

Help-Hilfe zur Selbsthilfe e.V - Representative Office in Kosovo

Independent Audit Report on revenues and expenditures for Mandate / Program for the period January 2015-December 2015



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Representative Office in Kosovo

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Abbreviations used:

- ☐ **ISA International Standards on Auditing**
- ☐ **IAS International Accounting Standards**
- ☐ **HQ-Head Quarter**
- ☐ **NGOs - Non Governmental Organizations**

1. INTRODUCTION

Help-Hilfe zur Selbsthilfe e.V. , is registered on 23.02.2000, with registration number 5300261-7 as an NGO based on Article 9 of Law no. 04/L-57 for Freedom of Association of Non-Government Organization in Republic of Kosovo.

About Project:

The Project "Support of socio economic stability through the strengthening of micro businesses in Kosovo" will be realized during the period May 2015 until January 2016 in Municipalities; Pristina, Mitrovic, Ferizaj, Gracanik, Northern Mitrovica and Leposavic.

This project is financed from German Government, Kosovan Government and partner municipalities while is implemented from Help organization in cooperation with Kosovo Luxemburg Found.

The main purpose of project is to contribute in sustainable development and stability in Kosovo on the main focus economic strengthening. While, the special reason is the creation of new working places through direct support with grants for small businesses.

Through this project, is planned to allocate around 200 grants, by offering equipment's for businesses to start a new business or to grow it. The total amount of one grant for beneficiaries will be 2000.00 Euro, amount which includes the investment from beneficiaries of 15%. Along equipment's, to the beneficiaries will be provided also the professional training and technical support after the acceptance of equipment's.

Project Components

- I Grants for Micro Businesses (Offering 200 grants)
- II Professional training and technical support (at least 200 grants for businesses and 95 professional training)
- III Support for Cooperative development (project components in cooperation with GIZ Kosovo, project title "Competition in Private Sector on Rural areas in Kosovo")
- IV Assistance through project "Reintegration and Rehabilitation of Prisoners" (in cooperation with Peace Association in Kosovo and Detention Centre in Mitrovica)

Independent audit report

For management of Help-Hilfe zur Selbsthilfe e.V. Representative Office in Kosovo.

In accordance with the "Terms of Reference" and scope of services that F Help-Hilfe zur Selbsthilfe e.V. has agreed with S.E" Univerzum Audit" dated 09.03.2016, we will offer Factual Findings Report (" Report ") and the accompanying financial report presented by HELP Program representative Office in Kosovo for the period May 2015 to December 2015 , and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for Financial Statements

- Help-Hilfe zur Selbsthilfe e.V.(HELP) Representative office in Kosovo is responsible for preparing financial statements and providing them to the Auditor, ensuring that this Financial Statements can be properly reconciled to the Handbook & Internal Rules of accounting system and book keeping system and accounting system base and records. Regardless of the procedures to be performed, (HELP) remains at all times responsible for the accuracy of financial statements.
- HELP is responsible for the factual statements which will enable the auditor to perform specified procedures, and will provide the auditor a signed letter of representation that supports these allegations, stating clearly the period covered by the Financial Statements.
- HELP agrees that the ability of the Auditor to perform the procedures required by this engagement effectively depends on HELP by providing full access and free staff and its accounting and other relevant data.

Liability of auditors

The audit was conducted in accordance with International Standards of Auditing (ISA) and the IFAC Code of Ethics for Professional Accountants (issued by the Standards Board of IFAC's International Ethics for Accountants (IESBA), which defines the basic principles of ethics for auditors in about integrity, objectivity, independence, professional competence and due care .

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In these risk assessments, we consider internal control relevant to the entity's preparation and fair financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Factual Findings


Total money received by the donor are in the amount of 260,016.62 euro. The total amount of expenses that are reported and verified for the period May 2015 to December 2015 are in amount of 260,016.62 euro.

Other details of our findings based on the evidence, including summary tables of expenditure in the report that in our opinion are acceptable, are presented in Chapter 1 of this report.

We believe that the audit evidence we have obtained is appropriate to provide a basis for the opinion.

Opinion

According to our opinion, the financial statements of the Mandate/ Program prepared by Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo give a true and fair view in all material aspects the revenues and cash expenses for the period May 2015 to December 2015, in accordance with International Accounting Standards.



Besa Berisha
S.E."Univerzum Audit"
Founder and Executive Director

FINANCIAL STATEMENTS

INCOME STATEMENT

Help-Hilfe zur Selbsthilfe e.V

May –December 2015

May – Dec. 15

Income

Income from German Government Revenues , Municipality, MMS, and beneficiary

260,016.62

Gross profit

260,016.62

Expenses

Project expenses	172,731.42
Personnel expenses	44,512.37
Office expenses	18,275.00
Materials and equipment	1,572.30
Inventory expenses	17,222.02
Travel expenses	453.35
Bank fees	849.59
Training	747.06
Visibility	3,653.39

Total expenses

260,016.62

Net income

0.00

Head of Mission

Abdullah Binaku

Finance Officer

STATEMENT OF FINANCIAL POSITION

Help-Hilfe zur Selbsthilfe e.V

ASSETS

Circulating Assets

Pro Credit Bank- Main Account	86,764.89
Pro Credit Bank-Municipalities Account, MPMS	113,987.00
Pro Credit Bank-Beneficiary Account/ Cash	44,084.00
Cash	188.08
Total cash and bank balance	245,023.97

Receivable Accounts

75,254.10

Total Current Assets

TOTAL ASSETS

320,278.07

EQUITY AND LIABILITIES

Liabilities

Short term liabilities

Credit loans	320,278.07
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Other Total short term Liabilities	320,278.07
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Long-term liabilities	0.00
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Total liabilities	320,278.07
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Equity

Profit for the period / Net profit	0.00
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Total Equity	0.00
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TOTAL EQUITY AND LIABILITIES

320,278.07

Abdullah Binaku

Head of Mission

Finance Officer

Cash flow statement
January 2015-December 2015

Help-Hilfe zur Selbsthilfe e.V

	Jan - Dec 15
OPERATING ACTIVITIES	
Net Incomes	0.00
Expenses for other Projects	260,016.62
Cash flows from operating activities	
payable account	0.00
payable pension fund	0.00
payable tax on salary	0.00
Net cash from operating activities	-260,016.62
Net cash increase from operating act.	-260,016.12
INVESTING ACTIVITIES	
Income from investing activities	0.00
Cash out from investing activities	0.00
Net cash generated from investing activities	0.00
FINANCING ACTIVITIES	
Income from investing activities	580,294.69
Cash out spent from financing activities	-260,016.62
Cash out from unspent activities	
Net Cash generated from investing activities	320,278.07
Net Cash beginning of period	0.00
Cash in the end of period	320,278.07

Head of Mission

Finance Officer

REPORT DETAILS

CHAPTER 1.

Procedures performed and Factual Findings

We conducted our audit in accordance with procedures set in the Terms of Reference for which Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo - Representative Office in Kosovo has agreed with S.E "Univerzum Audit" to verify the income and expenditure of warrants / program for the period May 2015 to December 2015.

These procedures include checks, paying special attention:

- ☐ Documentation, presentation and record keeping of expenses and revenues of the Project;
- ☐ The appropriateness of expenditures and revenues of the Project;
- ☐ Management of cash and bank and their harmonization.
- ☐ Accounting and financial reporting of income and expenses for projects

Scope of the audit work

Income and expenses Warrant / Program

We have verified all funds received by the HELP local donors and other sources and expenditure of these funds on a project basis, and if those funds are spent in accordance with the budget approved by the budget lines and whether based on evidence.

Conclusion

During our investigation, we have determined that all funds are spent based on the approved budget by attending all regular procedures, and costs of these funds are made under Project and budget lines previously approved. Also we have found that all transactions are recorded in the accounting system by projects that you belong and are proven with supporting documentation.

Findings

There are no findings to report.

Procurement Systems

We have verified the procurement procedures for the supply of goods and services taking tests for the period from May 2015 to December 2015, followed by all procurement transactions to the final realization of goods and services, if these procedures are in accordance with the Manual / regulations).

Conclusion

Upon verification of procurement procedures have concluded that procurement procedures were realized based on internal Manual.

Furthermore, Central Office in Luxembourg has directly verified the documentation of all applicants on the procurement process and has taken the decision to determine the winner of the project.

Findings

There are no material findings to be reported.

Bank Accounts

During the audit procedures, we verify whether the bank accounts and petty cash are managed and used according to the rules of a and whether those accounts are maintained and harmonized.

Conclusion

During the verification of the bank account and the cash we have found that all withdrawals and payments transactions are authorized and signed by the responsible persons.

Findings

There are no findings to be reported.

Internal control system

We have evaluated the adequacy and effectiveness of the overall system of internal controls to monitor spending at all levels and other financial transactions, paying particular attention to the adequacy and effectiveness of controls and documentation about their transactions.

Conclusion

During our investigation, we have found that within the organization there is an internal control where the monitoring program and the expenditure of several levels, by controlling all accounting transactions, payments through bank and cash, supporting documentation of all transactions.

Findings

There are no findings to be reported.

CHAPTER 2

Basis of preparing accounting policies and disclosures

2.1 Basis of preparation

The financial statements are prepared in accordance with the laws of the Republic of Kosovo in force and provide an overview of the HELP - Representative Office in Kosovo.

With the recommendation of the donor, incomes registered on Financial Statements are prepared on cash basis whereas the expenses are registered as accruals.

2.2 Reporting currency

The reporting currency of the HELP - Representative Office in Kosovo is the currency of the European Union (Euro).

2.3 Significant Accounting Policies

A summary of the significant accounting under which financial statements are prepared are as follows:

2.3.1 Cash

For the purpose of reporting these financial statements, cash and money equivalents are considered to be cash on hand and in banks.

2.3.2 Revenue recognition

Grant revenue is recognized as revenue in the period when they are received. At the end of the remaining amount of money is recognized as the excess of revenues over expenses.

2.3.4 Recognition of expenses

The expenditure is done when they happened.

2.3.4 Tax

HELP - Representative Office in Kosovo was established as a Non-Governmental Organization with the non-profit beneficiary status under the Regulations of the Republic of Kosovo no. 2009/03L134.

2.3.5 Assets

In accordance with HELP , all assets purchased as inventory and equipment, are recognized as an expense at the time of their purchase.

CHAPTER 3.

Revenue disclosures for projects and source of funds

Incomes Financed from other resources Account Number : 1110339387010117		
11.08.2015	6,000.00 €	Mitrovica North, Munic.
18.08.2015	50,000.00 €	Ministry Of HSW
04.09.2015	16,000.00 €	Ferizaj Municipality
29.09.2015	20,000.00 €	Prishtina
18.11.2015	16,000.00 €	Mitrovica
24.11.2015	6,000.00 €	Gracanica
Total	114,000.00 €	

Incomes Financed from German Government Account Number: 1110339387000126		
Apr-15	Cash	6,000.00 €
05.05.2015	Bank	8,000.00 €
25.05.2015	Bank	40,000.00 €
20.07.2015	Bank	40,000.00 €
20.10.2015	Bank	160,000.00 €
26.11.2015	Bank	168,000.00 €
	Bank	
Total	Bank	422,000.00 €

Beneficiaries

44,084.0 euro

From total amount of incomes, the amount of 260.016.62 Euro is spent during the period of 2015 while the amount remain is set in 2016