



FINANCIAL STATEMENT RELATING TO THE AGREEMENT WITH THE
EMBASSY OF FINLAND IN BELGRADE
FOR FINANCING THE PROJECT:

CHILD RIGHTS IN SECONDARY SCHOOLS 2

AND

REPORT ON FACTUAL FINDINGS

UŽICE CHILD RIGHTS CENTRE (UCRC)

Belgrade, May 2011

IEF



11070 Belgrade phone (011) 20-53-550
Bulevar Mihajla Pupina 10 B-I/II fax (011) 20-53-590

WWW.IEF.RS

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Mr. Radovan Cicvarić, Director
Užice Child Right Centre
Užice
Serbia

May 18, 2011

Dear Mr. Cicvarić,

We are submitting you our Report on factual findings ("the Report") relating to the attached Financial Statement disclosed for the period from May 2010 to May 2011.

You required certain procedures to be carried out relating to the Project "Child Rights in Secondary Schools 2" that is financed by the Embassy of Finland in Belgrade. The Report is consisted of this letter and details of the Report presented in the Sections 1, 2 and 3.

The Purpose of the Engagement

Our engagement assumed carrying out the agreed-upon procedures regarding the expenditure verification for the Project "Child Rights in Secondary Schools 2" the aim of which is design and deliver the training to the children and the teachers of secondary schools i Zlatibor County, from at least 3 municipalities about protection, promotion and implementation of child rights.

The aim of this verification is that the Auditor assures herself the expenses stated by the Užice Child Rights Centre, in its financial statement, are real, exact and eligible. Eligibility means that the funds provided to finance the Project "Child Rights in Secondary Schools 2" have been spent in accordance with the foreseen budget.

The Scope of Work

Our engagement was performed in accordance with:

- International Standards on Related Services ("ISRS") 4400 *Engagements to Perform Agreed-upon Procedures regarding Financial Information*, issued by International Federation of Accountants ("IFAC");
- *The Code of Ethics for professional accountants issued by IFAC.*

The scope of activities is determined solely for the purpose of carrying out procedures that would assist the Embaddy of Finland in Belgrade to evaluate the reality, exactness and eligibility of the expenditure stated by the Užice Child Rights Centre, in the attached financial statement.

Sources of Information

Our Report presents the information provided by the monks of the Užice Child Rights Centre as the response to specific questions, or as obtained from information and accounting systems.

Factual Findings

Total expenses that are subject of our verification amount to EUR 21.000,00. The coefficient of expenses that are covered is 100%. This coefficient represents total amount of verified expenses expressed as the percentage of total expenses that were subject of this verification.

Based on the agreed procedures we carried out we found out that the expenses in the amount of EUR 21.000,00 are eligible and in accordance with the adopted budget.

Accounting records are prepared according to the generally accepted accounting principles. By presented accounting documents the evidence of the occurrence of all expenses for realization of this project is provided.

Use of this Report

This Report is prepared as a confidential material to be used solely by the Užice Child Rights Centre and the Embassy of Finland in Belgrade. It serves solely for the purposes as determined by the previously defined aim. The findings from this Report cannot be used for any other purposes or distributed to any other parties.

We expect from you to consider this Report and we would, with a great pleasure, provide you with further information you might need.

Sincerely yours,

Stanimirka Svičević


Certified Auditor



DETAILS OF THE REPORT

Section 1. Information on the Project and Financing

The project "Child Rights in Secondary Schools 2" is continuation of the project "Child Rights in Secondary Schools " launched in August 2009 by Užice Child Rights Centre. The final beneficiaries of the project on a long term basis are all children and teachers from 5 secondary schools in Zlatibor County.

Information on the Project and Financing	
Financed and administered by:	The Embassy of Finland in Belgrade
Name of Project	Child rights in Secondary Schools 2
Reference Number	Agreement between the Embassy of Finland in Belgrade and Užice Child Rights Centre (UCRC) signed in Belgrade, 16 April, 2010
Purpose of Project	Protection, promotion and implementation of child rights in secondary schools in Zlatibor County
Beneficiary of Grant	Užice Child Rights Centre (UCRC)
Beneficiary's responsible person Financial Management	Mr. Radovan Cicvarić, Director
Period covered by financial statement	May 2010 - May 2011
Maximum grant amount	EUR 21.000,00
Verified amount of used funds	EUR 21.000,00
Auditor	I E F d.o.o. Bulevar Mihajla Pupina 10 B-I/II, 11070 Beograd Stanimirka Svičević, Certified Auditor Srđan Simić, Audit Manager

In the frame of project activities, the UCRC will design and deliver the training to the children of secondary schools. The main themes that will be covered by the training sessions will be: 1. Child rights; 2. Introduction of the Protocol on prevention of child abuse, neglect and violence in context of child rights; 3. Action planning. The trainings will last for three days and they will be delivered for each of 5 secondary schools (15 days of trainings in total). The main goal of the trainings is to provide children with knowledge and skills that will be useful to develop their capacities to work on protection, promotion and implementation of child rights with special focus on prevention and protection from child abuse, neglect and violence. The participants will be children aged 15-18, secondary school students, 25 of them per school, 125 participants in total.

The UCRC will also design and deliver training for the teachers aimed to build capacities of teachers relevant to their role regarding implementation and monitoring of child rights. The participants of the training will be the teachers from 5 secondary schools, 15 of them in total - 3 teachers per school. The trainings will be designed to ensure active role of participants, which provides participants to exchange experience, comment and suggest and learn each other.



Once the trainings are over, the UCRC will have 5 school campaigns organized (one campaign in each school). Those campaigns will be implemented in second part of the project jointly by children who participated in trainings and their teachers. The brochure "Implementation of Protocol for prevention of child abuse, neglect and violence in educational system" will be reprinted and distributed during implementation of the campaigns.

The overall objective of the project is to build sustainable capacities in secondary schools for protection, promotion and implementation of child rights. According to this, the specific project objectives are to: educate children in area of child rights and especially in rights to protection of child abuse, neglect and violence; educate teachers in area of child rights and especially in rights to protection of child abuse, neglect and violence; build partnership of children, teachers and schools as institutions that will work as promoters and protectors of child rights.

Section 2. Performed Procedures and Factual Findings

The Auditor planned and implemented her work program in accordance with the aim and scope of this engagement. For carrying out her procedures the Auditor applied techniques such as examinations and analyses, calculations, comparisons, other administrative verifications of accuracy, observations, examination of records and documentation, examination of property and obtaining confirmations. Based on the carried out procedures the Auditor obtained sufficient and adequate evidence based on which she prepared the Report on findings on factual status.

General Procedures

The Auditor verified whether the financial statement is in accordance with Agreement between the Embassy of Finland in Belgrade and Użice Child Rights Centre (UCRC) signed in Belgrade, 16 April, 2010 and examined whether the Użice Child Rights Centre observes accounting rules and rules for maintaining records of business events occurred during the realization of the Project.

The Auditor reconciled the information in the financial statement with accounting systems and records of the Użice Child Rights Centre.

Reconciliation of Expenses with Budget

The Auditor carried out analytical (detailed) review of expenses items in financial statement and:

- found out that budget in financial statement complies with the budget of the Project;
- confirms that the incurred expenses were foreseen by the budget of the Project;
- confirms that total amount of expenses does not exceed maximum amount of agreed grant.

Verification of Expenses Eligibility

The Auditor verified the eligibility of expenses stated in financial statement for the period May 2010 - May 2011 and found out the following:

- all incurred expenses were needed for implementing activities and achieving the aims of the Project;
- all expenses were incurred by the Użice Child Rights Centre;
- all incurred expenses are in accordance with the principle of correct financial management, specially with the principle of obtaining real values for invested money, and the principle of profitability;
- all valid essential contracts (government, trading, rental, lease, service, agreement) have been copied and the organisation have copies of them;
- all expenses are recorded accurately and adequately in business books and in the accounts of the Użice Child Rights Centre;
- all expenses are supported with relevant accounting documents that fulfil conditions of material and formal propriety;
- all salaries of the project personnel match with existing properly signed employment contracts;
- all social security expenses including pensions and taxes has been recorded and paid to relevant authorities in accordance with the national legislation;
- all expenses are classified under proper items of the presented financial statement.

Expenses Covered by Verification

Verification performed by the Auditor assumes complete and comprehensive verification of all items of expenses within a concrete position or subposition of expenses in financial statement. The Auditor provided systematic and representative verification and obtained satisfactory results for each position or subposition of expenses in the financial statement.

The Auditor provided the total coefficient of covered expenses to be 100%. The coefficient of covered expenses represents total amount of expenses verified by the Auditor which is expressed as the percentage of total amount of expenses disclosed by the Użice Child Rights Centre in its financial statement.

Section 3. Financial Statement for the period May 2010 - May 2011

Financial Interim Report

Implementing organization: Uzice Child Rights Centre

Responsible person: Radovan Cicvaric

Period covered by the report: May 1, 2010 - May 1, 2011

Date and place: May 1, 2011 Uzice

Financial report			
Budget line	Planned amount	Spent	Balance
Project coordinator	5.040,00	4.891,65	148,35
Project Coordinator	3.600,00	3.921,10	-321,10
Trainers fees	3.000,00	3.020,86	-20,86
Material for training	875,00	857,16	17,84
Lunch and refreshment	2.625,00	2.844,79	-219,79
Rent of training premises	1.500,00	1.297,74	202,26
Trainers fees	400,00	400,00	0,00
Material for training	135,00	134,91	0,09
Lunch and refreshment	270,00	270,00	0,00
Rent of training premises	200,00	200,00	0,00
School coordinators	1.890,00	1.890,00	0,00
Design and printing of leaflets	555,00	555,00	0,00
Design and printing of posters	350,00	350,00	0,00
Design and printing of brochure	2.145,00	2.145,00	0,00
Other material for campaigns	2.200,00	1.235,47	964,53
Office rent and maintenance	3.432,00	2.455,38	976,62
Office supplies	900,00	1.593,70	-693,70
Bank charges	120,00	122,26	-2,26
Accountancy agency fee	540,00	540,00	0,00
Audit costs	600,00	600,00	0,00
Total:	30.377,00	29.325,01	1.051,99

	Planned funds	Spent	Balance
Embassy of Finland Funds:	21.000,00	21.000,00	0,00
Total contribution Funds:	9.377,00	8.325,01	1.051,99
Total funds	30.377,00	29.325,01	1.051,99

Funds received from Embassy of Finland	Date	Amount in RSD	Rate	Amount in EUR	
First instalment		40.290,00	1.496.250,00	99,75	15.000,00
Second instalment		40.508,00	630.000,00	105,00	6.000,00
Total received			2.126.250,00		21.000,00