

**Report for the checking of the  
Compilation of a Consolidated Financial Report  
in respect of Actions under a Grant Contract**

**Romania - Ukraine - Republic of Moldova Joint Operational Programme  
Grant Number 16935 / 28.02.2012, MIS ETC 915 - "Together for Children"**

**Covering period: 16<sup>th</sup> March 2011 - 15<sup>th</sup> March 2012**

## Report of Factual Findings

**Mrs. Liliana Rotaru**

**CCF Moldova - Children, Communities, Families NGO,  
64/V, Hîncești Street, ap. 28, Chisinau,  
Republic of Moldova, postal code MD-2009**

**12.07.2012**

Dear **Mrs. Liliana Rotaru**

In accordance with the terms of reference dated **16 March 2012** that you agreed with us, we provide our Report of Factual Findings ("the Report"), with respect to the accompanying Financial Report for the period covering **16<sup>th</sup> March 2011 to 15<sup>th</sup> March 2012** (Annex 1 of this Report). You requested certain procedures to be carried out in connection with your Financial Report and the European Union financed Grant Contract concerning " **Together for Children**", MIS ETC 915, the 'Grant Contract'.

### **Objective**

Our engagement was to perform certain agreed-upon procedures with regard to the compilation of the Consolidated Financial Report and to submit to you a report of factual findings with regard to the procedures performed.

### **Procedures performed**

As requested, we have performed the procedures listed in Annex 2 of this Report.

These procedures have been determined solely by you and were performed by us solely to assist the Joint Managing Authority in evaluating whether the expenditure claimed by you in the accompanying Consolidated Financial Report is eligible in accordance with the terms and conditions of the Grant Contract and Partnership Agreement.

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 accompanying Financial Report.

Had we performed additional procedures or had we performed an audit or review of the financial statements of the Beneficiary/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 documents provided to us by you for the compilation checking are listed in Annex 3 to this report.

### **Factual Findings**

The total expenditure recorded in the Consolidated Financial Report is **EUR 145,365.05**.

No exceptions were noted by us arising from the conduct of the agreed-upon procedures listed in Annex 2.

## Use of this Report

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

This report is prepared solely for your own confidential use and solely for the purpose of submission by you to the Joint Managing Authority/Beneficiary in connection with the requirements as set out in Article 15 of the General Conditions of the Grant Contract and the Partnership Agreement. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties.

The Joint Managing Authority is not a party to the agreement (the terms of reference) between you and us and therefore we do not owe or assume a duty of care to the Joint Managing Authority who may rely upon this expenditure verification report at its own risk and discretion. The Joint Managing Authority can assess for itself the procedures and findings reported by us and draw its own conclusions from the factual findings reported by us.

The Joint Managing Authority may only disclose this Report to others who have regulatory rights of access to it in particular the European Commission, the European Anti Fraud Office and the European Court of Auditors.

This Report relates only to the Consolidated Financial Report specified above and does not extend to any of your financial statements.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely



**Sergiu SUVEICA**

**Auditor, managing partner**



**Asilex Consulting SRL**  
Stefan cel Mare Street, no. 28/2, ap. 25,  
Strășeni, Republic of Moldova

**June 12, 2012**

## 1 Information about the Grant Contract and Partnership Agreement

The project Together for Children aims to create a cross-border professional network to improve the Child Protection systems in the project location (Leova and Cantemir Counties in Republic of Moldova and Iasi County in Romania).

### ***Beneficiary:***

CCF Moldova- Children, Communities, Families, 64/V, Hincești Street, ap. 28, Chisinau,  
Republic of Moldova, postal code MD-2009

### ***The partners in the project are:***

Alternative Sociale Association, Cuza Voda Street, 8, sc.B, demisol, Iasi, Romania.

### ***The associates in the project are:***

Leova Social Assistance Department,  
Cantemir Social Assistance Department.

### ***The main activities of the project are:***

- Creation of a joint Expert Group;
- 4 exchange visits done by the Expert Group;
- 10 training by 2 days each (7 training for Moldova and 3 in Romania);
- 5 study visits in Republic of Moldova and Romania for approximately 80 professionals;
- 2 exchange visits for the members of Gate-Keeping Commission;
- 1 cross-border cooperation strategy produced and signed by partners;
- 1 social map of services in Leova and Cantemir counties, as well as Iasi County produced;
- 2 press-releases distributed;
- Creation and dissemination of a trans-border Guide of best Practice guide produced;
- 1 Child Protection strategy recommendations produced;
- 1 leaflet produced and distributed in 200 copies;
- 1 final conference organized;

### ***The allocated budget for the project is 165,132.03Euro, as follows:***

- Total budget of the applicant: EUR 118,977.58 (out of which share of grant EUR 107,071.56)
- Total budget of the partner 1: EUR 46,154.45 (out of which share of grant EUR 41,547.27)

## 2 Procedures performed and Factual Findings

We have performed the specific procedures listed in Annex 2C of the terms of reference for the expenditure verification (ToR) . These procedures are:

- 1 General Procedures
- 2 Procedures to check the compilation of the Consolidated Financial Report

Difficulties in implementation were not encountered.

The total consolidated expenditure verified by us amounts to **EUR 145,365.05** and is summarised in the table below. The overall Expenditure Coverage Ratio is 100%.

Type of Expenditure	Expenditure Reported	Expenditure Verified	verified (ECR)
	EUR	EUR	%
1. Human Resources	78 781.75	78 781.75	100.00%
2. Travel	5 112.04	5 112.04	100.00%
3. Equipment and supplies	8 043.29	8 043.29	100.00%
4. Local office	15 772.00	15 772.00	100.00%
5. Subcontracted services	27 347.46	27 347.46	100.00%
6. Other	805.17	805.17	100.00%
8. Provision for contingency reserve	0.00	0.00	N/A
10. Administrative indirect costs (maximum 7% of total direct eligible costs)	9 503.34	9 503.34	100.00%
<b>Total</b>	<b>145 365.05</b>	<b>145 365.05</b>	<b>100.00%</b>

We have performed the specific procedures set out in Annex 2C to verify the compilation of the Consolidated Financial Report.

No exceptions were noted by us arising from the conduct of the agreed-upon-procedures listed in Annex 2C.

We have verified that the entire expenditure is covered by expenditure verification by suitably qualified auditors / controllers and have reported all factual findings from the reports of factual findings in this report.

## **1 General Procedures**

### **1.1 Terms and Conditions of the Grant Contract and of the Partnership Agreement**

We have obtained an understanding of the terms and conditions of this Grant Contract and of the Partnership Agreement in accordance with the guidelines in Annex 2B (section 2) of the ToR.

We obtained a copy of the original Grant Contract (signed by the Beneficiary and the Joint Managing Authority) with its annexes and of the Partnership Agreement and reviewed the Reports (narrative and a financial section) according to the Article 2.1 of the General Conditions and in the Partnership Agreement.

### **1.2 Consolidated Financial Report**

We obtained the draft Consolidated Financial Report, the underlying working papers for the compilation of the draft Consolidated Financial Report and the individual verified financial reports that are to be included in the Consolidated Financial Report. We have reviewed the Consolidated Financial Report to establish compliance with the following conditions:

- The Consolidated Financial Report conforms to the model in Annex VI of the Grant Contract;
- The Consolidated Financial Report cover the combined expenditure for the Action of the Beneficiary and all its Partners, regardless of which part of it is financed by the Joint Managing Authority;
- The Consolidate Financial Report is drawn up in the language of the Grant Contract;

We verified that amounts of expenditure recorded in Moldovan Leu and Romanian Leu have been converted to Euro at the exchange rate which is made up of the average of the rates published in InforEuro for the months covered by the Financial Report. No factual findings have arisen from this procedure.

## **2 Procedures to check the compilation of the Consolidated Financial Report**

### **2.1 Completeness and accuracy of the compilation of the Consolidated Financial Report**

We traced each budget and actual amount stated in the Consolidated Financial Report to the total amounts in an underlying working paper that compiles the information from the individual verified financial reports for the Beneficiary and its Partners. No factual findings have arisen from this procedure.

Reconciliation of Consolidated Financial Report to the total amounts from the individual verified financial reports.

Budget line	Consolidated report		Beneficiary (Moldova) - individual		Romanian Partner - individual		Recalculated Consolidated report		Cons. Report vs. recalculated Cons. report	
	Budget	Actual amount	Budget	Actual amount	Budget	Actual amount	Budget	Actual amount	Budget	Actual amount
1	2	3	4	5	6	7	6=4+6	7=5+7	8=2-6	9=3-7
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1. Human Resources	79,690.00	78,781.75	53,590.00	53,192.78	26,100.00	25,588.97	79,690.00	78,781.75	0.00	0.00
2. Travel	7,590.00	5,112.04	4,765.00	3,528.89	2,825.00	1,583.15	7,590.00	5,112.04	0.00	0.00
3. Equipment and supplies	8,030.00	8,043.29	6,580.00	6,635.18	1,450.00	1,408.11	8,030.00	8,043.29	0.00	0.00
4. Offices	20,120.00	15,772.00	18,060.00	14,365.88	2,060.00	1,406.12	20,120.00	15,772.00	0.00	0.00
5. Subcontracted services	30,740.00	27,347.46	20,220.00	18,265.06	10,520.00	9,082.40	30,740.00	27,347.46	0.00	0.00
6. Other	810.00	805.17	630.00	626.84	180.00	178.33	810.00	805.17	0.00	0.00
8. Provision for contingency reserve	7,349.00	0.00	7,349.00	0.00	0.00	0.00	7,349.00	0.00	0.00	0.00
10. Administrative indirect costs	10,803.03	9,503.34	7,783.58	6,756.04	3,019.45	2,747.30	10,803.03	9,503.34	0.00	0.00
<b>Total</b>	<b>165,132.03</b>	<b>145,365.05</b>	<b>118,977.58</b>	<b>103,370.67</b>	<b>46,154.45</b>	<b>41,994.38</b>	<b>165,132.03</b>	<b>145,365.05</b>	<b>0.00</b>	<b>0.00</b>
Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

We checked each individual budget and actual amount stated in the underlying working paper to the individual verified financial reports for the Beneficiary and its Partner. No factual findings have arisen from this procedure.

We reperform all calculations and additions in the Consolidated Financial Report and in the underlying working paper. No factual findings have arisen from this procedure.

We reviewed each expenditure verification report to identify any findings that may affect the presentation of the Consolidated Financial Report. No factual findings have arisen from this procedure.

## 2.2 Consistency of presentation

We checked that the Consolidated Financial Report uses the same revenue and expenditure headings as the underlying financial reports for reporting both budget and actual amounts. No factual findings have arisen from this procedure.

We checked that in compiling the Consolidated Financial Report, the budget and actual amounts recorded under each revenue/ expenditure heading in the underlying verified financial reports have been consistently included under the same headings in the Consolidated Financial Report. No factual findings have arisen from this procedure.

We have quantified the amount of the verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible (where applicable taking into account the percentage of funding of the Commission and the impact on indirect expenditure (e.g. administrative costs)). We have consolidated all exceptions found including the ones of which we cannot quantify the amount of the verification exception found and the potential impact on the EU contribution.

Category	Amount Reported	Exceptions	Reason for exceptions
	EUR	EUR	
1. Human Resources	53,192.78	19.74	due to exchange inforeuro rate differences
2. Travel	3,528.89	514.49	- amount of 534.72 euros - due to exceeding the approved budget; - 79.77 euros - exchange inforeuro rate differences
3. Equipment and supplies	6,635.18	69.06	- amount of 45.54 euros - due to exceeding the approved budget - laptops procurements; - 23.52 euros - exchange inforeuro rate differences
4. Offices	14,365.88	0.00	N/A
5. Subcontracted services	18,265.06	1,421.03	- amount of 1,350.26 euros - due to exceeding the approved budget - trainings for local key stakeholders in Moldova; - 70.77 euros - exchange inforeuro rate differences
6. Other	626.84	0.00	N/A



8. Provision for contingency reserve	0.00	0.00	N/A
10. Administrative indirect costs (maximum 7% of total direct eligible costs)	6,756.04	134.72	exceed the max 7% of total expenditures checked
<b>Total amount reported</b>	<b>103,370.67</b>		
<b>Total exceptions</b>		<b>2,159.04</b>	
<b>Revenue</b>	<b>0.00</b>	<b>0.00</b>	

Annex 1

Beneficiary`s Financial Report

Romania - Ukraine - Republic of Moldova Joint Operational Programme

Grant Number 16935 / 28.02.2012, MIS ETC 915 - "Together for Children"

Covering period: 16th March 2011 - 15th March 2012

	Budget of CCF Moldova - Children, Communities, Families NGO	Expenditure reported	Exceptions
	EUR	EUR	EUR
1. Human Resources	53,590.00	53,192.78	19.74
2. Travel	4,765.00	3,528.89	514.49
3. Equipment and supplies	6,580.00	6,635.18	69.06
4. Local office	18,060.00	14,365.88	0.00
5. Subcontracted services	20,220.00	18,265.06	1,421.03
6. Other	630.00	626.84	0.00
8. Provision for contingency reserve	7,349.00	0.00	0.00
10. Administrative indirect costs (maximum 7% of total direct eligible costs)	7,783.58	6,756.04	134.72
Budget of CCF Moldova - Children, Communities, Families NGO	118,977.58	103,370.67	X
Total exceptions			2,159.04
Revenue	0.00	0.00	0.00

Partners `s Financial Report

Romania - Ukraine - Republic of Moldova Joint Operational Programme

Grant Number 16935 / 28.02.2012, MIS ETC 915 - "Together for Children"

Covering period: 16th March 2011 - 15th March 2012

	Budget of Alternative Sociale Association	Expenditure reported	Exceptions
	EUR	EUR	EUR
1. Human Resources	26,100.00	25,588.97	189.47
2. Travel	2,825.00	1,583.15	0.00
3. Equipment and supplies	1,450.00	1,408.11	5.32
4. Local office	2,060.00	1,406.12	525.61
5. Subcontracted services	10,520.00	9,082.40	9.78
6. Other	180.00	178.33	0.00
8. Provision for contingency reserve	0.00	0.00	0.00
10. Administrative indirect costs (maximum 7% of total direct eligible costs)	3,019.45	2,747.30	51.11
<b>Budget of Alternative Sociale Association</b>	<b>46,154.45</b>	<b>41,994.38</b>	
<b>Total exceptions</b>			<b>781.29</b>
<b>Revenue</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>