



MOLDAUDITING SRL

AUDIT & CONSULTING

**REPORT OF FACTUAL FINDINGS**

**FOR AN EXPENDITURE VERIFICATION OF AN AGREEMENT BETWEEN THE EMBASSY OF FINLAND IN  
ROMANIA AND CHILDREN, COMMUNITIES, FAMILIES – CCF MOLDOVA  
AS OF 26.06.2019**

**„ STRENGTHENING OF THE LOCAL PROFESSIONALS ON REHABILITATION AND  
INCLUSION OF CHILDREN WITH HEARING IMPAIRMENT 15 COUNTIES IN  
MOLDOVA”**

**MOLDAUDITING SRL**

A. Mateevici str., 84/1, Chisinau, Republic of Moldova

Tel (+37322) 23-25-51, Fax (+37322) 23-25-54

e-mail: [office@moldauditing.md](mailto:office@moldauditing.md)

[www.moldauditing.md](http://www.moldauditing.md)

**Dear Mrs. Liliana Rotaru,**

Director, CCF - Moldova

16 A, Puşkin Street, offices 5-6, Chisinau, Republic of Moldova

25.09.2020

**Dear Mrs. Liliana Rotaru,**

We have performed procedures agreed with you listed below, relating to the Embassy of Finland in Romania Funding Decision of 26.06.2019 and the Agreement dated 26.06.2019, to the cost statement drafted and signed by the Children, Communities, Families – CCF Moldova (hereinafter CCF) and totaling to EUR 33 113,98 for the period of 01.08.2019-31.07.2020.

The engagement has been carried out in accordance with the International Standard on Related Services ISRS 4400, Engagements to perform agreed-upon procedures regarding financial information, as well as the general terms and conditions for FLC funding dated on 26.06.2019 (hereinafter terms and conditions for funding).

The Accountable Project Leader shall be responsible for the cost statement and for ensuring that the costs reported in it are directly related to the project and that they have been allocated for the project in a manner required by the terms and conditions for funding and they relate to activities specified in the Funding Decision.

As the procedures listed below do not constitute either an audit in accordance with auditing standards or a review in accordance with the standard on review engagements, we do not express assurance, as the aforementioned standards would require.

Had we performed additional procedures or had we performed an audit in accordance with auditing standards or a review in accordance with the standards on review engagements, other matters might have come to our attention that would have been reported to you.

The following agreed-upon procedures were carried out for the sole purpose of allowing the Embassy of Finland in Romania to assess whether the recipient had acted in accordance with the terms and conditions of funding.

1. We obtained a description of the recipient's project accounting, read the narrative report and interviewed CCF–Moldova management in order to find out the following:
  - the implementation project activities.
  - the integrity of the audit trail and the reliability of project accounting.
  - whether project accounting is in accordance with the terms and conditions of funding.
2. We interviewed the CCF–Moldova project management to find out whether the recipient of funding had received any other public/donor funding for this project.
3. We have obtained and assessed the reconciliation of the project accounting to the financial project report.
4. We have obtained the budget analyses and assessed whether the utilization of funds in the project financial project report is in line with the approved budget.
5. We have obtained and assessed the following reconciliations and records related to the project accounting:
  - the opening balance of funds corresponds to the financial project report of last year.
  - the bank balances in the project accounting match the official bank account statements.
  - the fixed asset register is available and up-to-date.
6. With regard to the information in the cost statement, the following procedures were carried out. The procedures covered 100% of the costs reported for the project and 100% of the payment reported for the project.
  - We assessed the adequacy of vouchers and supporting documentation.
  - We assessed the audit trail from general ledger to the project financial reporting.
  - We assessed the eligibility of costs against the funding agreement and project budget.
7. With regard to the project accounting, the following procedures were carried out:
  - We assessed whether there is a proper follow up of advance payments and ensured that no advance payments have been recognized as costs,
  - We assessed whether the received funds have been appropriately recorded in the project accounting and based on bank statements.
8. With regard to the procurement, the following procedures were carried out. The procedures covered the procurements exceeding 1 300 EUR.
  - The procurements are based on competitive bids/quotations.
  - The procurement process and decision made have been appropriately documented.
  - The procurement regulations of the funding Agreement have been followed.

9. With regard to the information in the cost statement, the following procedures were carried out. The procedures covered 100% of the wages and salaries reported for the project and 100% of the payment of wages and salaries reported for the project.

- We ensured that 100% of total wages and salaries have been paid,
- We ensured that 100% of total wages and salaries have been paid based on properly signed contracts,
- We ensured that the social security expenses including pensions and taxes have been paid and recorded to relevant authorities in accordance with the national legislation.

**Based on the procedures performed we have observed the following:**

*(a) In Item 1, we observed that the organization's project accounting had been carried out as follows:*

- *The project's overall goal was achieved and the project's activities have been performed properly and completely.*
- *The audit trail integrity was not compromised; the project accounting was reliable.*
- *The project's accounting is in accordance with the term and conditions of funding. The accounting is based on cash method is kept in accordance with the legislation of Republic of Moldova.*

*(b) In Item 2, we observed that the recipient CCF-Moldova has not received any other funding for the project, therefore, no other disbursements have been made in CCf-Moldova 's bank account, other than funding from the Embassy of Finland in Bucharest.*

*(c) In Item 3, we observed that the project accounting reconciles with the financial project report.*

*(d) Based on Item 1 and Item 4, we observed that the utilization of funding is in line with the approved budget.*

*(e) In Item 5, we observed that based on the assessment of the reconciliations and records:*

- *The opening balance of funds corresponds with the financial project report.*
- *The bank balances in the project accounting match with the official bank account statements.*
- *No fixed assets have been procured within the project.*

*(f) In Item 6, we observed that the costs examined:*

- *Were based on project accounting and the recipient's accounting.*
- *Were supported with adequate vouchers and supporting documentation.*
- *Were incurred during the project period.*
- *Were appropriately presented as based on cost categories.*
- *The expenditure on which report costs were based had been paid, and that*
- *The costs were eligible based on the funding agreement and project's budget.*

Meanwhile, we would like to mention that a significant part of the project costs is Fees for mentoring, facilitating and training services budgeted within the project as fixed cost paid per day. Therefore, the acts on services received from mentors, facilitators and trainers should contain details as: the date of training, the number and name of participants and the location.

In the acts on services received, verified by us, there are listed only the number of days for the trainings held by the mentors, facilitators and trainer.

(g) In Item 7, we observed that:

- there is a proper follow up of advance payments and no advance payments have been recognized as costs.
- the received funds have been appropriately recorded in the project accounting based on bank statements.

(h) In Item 8, we observed that:

- The assessed procurements were based on competitive bids.
- The procurement process was appropriately documented.
- It had complied with the procurement regulations of the funding Agreement. Additionally, to the procurement regulations of the funding Agreement, CCF uses internal procurement policies in regard to the procurement process, and those comply with the Agreement's provisions.

(i) In Item 9, we observed that the wages and salaries examined:

- Had been paid.
- Were based on properly signed contracts.
- The social security expenses including pensions and taxes were recorded and paid to relevant authorities in accordance with the national legislation.

Our Report is solely for the purpose set forth in the Report's first and second paragraphs and shall not be used for any other purposes, nor be relinquished to or shared with a third party outside of the Embassy of Finland in Romania. The Embassy of Finland in Romania shall have the right to deliver the Auditor's Report to other authorities for the purposes of supervising funding. This Report only applies to the cost statement detailed above; it does not apply to the recipient's complete financial statement.

**Authorized Auditor:**

**"Moldauditing" S.R.L.**

**Address:** Chisinau, Mateevici Str., No. 84/1, MD-2009

**Date of signature:**

**General Director, Auditor:**

Pavel BODAREV

**Verified and approved by the Auditor:**



Daniela PLUGARU