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RED CROSS OF SERBIA

Project 7F-06551.03.01

**JP Roma & Marginalised Groups Inclusion
(Phase 3)**

**Independent Auditor's
Financial Review Report**

**FINANCIAL REVIEW REPORT OF FACTUAL FINDINGS
(Agreed-upon procedures engagement)****TO THE SWISS AGENCY FOR DEVELOPMENT AND COOPERATION,
SWISS COOPERATION OFFICE BELGRADE**

In accordance with our contract dated 24 June 2015 with The Swiss Cooperation Office Serbia („The Contributor“) and the terms of reference attached thereto (Annex 1 of this Report), we provide our Report on Factual Findings („The Report“), with respect to the accompanying Financial Report of Red Cross of Serbia (hereinafter the „Beneficiary“) concerning the contribution by you toward the Project number 7F-06551.03.01 – „JP Roma & Marginalised Groups Inclusion (Phase 3)“, (hereinafter the „Project“) for the period from 15 June 2013 until 31 May 2015. You requested certain procedures to be carried out in connection with the Project. The Report consists of this letter and the Report Details set out in Chapter 1 and Chapter 2.

Objective and responsibility of the Auditor

Our engagement was an engagement to perform agreed-upon procedures regarding the following matters related to the Project:

- ✓ Principles of orderliness (financial regularity);
- ✓ Existence, adequacy and effectiveness of the Internal Control System (ICS);
- ✓ Economical conduct of business and effective use of financial resources; and
- ✓ Conformity with the project objectives and adherence to the contract conditions.

It involved performing certain specified procedures, the result of which the Contributor uses to draw conclusions from the procedures performed by us.

Scope of Work

Our engagement was undertaken in accordance with:

- ✓ The terms of reference in *Appendix 1* to this Report;
- ✓ International Standard on Related Services (ISRS) 4400 *Engagements to perform Agreed-upon procedures regarding Financial Information* as promulgated by International Federation of Accountants (IFAC); and
- ✓ The *Code of Ethics for Professional Accountants* issued by the IFAC.

As requested, we have only performed the procedures set out in the terms of reference for this engagement and we have reported our factual findings on those procedures in Chapter 1 and Chapter 2 of this Report.

The scope of these agreed upon procedures has been determined solely by the Contracting Authority and the procedures were performed solely to assist the Contracting Authority in evaluating whether the fees and expenditure claimed by the Consultant on the invoice and in the Financial Report have occurred („reality“), are accurate („exact“) and eligible.

**FINANCIAL REVIEW REPORT OF FACTUAL FINDINGS
(Agreed-upon procedures engagement)
(Continued)**

Scope of Work (Continued)

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Financial Report.

Had we performed additional procedures or had we performed an audit or review of the financial statements of the Partner in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Sources of Information

The Report sets out information provided to us by the Partner in response to specific questions or as obtained and extracted from the Partner's records and accounts.

Factual Findings

The total sources of funds subject to review, contributed by the SDC to the Beneficiary, for the period from 15 June 2013 until 31 May 2015 amount to 162,315,902.21 RSD and consist of the first installment of 75,303,228.00 RSD received on 01 July 2013, the second installment of 9,519,470.00 RSD received on 22 July 2013, the third installment of 17,574,210.00 RSD received on 18 September 2014, the fourth installment of 27,628,524.00 RSD received on 14 November 2014, the fifth installment of 31,617,740.00 RSD received on 01 April 2015 and total interest earned in the amount of 672,730.21 RSD. The total amount of expenditures for the period from 15 June 2013 until 31 May 2015 amounts to 139,362,259.70 RSD. The remaining funds at the end of the reporting period amount to 22,953,642.51 RSD, as per the Financial Report for the period from 15 June 2013 until 31 May 2015.

We have carried out a complete and exhaustive agreed-upon procedures relating to the Project and this Financial Report. Based on the agreed-upon procedures that we performed, nothing has come to our attention that causes us to believe that the accompanying financial reports, for the period from 15 June 2013 until 31 May 2015, are not properly prepared.

Also, based on our review, nothing has come to our attention that causes us to believe that:

- ✓ Principles of orderliness are not followed,
- ✓ The Internal Control System is not adequately or effectively organized,
- ✓ The project execution is not in conformity with the project objectives and does not adhere to the contract conditions, and
- ✓ The business is not economically conducted and the financial resources are not effectively used.

The details of our factual findings are presented in Chapter 1 and Chapter 2 of this Report.

**FINANCIAL REVIEW REPORT OF FACTUAL FINDINGS
(Agreed-upon procedures engagement)
(Continued)**

Use of this Report

This Report is solely for the purpose set forth in the above objective.

This Report is prepared solely for the confidential use of the Contributor and the Beneficiary and solely for the purpose of submission to the Contributor in connection with the requirements as set out in Article 3.3 of the basic Contract of the Project number 7F-06551.03.01 – "JP Roma & Marginalised Groups Inclusion (Phase 3)". This report may not be relied upon by the Contributor or by the Beneficiary for any other purpose, nor may it be distributed to any other parties. The Contributor may only disclose this Report to others who have regulatory rights of access to it in particular the European Anti-Fraud Office and the European Court of Auditors.

This Report relates only to the Financial Report specified above and does not extend to any financial statements of the Beneficiary or the Contributor.

Belgrade, 30 July 2015



Miloš Mitrić, MBA, CPA, CFE, Cr. FA
Director



Nikola Arsović
Licensed Certified Auditor

