compliance with BSEC-URTA statutory documents and generally accepted accounting principles.

The followings were noted during analysis of the financial tables for 2010:

- Saving was noted in an amount of:
  - € 1003.43 under “Expenses related to activities”
  - € 26,666.54 under “Program Funds”
  - € 2511.31 under “Contingency”
- An over-spending was noted in an amount of:
  - € 10661.29 under “Expenses related to the Staff of the International Secretariat”
  - € 1390.20 under “Administrative and office Expenses”
  - € 534.99 under “Investments”

According to the above, a total saving of €17.594.80 was realized under the Budgetary items in 2010

## 10. Situation of the BSEC-URTA Contribution Fees for 2011

The situation as of 23 February 2011 was as follows:

BSEC-URTA	ASSOCIATION'S NAME	FEE	RECEIVED	DATE
HONORARY MEMBER	TOBB	35,000 EURO	35,000 EURO	25.01.11
ACTIVE MEMBERS	UND	6,000 EURO	-	-
	AEBTRI	6,000 EURO	6,000 EURO	13.12.10
	ASMAP-UA	6,000 EURO	6,000 EURO	28.01.11
	ANALTIR	6,000 EURO	6,000 EURO	29.12.10
	ARTRI	6,000 EURO	6,000 EURO	28.01.11
	UNTRR	6,000 EURO	6,000 EURO	03.02.11
	ASMAP	6,000 EURO	6,000 EURO	10.12.10
	OFAE	6,000 EURO	-	-
	AITA	2,000 EURO	2,000 EURO	18.01.11
	ABADA	1,200 EURO	-	-
	GIRCA	1,200 EURO	1,200 EURO	14.01.11
AIRCA	600 EURO	600 EURO	20.12.10	
OBSERVERS	INGOSSTRAKH	5,000 EURO	5,000 EURO	21.01.11
	MEDJUNARODNI TRANSPORT	2,000 EURO	2,000 EURO	24.01.11
	ROSSGOSSTRAKH	10,000 EURO	10,000 EURO	28.01.11
IRU CONTRIBUTION TO BUDGET		50,000 EURO	50,000 EURO	28.01.11
<b>TOTAL</b>		<b>155,000</b>	<b>141,800</b>	

It was noted that the contribution fees for 2011 of OFAE, UND and ABADA have not been received yet. Taking into account that the deadline for payment of the above mentioned contributions was 31 January 2011 and in compliance with the BSEC-URTA Financial Regulation, Section II, Article 5 and 7, the Auditors asked the International Secretariat of BSEC-URTA to address in writing the a/m associations until 15 March 2011, in order to clarify this matter.

It was also noted that some of the arriving contribution fees for 2010 were incomplete due to the bank charges, and the Auditors have agreed to draw attention of the BSEC-URTA Member Associations to the fact that the

BSEC-URTA Budget is calculated according to the net amount of contribution fees and the Member Associations are responsible to transfer their fees in complete.

#### 11. Adoption of the Audit Report

This Report was prepared and signed by Ms. Viliانا Ivanova and Mr. Alper Ozel as Auditors for implementation of the BSEC-URTA Budget for 2010 and 2011, in Istanbul on 23 February 2011.

Ms. Vilianna Ivanova (AEBTRI)	
Mr. Alper Ozel (UND)	