



Republika e Kosovës
Republika Kosova
Republic of Kosovo



Zyra Kombëtare e Auditimit
Nacionalna Kancelarija Revizije
National Audit Office

AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF THE KOSOVO ACADEMY OF SCIENCES AND ARTS FOR 2025

Prishtina, April 2026

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1 Audit Opinion

We have completed the audit of the financial statements of the Kosovo Academy of Sciences and Arts for the year ended on 31 December 2025 in accordance with the Law on the National Audit Office of the Republic of Kosovo and International Standards of Supreme Audit Institutions (ISSAIs). The audit was mainly conducted to enable us to express an opinion the financial statements and conclusion on compliance with authorities¹.

Unmodified opinion on annual financial statements

We have audited the annual financial statements of Kosovo Academy of Sciences and Arts (KASA), which comprise the statement of cash receipts and payments; budget execution report; and explanatory notes to financial statements, including a summary of significant accounting policies and other reports², for the year ended as of 31 December 2025.

In our opinion, the annual financial statements of Kosovo Academy of Sciences and Arts, give a true and fair view in all material respects, in accordance with International Public Sector Accounting Standards under cash-based accounting, the Law no.03/L-048 on Public Finance Management and Accountability (as amended and supplemented) and MF Regulation no.01/2017 on Annual Financial Reporting of Budget Organisations.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. NAO is independent from the auditee, in accordance with INTOSAI-P-10, ISSAI 130, NAO Code of Ethics, and other requirements relevant to our audit of the budget organisations' AFS. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion on compliance

We have also audited whether the processes and underlying transactions are in compliance with the established audit criteria arising from the legislation applicable for the auditee as regards making use of financial resources.

¹ Compliance with authorities – compliance with all the public sector laws, rules, regulations, and relevant standards and good practices

² Other reports are required under Article 8 of Regulation no.01/2017 on Annual Financial Report

In our conclusion, transactions carried out in the process of execution of KASA budget have been, in all material respects, in compliance with the established audit criteria arising from the legislation applicable for the auditee as regards making use of financial resources.

Basis for the conclusion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. NAO is independent from the auditee in accordance with INTOSAI-P-10, ISSAI 130, NAO Code of Ethics, and other requirements relevant to our audit of the budget organisations' AFS. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

The CFO is responsible for the preparation and fair presentation of financial statements in accordance with the International Public Sector Accounting Standards – Financial reporting under the cash basis of accounting. In addition, the CFO is responsible for establishing internal controls which he determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. This includes the fulfilment of requirements of the Law no.03/L-048 on Public Finance Management and Accountability and Regulation no.01/2017 on Annual Financial Reporting of Budget Organisations.

The Chairwoman is responsible to ensure the oversight of the Kosovo Academy of Sciences and Arts 's financial reporting process.

Management's Responsibility for Compliance

Kosovo Academy of Sciences and Arts' management is also responsible for the use of Kosovo Academy of Sciences and Arts' financial resources in compliance with the Law on Public Financial Management and Accountability, and all other applicable rules and regulations.³

Auditor General's Responsibility for the audit of AFS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs

³ Collectively referred to as compliance with authorities

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our objective is also to express an audit opinion on compliance of respective Kosovo Academy of Sciences and Arts' authorities with the applicable policies, rules and regulations as regards making use of financial resources of the audited organisation.

As part of an audit in accordance with the Law on NAO and ISSAIs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Identify and assess the risks of non-compliance with authorities, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion on compliance with authorities. The risk of not detecting an incidence of non-compliance with authorities resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Kosovo Academy of Sciences and Arts' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves true and fair presentation.

We communicate with management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The audit report is published on the NAO's website, except for information classified as sensitive or other legal or administrative prohibitions in accordance with applicable legislation.

2 Findings and recommendations⁴

During the audit, we found no issues or shortcomings that would require recommendations for improvement.

In 2025, the Kosovo Academy of Sciences and Arts (KASA) spent €1,680,731 or 99.6% of the final budget.

For the status for the previous years' recommendations and their level of implementation see Chapter 4.

⁴ Issue A and Recommendation A means new issue and recommendation
Issue B and Recommendation B means repeated issue and recommendation
Issue C and Recommendation C means partly repeated issue and recommendation

3 Summary on budget planning and execution

This chapter gives a summarised information on the sources of budget funds, spending of funds and revenues collected, by economic categories. This is highlighted in the following tables and charts:

Table 1. Expenditures by sources of budget funds (in €)

Description	Opening budget	Final budget ⁵	2025 Expenditures	2024 Expenditures	2023 Expenditures
Sources of funds	1,715,902	1,687,983	1,680,731	1,612,795	1,164,719
Government Grants – Budget	1,715,902	1,677,277	1,674,731	1,602,788	1,158,719
Domestic Donations	0	10,705	6,000	10,007	6,000

The final budget is by €27,919 lower than the opening budget. The budget change was as a result of the Government's decision no.01/276 dated 24.11.2025.

In 2025, KASA spent 99.6% of the final budget. The budget spending remains at a satisfactory level and the explanations for the current position are provided below.

Table 2 – Spending of funds by economic categories - (in €)

Description	Opening budget	Final budget	2025 Spending	2024 Spending	2023 Spending
Spending of funds by economic categories	1,715,902	1,687,983	1,680,731	1,612,795	1,164,719
Wages and Salaries	217,800	225,844	225,775	194,509	166,606
Goods and Services	774,943	779,580	773,430	757,639	309,378
Utilities	5,000	2,400	2,369	2,376	2,482
Subsidies and Transfers	718,159	680,159	679,157	658,270	686,253

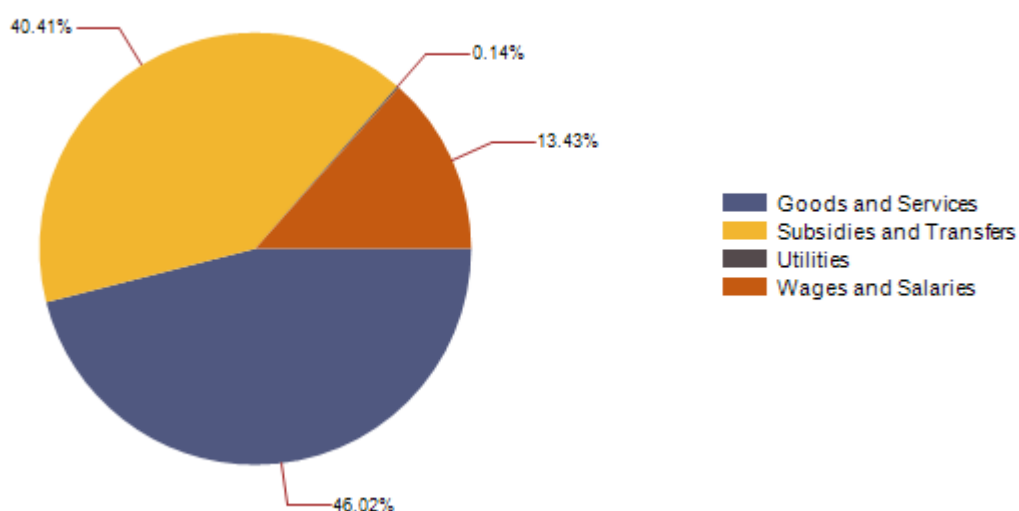
Explanations for changes in budget categories are given below:

- The final budget for Wages and Salaries was increased by €8,044 compared to the opening budget. The budget was spent at 100%;
- The final budget for Goods and Services was increased by €4,637 compared to the opening budget. The budget was spent at 99% of the final budget;

⁵ Final budget, the budget approved by the Assembly and subsequently adapted by the Ministry of Finance

- The final budget for Utilities was decreased by €2,600 compared to the opening budget. The budget was spent at 99% of the final budget; and
- The final budget for Subsidies and Transfers was decreased by €38,000 compared to the opening budget, as a result of the Government’s decision for budget cuts. The budget of subsidies was spent at 100% of the final budget.

Chart 1. Expenditures by economic categories for year 2025



During 2025, the Kosovo Academy of Sciences and Arts generated revenues in the amount of €3,953 from the sale of KASA publications. The Academy does not have any agreement in place regarding the utilisation of these revenues; therefore, the collected funds are transferred to the Kosovo state budget.

Table 3. Revenues (in €)

Description	Initial budget	Final budget	2025 Receipts	2024 Receipts	2023 Receipts
Total of revenues	10,000	10,000	3,953	5,183	4,655
Non-tax revenues	10,000	10,000	3,953	5,183	4,655

4 Progress in implementing recommendations

Our audit report on 2024 AFS of KASA resulted in one (1) recommendation. KASA prepared an Action Plan stating how to implement the recommendation given. By the end of our audit, this recommendation was implemented.

Table 4. Summary of prior year's recommendations

No	Audit Area	Recommendations of 2024	Actions taken	Status
1.	Goods and Services - Utilities included	The Chairman should ensure that the needs for supplies are identified in time and included in the annual procurement plan, in order to enable the application of the right procurement procedure, thus guaranteeing transparency, competition and value for money	Following our report, KASA has undertaken measures to avoid such cases. It is worth noting that for some contracts, KASA uses the CPA's contracts	Implemented

* This report is a translation from the Albanian original version. In case of discrepancies, Albanian version shall prevail.

Vlora Spanca, The Auditor General

Shkëlqim Xhema, Audit Director

Burbuqe Idrizi Ukaj, Team Leader

Albana Kadriu, Team member

Granita Zenelaj, Team member

Annex I: Letter of confirmation

REPUBLIKA E KOSOVËS - REPUBLIC OF KOSOVO ZYRA KOMBËTARE E AUDITIMIT NACIONALNA KANCELARIJA REVIZIJE - NATIONAL AUDIT OFFICE			
DATE PRANUARTE DHE DATUM PULLMARRTAVLJEN: 19-03-2026		AKADEMIA E SHKENCAVE DHE E ARTEVE E KOSOVËS	
Nr. Prot. Br. Prot. Prot. No.	Nr. Klasif. Klasif. Kod Class. Code	Nr. Prot. Br. Prot. Prot. No.	Nr. faqeve Br. Stranica No. Pages
05	47	415	1

AKADEMIA SCIENTIARUM ET ARTIUM KOSOVENSIS	
Nr. 344	
Dt. 18.03.2026	

LETËR E KONFIRMIMIT

Për pajtueshmërinë me draft raportin Auditorit të Përgjithshëm për vitin 2025

Për: Zyrën e Kombëtare të Auditimit

Të nderuar,

Përmes kësaj shkrese, konfirmoj se:

- kam pranuar draft raportin e Zyrës Kombëtare të Auditimit për auditimin e Pasqyrave Financiare të (Akademisë së Shkencave dhe Arteve të Kosovës), për vitin 2025 (në tekstin e mëtejshëm "Raporti"); dhe
- pajtohem me përmbajtjen e Raportit.

Akademike, Justina Shiroka Pula,

Kryetare e Akademisë së Shkencave dhe të Arteve të Kosovës

Data: 18.03.2026, Prishtinë,



Annex II: Explanation regarding different types of opinion applied by NAO and other parts of the Auditor's Report

Auditor's Report on the financial statements⁶ should contain a clear expression of opinion referring to financial statement, based on conclusions drawn from the evidence obtained during the audit. Where the audit is conducted to assess also conformance with legislation and other regulations the auditors have an additional responsibility to report on compliance with authorities⁷. Such opinion should be separated from the opinion whether financial statements are true and fair, i.e. the opinion may be modified with respect to compliance issue(s) but still be unmodified in reference to credibility of the financial statements (or vice versa).

For the purpose of concluding whether an opinion on the financial statements is modified or unmodified an auditor should assure himself/herself whether audit results include or not (a) detected material or pervasive misstatement(s) or potential one(s) presumed in the event of a limitation of scope.

A misstatement is a difference between the reported amount, classification, presentation, or disclosure of a financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.

(extract from ISSAI 200)

Forms of opinion

Unmodified opinion

It is formulated when no misstatements or non-compliance were detected or misstatements and/or non-compliance were detected, a single one or aggregate, that do(es) not equal or exceed the level of materiality for the financial statements as a whole or (a) misstatement(s) and/or non-compliance detected within a certain class of transactions do(es) not equal or exceed the level of lower materiality established for this class of transactions. It is also formulated if there is no limitation of scope or a limitation of scope may not lead to omission of (a) material misstatement(s) and/or non-compliance).

⁶ Financial statements in the public sector include also the statement(s) of budget execution

⁷ Compliance with authorities: compliance with laws, rules, regulations, standards, or good practices.

Limitation of scope occurs when an auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement.

The auditor should express **an unmodified opinion** if it is concluded that the financial statements are prepared, in all material respects, in accordance with the applicable financial framework.

Modifications to the opinion in the auditor's report

The auditor should modify the opinion in the auditor's report if it is concluded that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement and/or non-compliance, or is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement and/or non-compliance, the auditor should modify the opinion in the auditor's report. A modified opinion may be:

- Modified (qualified)
- Adverse, or
- Disclaimer

Qualified opinion

It is formulated when misstatement and/or non-compliance were detected, a single one or aggregate, that equals or exceeds the level of materiality for the financial statements as a whole or (a) misstatement(s) and/or non-compliance detected within a certain class of transactions equals or exceeds the level of lower materiality established for this class of transactions. It is also formulated if there is a limitation of scope that may not lead to omission of (a) material misstatement(s).

Adverse opinion

It is formulated when misstatement and/or non-compliance were detected, a single one or aggregate, that pervasively exceeds the level of materiality for the financial statements as a whole or (a) misstatement(s) and/or non-compliance detected within a certain class of transactions pervasively exceeds the level of lower materiality established for this class of transactions.

“Pervasive is a term used, in the context of misstatements and/or non-compliance, to describe the effects of misstatements and/or non-compliance on the financial statements or the possible effects on the financial statements of misstatements and/or non-compliance, if any, that are undetected due to an inability to obtain sufficient appropriate audit evidence. Pervasive effects on the financial statements are those that, in the auditor's judgment:

- a) Are not confined to specific elements, accounts or items of the financial statements

- b) If so confined, represent or could represent a substantial proportion of the financial statements; or
- c) In relation to disclosures, are fundamental to users' understanding of the financial statements.

Disclaimer of opinion

It is formulated when limitation of scope, i.e. inability to obtain sufficient appropriate audit evidence, is material and pervasive.

Emphasis of Matter paragraphs and Other Matters paragraphs in the auditor's report

If the auditor considers it necessary to draw users' attention to a matter presented or disclosed in the financial statements that is of such importance that it is fundamental to their understanding of the financial statements, but there is sufficient appropriate evidence that the matter is not materially misstated in the financial statements, the auditor should include an Emphasis of Matter paragraph in the auditor's report. Emphasis of Matter paragraphs should only refer to information presented or disclosed in the financial statements.

An Emphasis of Matter paragraph should:

- be included immediately after the opinion;
- use the Heading "Emphasis of Matter" or another appropriate heading;
- include a clear reference to the matter being emphasised and indicate where the relevant disclosures that fully describe the matter can be found in the financial statements; and
- indicate that the auditor's opinion is not modified in respect of the matter emphasised.

If the auditor considers it necessary to communicate a matter, other than those that are presented or disclosed in the financial statements, which, in the auditor's judgement, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report, and provided this is not prohibited by law or regulation, this should be done in a paragraph with the heading "Other Matter," or another appropriate heading. This paragraph should appear immediately after the opinion and any Emphasis of Matter paragraph.