

## **GENERAL INFORMATION ABOUT THE MANDATED ORGANIZATION AND PROJECT**

**RED CROSS OF SERBIA, Simina 19, Belgrade**

**PROJECT: "COVID-19 RECOVERY: CASH ASSISTANCE FOR VULNERABLE FAMILIES"**

### **Background of the mandated organization**

The Red Cross of Serbia is a humanitarian, independent and voluntary organization and one of the oldest national organizations established in 1876. The Red Cross of Serbia implements its program activities owing to the aid of 60.000 volunteers and the expert engagement of 800 employees within the network of the Red Cross of Serbia. In collaboration with donors the Red Cross of Serbia implements 64 different programs.

Mission of the Red Cross of Serbia is to provide help to endangered people in case of war conflicts, natural and ecological accidents, to support citizens in health and social protection and improvement of humanitarian values in society. Also it supports with social protection and care for vulnerable groups.

The Red Cross of Serbia is national organization which has two provincial organizations, Red Cross of Vojvodina and Red Cross of Kosovo i Metohija and 183 Red Cross's organizations within cities and municipalities.

The functioning of the Red Cross of Serbia is based on several principles: humanity, impartiality, neutrality, independence, volunteering, unity and universality. The Red Cross of Serbia operates according to the Law on Red Cross of Serbia (Official Gazette of RS, no. 107/2005). Besides, the Red Cross of Serbia follows accepted rules from the international agreements and worldwide accepted rules from humanitarian rights and especially Geneva's convention and protocols.

The Red Cross of Serbia is registered within Serbian Business Registers Agency as association with registration number 07002726 and attributed VAT 100067064. It is located in Belgrade, Simina Street no. 19.

Ljubomir Miladinović is appointed as general secretary of the Red Cross of Serbia.

### **Project objectives**

The project "COVID-19 recovery: Cash assistance for vulnerable families", credit proposal no.7F-08193.03.13, contract no. 81065555, had an overall objective to enable continuous and direct assistance to population affected by the COVID – 19 in Serbia through cash assistance to support recovery process of targeted households.

The project supported 1.045 vulnerable households in undeveloped municipalities in Serbia affected by COVID-19 who lack resources and coping strategies to overcome the impact of COVID-19 that has push them further into poverty.

The communities that had directly benefit from this action are in total 10 municipalities belonging to the IV group of development and are further categorized as devastated.

The project targeted beneficiaries not included in humanitarian assistance of other institutions/organizations.

Duration of the project was from July 15, 2020 until December 15, 2020 and extended until March 15, 2021 with a budget of RSD 20.596.713,00 where the maximum of SDC contribution is RSD 16.413.065,00 or 80% of the budget.

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL INFORMATION

Project: "COVID-19 RECOVERY: CASH ASSISTANCE FOR VULNERABLE FAMILIES"

Beneficiary: RED CROSS OF SERBIA

Simina 19, Belgrade, Serbia

Attn: Ljubomir Miladinović, Secretary General

### Opinion

On the FDFA Standard Terms of Reference, we have audited the financial information for the above-mentioned project, which comprise the financial report for the period from 15.07.2020 until 15.03.2021.

In our opinion, the accompanying financial information on project "COVID-19 RECOVERY: CASH ASSISTANCE FOR VULNERABLE FAMILIES" for the period the period from 15.07.2020 until 15.03.2021 are prepared, in all material respects, in accordance with the accounting policies described in the notes and comply with the requirements of the FDFA Standard Terms of reference dated in 2018.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial information" section of our report.

We are independent of the entity in accordance with the requirements of the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of the financial information. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is 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 ISAs 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 information.

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL INFORMATION (Continued)

### Auditor's responsibilities for the audit of the financial information (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, 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.
- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

In Belgrade, 14 April 2021



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Miloš Mitrić, CPA, CFE, Cr. FA, MBA  
Licensed Certified Auditor  
Partner

DFK Konsultant – Revizija doo  
Bulevar Mihajla Pupina 117a, Belgrade  
Independent member of DFK International

Annex: Financial Information, Questionnaire, Management Representation of Full Disclosure

## Nezavisni revizorski izveštaj

**Naziv projekta:** „COVID-19 oporavak: Novčana pomoć za ugrožene porodice“

### Mišljenje

Prema Standardnim finansijskim procedurama Ministarstva spoljnih poslova Švajcarske, izvršena je finansijska revizija gore pomenutog projekta koji čini finansijski izveštaj za period od 15. jula 2020. do 15. marta 2021. godine.

Prema našem mišljenju, prateća finansijska dokumentacija za projekat „COVID-19 oporavak: Novčana pomoć za ugrožene porodice“ koji je realizovan u periodu od 15. jula 2020. do 15. marta 2021. godine je pripremljena, u svim materijalnim aspektima, u skladu sa računovodstvenim propisima opisanim u napomenama i u skladu sa zahtevima koje propisuju Standardne finansijske procedure Ministarstva spoljnih poslova Švajcarske iz verzije objavljene 2018. godine.

### Osnova za mišljenje

Revizorski izveštaj je sačinjen u skladu sa Međunarodnim standardima o reviziji (ISAs). Obaveze revizora prema odredbama i standardima su opisane u podnaslovu izveštaja „Obaveze revizora za reviziju finansijskog izveštaja“.

Nezavisni smo od entiteta u skladu sa IESBA (Međunarodni odbor za etičke standarde računovođa) Etičkim kodeksom za profesionalne računovođe, i u potpunosti ispunjavamo druge etičke obaveze u skladu sa propisanim zahtevima. Smatramo da su revizijski dokazi koje smo prikupili dovoljni i prikladni za pružanje osnova našeg mišljenja.

### Obaveze Crvenog krsta Srbije za finansijsko izveštavanje i pružanje informacija

Crveni krst Srbije je odgovoran za pripremu i istinito predstavljanje finansijskog izveštaja. Ova odgovornost uključuje: dizajniranje, primenu i održavanje interne kontrole koja je bitna za pripremu i istinito predstavljanje finansijskog izveštaja bez materijalno netačnih tvrdnji, bilo zbog prevare ili greške; izbor i primenu odgovarajućih računovodstvenih procedura; donošenje računovodstvenih procena koje su razumne za date okolnosti.

### Obaveze revizora za reviziju finansijskog izveštaja

Naši ciljevi su da dobijemo razumno uverenje da finansijski izveštaj u celini ne sadrži materijalno netačne tvrdnje, bilo zbog prevare ili greške i da izdamo izveštaj koji uključuje i naše mišljenje. Razumno uverenje je visok nivo uverenja, ali nije garancija da će revizija koja je sprovedena u skladu sa Međunarodnim standardima revizije uvek otkriti materijalno netačne tvrdnje. Netačne tvrdnje mogu nastati prevarom ili greškom i smatraju se materijalnim ukoliko bi se, pojedinačno ili u celini, moglo opravdano očekivati da utiču na ekonomske odluke korisnika donete na osnovu pogrešnih finansijskih informacija.

Kao deo revizije sprovedene u skladu sa Međunarodnim standardima revizije, sprovodimo profesionalnu procenu i održavamo profesionalni skepticizam tokom čitave revizije. Mi takođe:

- prepoznavamo i procenjujemo rizike od materijalno netačnih tvrdnji prikazanih u finansijskom izveštaju, bilo zbog prevare ili grešaka, dizajniramo i izvodimo revizorske postupke koji odgovaraju na te tvrdnje i pribavljamo revizijske dokaze koji su dovoljni i prikladni da pruže osnovu za naše mišljenje. Rizik od neotkrivanja materijalno netačnih tvrdnji koje su rezultat prevare je veći od onog koji je rezultat greške, jer prevara može da uključuje tajne dogovore, falsifikovanje, namerne propuste, lažna predstavljanja ili izbegavanje interne kontrole;
- stičemo razumevanje interne kontrole koja je relevantna za reviziju, kako bi se dizajnirali postupci revizije koji odgovaraju okolnostima, ali ne u svrhu izražavanja mišljenja o efikasnosti unutrašnje kontrole entiteta;
- procenjujemo prikladnost korišćenih računovodstvenih procedura i razumnost računovodstvenih procena i povezanih otkrića od strane uprave.

Beograd, 14. april 2021. godine

Miloš Mitić

Ovlašćeni revizor

Menadžer

DFK Konsultant – Revizija doo