

REPORT OF FACTUAL FINDINGS

To the management of:
Association for Education „NEOUMANIST”
31 August 100 street, ap. 6, Chisinau,
Republic of Moldova, fiscal code 1011620006812;
Diakonie ACT Austria gem. GmbH Organisation;

§ Description of the Project

Project title: *„Count us in – Social Protection and Inclusion of the Elderly in Moldova*
Project number: **MDA 4241/ OEZA 8108 05 2020**

¶ Main objectives

The project „Count us in – Social Protection and Inclusion of the Elderly in Moldova (MDA 4241)” aims to reduce poverty among the elderly in Moldova and ensure their access to social protection. It aims to improve the quality of life and social inclusion of elderly people living in Straseni through improved access to social protection, active engagement, and responsive authorities.

Result 1 - Offer social protection: Elderly in Straseni enjoy social protection through the day care centre, mobile services and peer-to-peer support.

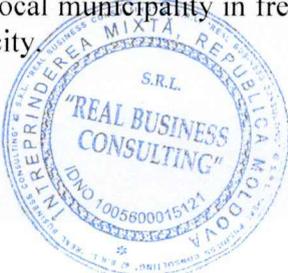
Result 2 – Advocate for social protection: Local, regional and central authorities have discussed and taken concrete measures to improve the situation of elderly people in Moldova.

Result 3 – Inclusive local governance and changing social norms: Municipal authorities of Straseni include elderly and their perspectives into planning.

Project is to be carried out in Straseni, Moldova and the implementation period is set from 1st October 2020 to 30th September 2023.

¶ Partners and sponsors

The local Partner for implementation of the Project is Association for Education Neoumanist (NAfE). The Association is running this Project through the Day Care Center for the Elderly “Rasarit” which was established in 2003 for offering free of charge services to disadvantaged senior citizens of Straseni and nearby villages. The Centre is located in a building offered by the local municipality in free of charge lease for a period of 99 years, on 31, Ion Creanga str., Straseni city.



The Project is to be sponsored through Diakonie ACT Austria gem. GmbH from the funds offered by Austrian Development Agency and Bread for the World Germany.

¶ Budgeted funds

The total direct budget for this action is **445,454.54 EUROS**.

The detailed budget is attached to this Report (Annex 1- Detailed project budget and Actual expenses).

§ Reporting of the Project

The Association has the obligation to report a full list of incurred expenses, as well as the incomes, together with an audit report, on a yearly basis no later than 30th of November of the following year.

¶ Period covered by the Report

Period covered by the actual Report is **from 1st of October 2022 until 30th of September 2023**.

¶ Project funds

During the period covered by the Report, the Association had received the following transfers for the project:

- 1st tranche – 75,000.00 EUR on 21.12.2022
- 2nd tranche – 47,500.00 EUR on 10.05.2023

Total received funds during the reporting period – **122,500.00 EUR**

¶ Verified expenses

The total amount of expenses included in the Financial Report subject of verification for the period from **1st of October 2022 till 30th of September 2023 is 182,818.96 EUROS**.

The Expenditure Coverage Ratio is near to 80%. This ratio represents the total amount of expenditure verified by us expressed as a percentage of the total expenditure which has been subject of this expenditure verification



§ Description of the procedures to be performed

We have performed the listed below procedures as agreed upon with you regarding the financial statements for the period of October 1st, 2022 – September 30th, 2023 (see Annex) on the implementation of the „*Count us in – Social Protection and Inclusion of the Elderly in Moldova (MDA 4241)*” Project (hereinafter „the Project”) implemented in the Republic of Moldova by the Association for Education Neومانist (hereinafter “the Association”) based on the Grant and Cooperation Agreement between Diakonie ACT Austria gem. GmbH and the Association for Education Neومانist. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information applicable to missions based on agreed procedures*. The procedures were performed solely to support the conclusions stated below and are summarized as follows:

1 We have verified the correctness of the financial reports, presented by the management of the *NEOUMANIST Association for Education* prepared according to the donor's requirements regarding the budget execution of the „*Count us in – Social Protection and Inclusion of the Elderly in Moldova (MDA 4241)*” Project.

The reports cover the period from October 1st, 2022 to September 30th, 2023 and are attached to the Report of Factual Findings presented by us;

We have verified the correctness of the allocation of expenditures to the budget categories of expenditures;

We have verified the appropriateness of the EURO / MOLDOVAN LEU conversion rate, which was used to prepare the financial reports;

We have sought evidence that confirms the efficiency of the activity and working time of the experts involved in the Project;

2 We have verified the accuracy of accounting records based on original documents (including contracts, acts of providing services, accounts, auxiliary materials);

We have verified that the original accounting documents confirming the expenses incurred under this Project have been validated with the „*Funded by the Austrian Development Cooperation and Brot für die Welt*” stamp on all invoices and payment documents reported within the budget of this Project;

We have examined the costs and revenues of the Project and sought for evidence to exclude any double funding, also we analysed the overall financial management of the Project;

We have examined the financial flows generated by the Project (original invoices, payment documents, account statements etc); the correctness of the reflection of the expenses from the Association's bank accounts based on the original documents; confirmations of all foreign currency entries in the Association's bank accounts based on the information notes and account statements as well as confirmation of correct accounting in accordance with the legal provisions on accounting in the Republic of Moldova.

3 We have sought confirming evidence of the appropriateness and efficiency of the financial means spent for the implementation of the Project in the Republic of Moldova;

We have verified the cash operations to ensure that the funds were spent with the necessary efficiency and for the purposes set by the Project.



4 We have sought evidence to express our position on the aspects regarding the compliance with the tax legislation and the labour law of the Republic of Moldova in the implementation of the Project;

§ Main findings

As a result of performed procedures described above, we would like to report to you our main findings and conclusions:

1. The Project's Donor – **Diakonie ACT Austria gem. GmbH** during the reporting period have transferred into the bank account of the Association for Education Neumanist, for the purposes of implementing the Project, financial means in the amount of **122,500.00 EUROS**.

As a result of the activities for implementation of *the Project* during the mentioned period, the Association had reported expenses in the amount of **201,100.86 EUROS**, including **18,281.90 EUROS** indirect expenses.

Based on the examination of the original documents, we confirm that all foreign currency entries into the bank accounts of the Association are real and are reflected in the accounting records in accordance with the legal provisions of the Republic of Moldova.

Our proceedings were carried out on direct expenditure amounting to **182,818.96 EUROS**.

During the implementation period of the Project, 01.10.2022 - 30.09. 2023, financial resources were spent for: Personnel costs – **91,870.61 EUR**, of which **EUR 5,898.28** was spent in Austria; Material costs – **41,758.11 EUR**; Training costs – **17,858.24 EUR**, of which **1,824.42 EUR was spent in Austria**; Other expenses – **25,853.65 EUR**; Public awareness expenses – **1,639.00 EUR**; **Internal review/evaluation of the project 3,839.35 EUR**.

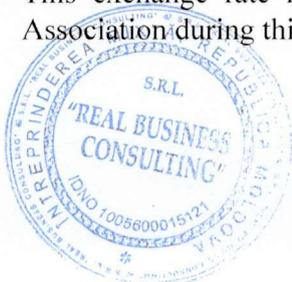
We confirm that the expenses are efficient, eligible, and useful. We confirm that we have verified the money transfers from the current bank accounts and the cash operations, and we have not detected acts of spending contrary to the purposes set by the Project, we have not established suspicious transactions with suspicious firms or individuals.

The funds from the donor in EUROS, received and registered in the bank account of the Association, have been sold to banks, for the need for funds in the national currency of the Republic of Moldova (MDL) arising.

A single weighted average exchange rate for the corresponding reporting period was used to prepare the financial statements for the execution of the project budget. For the expenses incurred during the reporting period 01.10.2022- 30.09.2023, the exchange rate of **1 EURO = 19.57 MDL** was used.

This weighted average exchange rate was determined on the basis of the exchange rates established in the currency sale operations to the commercial bank of the Association during the corresponding reporting period from all currency sale operations executed by the Association. The weighted average exchange rate, used for reporting within the project, was determined by dividing the total amount of funds in national currency (MDL) obtained from foreign currency trading operations during the project's reporting period by the total amount of funds in EUROS converted to MDL in the same period.

This exchange rate has been used in a consequent way for all budget lines reported by the Association during this period.



We can confirm that the financial reports submitted regarding the implementation of *the Project* are prepared in accordance with donors' requirements and in our opinion are correct. All expenses occurred were correctly assigned to the expenditure categories in the expenditure budget and the amount of expenditures in each category is correctly determined.

Following the examination of the *Project's* expenses and revenues, no errors, frauds, or double funding cases have been established. We consider the overall financial management of *the Project* efficient and effective.

Following the examination of evidence of work and time of the experts involved in *the Project*, we have determined that the persons involved in the project carry out activities in accordance with *the Project's* objectives, working time records are being kept, people involved carry out activities strictly related to the project, the working time is documented.

2. We confirm that *the Association* keeps a strict record of the expenses incurred in relation to each donor and each managed project. No errors in the calculations presented were found.

The accounting records are organised in accordance with the requirements of the legislation in force. As a result of the examination of the original documents and accounting records, significant violations have not been identified. The data in the original documents corresponds to the accounting records.

We made sure that all original documents are validated by the „*Funded by The Austrian Development Cooperation and Brot für die Welt*” stamp.

After examining *the Project's* costs, we have determined that these expenditures are efficient, real and useful. No costs were found to be inconsistent with the budget. The appropriateness of the expenditure has been verified based on the original documents; we confirm that all expenses are based on confirmatory documents.

After examining the financial flows based on the original documents (invoices, payment documents, account statements etc.) we have not identified any errors or distortions. We confirm that the financial flows are correctly reflected in the expenditure budget.

After examining the original documents, we confirm that the payments from the Association's bank accounts are true and are reflected correctly (i.e. according the Donor instructions) in *the Project's* financial report. Nevertheless, we need to draw attention that payments amounting 2,188.33 EUR for the expenses incurred during the reporting period and reflected under the line “*Other expenses*”, were actually paid after the deadline of the Project, i.e. after 30 of September 2023.

3. The analysis of the financial reports and primary accounting documents allows us to conclude that the financial resources have been used in accordance with *the Project's* budget and the current legislation of the Republic of Moldova.

Cases of abuse of financial resources or irrational use, corruption or financial fraud in the implementation of the Project have not been identified.

4. We didn't find any evidence which indicate to noncompliance to the tax or labor legislation under the implementation of the activities related to the Project.

Throughout the audit process, *the Association's* management has been open to co-operation and has given explanations to all our questions. No cases of concealment of any data or accounting documents have been established.



§ Disclaimer

Our engagement was conducted in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. An agreed-upon procedure engagement involves our performing the procedures that have been agreed with you and reporting the findings. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Our report is solely made for the purposes set out in the introductory paragraph of the current section “**Description of the procedures to be performed**”, and the procedures were performed solely to assist you in drawing your own conclusions, and should not be used for any other purpose, nor may it be distributed to any other parties except to the Project donors and partners, and to the bodies who have the regulatory rights of access.

This Report relates only to the Expenditure Report specified above and does not extend to any other financial statements of the Beneficiary.

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,

Vladimir ROȘCA
Auditor, certificate No. AG 000210
Chisinau, December, 15, 2023

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Detailed project budget (EUR)

Project number:	OEZA #108-05-2020							Expenditure			TOTAL COSTS	Balance Remaining	Percentage of budget the remaining			
	Unit (e.g. day/month)	%	Unit cost	Quantity	Budget	Budget after Reallocation 4	Oct 2020 - September 2021	Oct 2021 - September 2022	Oct 2022 - September 2023							
1. Personnel costs* (list in detail, e.g. proportion of employment in %, enclose CVs)	1.1 Local experts															
	1.1.1 Project director	month	44%	1 130,00	36	17 899,20	17 899,20	6 092,65	5 789,71	6 039,34	17 921,70	-22,50	-0,13%			
	1.1.2 Project Coordinator & PR	month	100%	560	36	20 160,00	20 160,00	6 771,50	6 568,83	6 746,92	20 087,25	72,75	0,36%			
	1.1.3 Volunteers Coordinator	month	36%	560	36	7 660,00	7 660,00	2 464,24	2 590,24	7 690,63	20 087,25	-29,83	-0,39%			
	1.1.4 Project Assistant	month	100%	450	36	16 200,00	16 200,00	3 573,71	3 711,55	3 649,64	10 934,91	5 265,09	32,50%			
	1.1.5 Social Assistant 2 pers	month	100%	380	72	27 360,00	27 360,00	8 252,67	8 402,91	8 891,11	25 546,69	1 813,31	6,63%			
	1.1.6 Psychologist	month	100%	380	36	13 680,00	13 680,00	4 680,46	4 605,34	4 517,50	13 803,31	-123,31	-0,90%			
	1.1.7 Accountant	month	64%	575	36	13 248,00	13 248,00	4 625,89	4 705,33	4 714,58	14 045,80	-797,80	-6,02%			
	1.1.8 Chief Cook	month	100%	465	36	16 740,00	16 740,00	5 737,17	5 423,77	5 580,92	16 741,86	-1,86	-0,01%			
	1.1.9 Cook Assistant	month	100%	430	36	15 480,00	15 480,00	5 212,51	5 221,44	5 335,33	15 769,28	-289,28	-1,87%			
	1.1.10 Laundress	month	100%	330	36	11 880,00	11 880,00	4 177,71	4 087,24	4 000,76	12 265,71	-385,71	-3,25%			
	1.1.11 Driver	month	66%	300	36	7 128,00	7 128,00	2 443,41	2 454,46	2 088,07	6 985,93	142,07	1,99%			
	1.1.12 Gardener/ Maintenance of Building	month	67%	380	36	9 165,00	9 165,00	2 802,26	2 803,55	2 904,55	8 510,36	655,24	7,15%			
	1.1.13 Cleaner	month	100%	330	36	11 880,00	11 880,00	3 993,10	4 050,38	3 885,42	11 928,90	-48,90	-0,41%			
	1.1.14 Home Care Social Workers 4 persons	month	100%	140	36	20 880,00	20 880,00	7 118,54	6 963,78	7 111,49	21 193,82	-313,82	-1,50%			
	1.1.15 Replacement staff						7 065,00	1 056,15	2 575,27	3 007,28	6 648,70	416,30	5,89%			
	1.1.16 Social Assistant Fund (22,5%-24%)	month				36	51 961,50	51 942,38	14 444,91	16 043,35	14 909,19	45 397,45	6 544,93	12,60%		
1.2 Expert for capacity building Diakonie ACT Austria M&E and gender (10%)	month	10%	4 382,00	36	15 775,20	15 775,20	5 369,66	5 833,23	5 898,28	17 101,17	-1 325,97	-8,41%				
Total 1. Personnel costs					277 098,30	284 144,18	88 826,55	91 876,29	91 870,61	272 573,45	11 570,73	4,07%				
2. Material costs** (list in detail)	2.1 Food at Rasant Centre (256 beneficiaries, weekly meal)	month		1 100,00	36	39 600,00	39 600,00	10 281,15	15 021,84	17 646,33	42 949,31	-3 349,31	-8,46%			
	2.2 Hygiene and Washing Materials at Rasant Centre	month		210	36	7 560,00	7 560,00	1 782,09	2 119,02	3 661,48	7 562,59	2,59	-0,03%			
	2.3 Materials for Handcraft	month		560	36	1 980,00	1 980,00	113,91	25,41	1 691,13	1 830,45	149,55	7,55%			
	2.4 Food for Home care and Peer to Peer Group (31 beneficiaries, daily food)	month		200	36	7 200,00	7 200,00	1 892,70	2 704,61	3 219,21	7 816,52	-616,52	-8,56%			
	2.5 Hygiene and Washing Materials for Home Care	month		50	36	1 800,00	1 800,00	285,81	141,97	1 306,99	1 734,77	65,23	3,62%			
	2.6 Medicines for Home Care (19 beneficiaries)	month		120	36	4 320,00	4 320,00	1 002,22	1 045,31	2 006,61	4 054,14	285,86	6,15%			
	2.7 Material Board for files of the elderly (protection of personal data)	piece		0	1	300	-	-	-	-	0,00	-	-			
	2.8 Furniture for psychologist room	piece		500	1	500	-	-	-	-	0,00	-	-			
	2.9 Accessible transporter (car)	unit		9 000,00	1	9 000,00	12 265,36	-	-	-	12 226,37	12 226,37	38,99	0,32%		
	2.10 Masks and disinfection materials COVID-19							107,85	76,78		184,63	-184,63	0,00%			
	Total 2. Material costs					72 260,00	74 725,36	15 465,73	21 134,93	41 758,11	78 358,78	-3 633,41	-4,86%			
3. Training costs (for local project staff and target groups)	3.1 Fees for Trainers in Handcraft Skills (act. 1.1)	month		120	36	4 320,00	2 300,00	-	-	1 886,95	1 886,95	413,05	17,96%			
	3.2 Fees for external experts conducting "clubs" (dance, music, wellness/tailor English classes) (act. 1.1)	month		400	36	14 400,00	10 507,88	2 922,91	3 584,77	3 801,35	10 309,03	198,65	1,89%			
	3.3 Fees for experts burn out and stress reduction (act. 1.6)	days		200	6	1 200,00	1 200,00	240,73	-	929,82	1 170,55	29,45	2,45%			
	3.3.1 Travel costs for students (act. 1.5)	person		10	30	300	-	-	-	0,00	0,00	0,00	-			
	3.4 Team building events (act. 1.6)	year/event		400	3	1 200,00	1 200,00	644,03	-	1 151,65	1 795,68	-595,68	-49,64%			
	3.5 Travel costs (travel, board, lodging) for trainings by Diakonie ACT Austria staff (act. 1.7)	training/person		510	4	2 040,00	5 440,00	-	-	5 382,20	5 382,20	57,80	1,06%			
	3.6 Fees for experts thematic training elderly (act. 1.7)	days		250	4	1 000,00	1 000,00	-	483,74	1 219,39	1 703,13	-703,13	-70,31%			
	3.7 Travel costs Neومانist to trainings (travel, board and lodging) act. 1.7	training		470	6	2 820,00	6 504,32	-	1 776,21	2 201,90	3 978,11	2 526,21	38,84%			
	3.9 Fees, transport and coffee breaks for expert sessions (act. 3.2)	days		100	6	600	188,00	137,22	50,81	51,10	239,13	-51,13	-27,19%			
	3.10 Trainings for Self Help Group (trainer fee, coffee breaks) act. 3.4	training		280	5	1 400,00	400,00	-	-	915,48	915,48	-515,48	-128,87%			
	3.11 Materials used to Modules for training -> Neومانist's exposure visit in Austria	training		925	1	925	4 925,00	-	4 976,31	0,00	4 976,31	-51,31	-1,04%			
	3.12 Exchange visit for SHG to Ukraine travel, lodging, food (act. 3.4)	visit per person		300	7	2 100,00	-	-	-	-	0,00	0,00	-			
	3.13 Exchange visit to Ukraine - costs for joint activities with TLU (meeting, travel of trainers, venue rent, etc.) act. 3.4	visit		1 900,00	1	1 900,00	-	-	-	0,00	0,00	0,00	-			
	3.14 Sensitisation sessions (trainings) (act. 3.5)	events		100	6	600	600,00	-	388,90	318,41	707,31	-107,31	-17,89%			
Total 3. Training costs					34 805,00	34 265,00	3 944,88	11 260,74	17 858,24	33 063,87	1 201,13	3,51%				
4. Other costs	4.1 Local project office (supplies, communication, electricity)										0,00	0,00				
	4.1.1 Electricity	month		200	36	7 200,00	7 200,00	1 370,54	2 604,49	3 103,83	7 078,86	121,14	1,68%			
	4.1.2 Fuel	month		200	36	7 200,00	7 200,00	2 166,59	3 709,35	2 659,63	8 435,57	-1 235,57	-17,16%			
	4.1.3 Gas	month		350	36	12 600,00	12 600,00	2 560,17	6 057,09	12 601,68	21 208,94	-8 608,94	-68,32%			
	4.1.4 Telephone, Fax, Internet	month		70	36	2 520,00	2 520,00	811,66	1 001,71	842,56	2 655,93	-135,93	-5,39%			
	4.1.5 Office supplies	month		90	36	3 240,00	3 240,00	668,18	1 093,88	1 336,19	3 098,24	141,76	4,38%			
	4.2 Local partner's bank charges	month		75	36	2 700,00	2 700,00	1 240,63	904,57	900,00	3 045,20	-345,20	-12,79%			
	4.3 Activity cost										0,00	0,00				
	4.3.1 Rewards for volunteering elderly in peer to peer group (act. 1.4)	month		150	36	5 400,00	5 400,00	434,40	682,33	2 267,24	3 383,97	2 016,03	37,33%			
	4.3.2 Travel Costs to Network meetings for Neومانist staff (3 persons) (act. 2.1)	days		30	9	270	-	-	-	0,00	0,00	0,00	-			
	4.3.3 Advocacy workshops with Ministries (act. 2.2) - cost for venue, coffee breaks, travel	workshop		150	6	900	900,00	-	-	0,00	0,00	900,00	100,00%			
	4.3.4 Situation analysis social work (consultancy fee and travel cost) (act. 2.3)	per study		1 500,00	1	1 500,00	1 500,00	-	-	1 358,18	1 358,18	141,82	9,45%			
	4.3.5 Event to present study (act. 2.3)	event		400	1	400	400,00	-	-	197,67	197,67	202,33	50,58%			
	4.3.6 Travel cost for high level visits to village (act. 2.4)	per person		50	10	500	500,00	-	-	76,65	76,65	423,35	84,67%			
	4.3.7 Organisation of Open Door Days	per event		150	6	900	600,00	-	-	25,50	25,50	574,50	95,75%			
	4.3.8 Meetings of self-help group (coffee breaks) act. 3.4	month		40	36	1 440,00	1 440,00	230,56	121,95	298,87	651,37	788,63	54,77%			
	4.3.9 Local travel and activity support Self Help group (local) act. 3.4	month		20	36	720	720,00	-	-	285,64	285,64	434,36	60,33%			
Total 4. Other costs					47 490,00	46 920,00	9 472,72	16 175,37	25 853,65	51 501,73	-4 581,73	-9,76%				
5. Review/evaluation***	External review/evaluation	unit		7 000,00	1	7 000,00	3 600,00	-	-	3 839,35	3 839,35	-239,35	-6,55%			
6. Public awareness raising	6.1 Materials for PR and advocacy in Moldova (leaflets, billboards, promotion material for round tables and	month		50	36	1 800,00	1 600,00	359,49	378,23	1 639,00	1 639,00	161,00	8,94%			
7. Reserve****					5 001,24	0,00				0,00	0,00					
DIRECT PROJECT COSTS					445 454,54	445 454,55	118 069,38	140 825,56	182 818,96	441 713,91	3 740,64	0,84%				
8. Project administration costs (PAC) (direct costs) *****	Administrative costs (personnel, 10 % of direct project costs (max. 10 % including act))				€ 44 545,45	€ 44 545,45	11 806,94	14 082,56	16 281,90	44 171,39	374,06	0,84%				
TOTAL COST					€ 490 000,00	€ 490 000,00	129 876,32	154 908,12	201 100,86	485 885,30	4 114,70	0,84%				
Audit ****					7 000,00	7 000,00			7 000,00	7 000,00						

* Only personnel costs that are directly connected with the project implementation. They must be justified in the project description. Personnel or travel costs for the applicant's project monitoring that are covered by PAC (project costs) that are not to be requested. For justified travel costs the Travel Expense Regulation for Federal Employees (Reisekostenverordnung; only available in German) must be applied (per trip). However, the maximum amount for travel costs (including accommodation) for international staff is limited to 1000 EUR per person per day. Keep down costs for international staff.
 ** Procurement of goods and services for the project implementation. Procurement of goods and services for the project implementation may not exceed 50 % of the direct costs.
 *** Costs for evaluation, monitoring and reporting. Evaluation costs for the project implementation. Evaluation costs for the project implementation may not exceed 5 % of the direct costs.
 **** The reserve may not exceed 5 % of the direct costs funded under the project.
 ***** The audit must be carried out by an officially recognized auditor to cover ACT costs, including expenditure in Austria. Approval of TOR and auditor by ADA's Civil Society International is required before the audit for the auditor. The auditor should be changed after 5 years of the audit.

