

*Implementing Partner – Red Cross of Serbia*

*Programme of the UNHCR: Sub – Project 2007 24100 370 1291020  
Support to the Repatriation of Refugee to Croatia and IDPs to Kosovo*

*Independent Auditor's Report*

*We have audited the final Sub - Project Monitoring Report (hereinafter referred to as SPMR) Part 1 - Financial Monitoring Report of the Implementing Partner Red Cross of Serbia, for the Sub - Project 2007 24100 370 1291020-Support to the Repatriation of Refugees to Croatia and IDPs to Kosovo, for the period from 20 March 2007 to 31 December 2007 plus one month liquidation period.*

*Management's Responsibility for the final SPMR Part 1 - Financial Monitoring Report*

*Management of Implementing Red Cross of Serbia is responsible for the preparation and fair presentation of this final Financial Sub - Project Monitoring Report. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of final Financial Sub - Project Monitoring Report, that are free from material misstatement, whether due to fraud or error; applying the relevant accounting, reporting and other requirements, as outlined in the UNHCR Sub - Project Agreement.*

*Auditor's Responsibility*

*Our responsibility is to express an opinion on this final SPMR Part 1 - Financial Monitoring Report based on our audit. We conducted our audit in accordance with International Standards on Auditing and with the instructions from UNHCR contained in Agreement on the Audit Services. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the final SPMR Part 1 - Financial Monitoring Report is free from material misstatement.*

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the final SPMR Part 1 - Financial Monitoring Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the final SPMR Part 1 - Financial Monitoring Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the final SPMR Part 1 - Financial Monitoring Report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting, reporting and other requirements applied in preparation and presentation of the final SPMR Part 1 - Financial Monitoring Report.*

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

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*Independent Auditor's Report - continued*

*Opinion*

*In our opinion, the final SPMR Part 1 - Financial Monitoring Report gives a true and fair view, on all materially important issues, of the financial position of the Sub - Project 2007 24100 370 1291020 –Support to the Repatriation of Refugees to Croatia and IDPs to Kosovo governed by Implementing Partner Red Cross of Serbia, for the period from 20 March 2007 to 31 December 2007 plus one month liquidation period in accordance with relevant accounting, reporting and other requirements, as outlined in the UNHCR Sub – Project Agreement*

*Belgrade, March 17, 2008*

*"MGI AUDITING & ACCOUNTING"*



*Bogoljub Aleksić,  
Certified Auditor  
Managing Director*