

# **INDEPENDENT AUDITOR'S REPORT**

**Coalition "Sexual and Health Rights of Marginalized Communities" MARGINS Skopje, "Coalition MARGINS"**

**Project:  
"Ensuring Gender Equality through Education"**

**February 2024**

## **knowing you.**

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## INDEPENDENT AUDITOR'S REPORT – FINANCIAL AUDIT

### ***KVINNA TILL KVINNA FOUNDATION***

***Non-governmental organization,  
Sweden***

### **Auditor's Opinion**

We have audited the expenditure and revenue as stated in the Financial Report of the project entitled "Ensuring Gender Equality through Education" with reference number MK01SID34-17304, the 'Project', for the period from 1 January 2023 – 31 December 2023, based on a Cooperation Agreement signed on 28 February 2021 between the Kvinna till Kvinna Foundation "Contracting Authority" and Coalition "Sexual and Health Rights of Marginalized Communities "MARGINS Skopje, "Coalition MARGINS", "the Entity".

In our opinion:

- The Annual Financial Report of the project for the period from 1 January 2023 to 31 December 2023 have been prepared in accordance with the requirements for financial reporting provided for in the annexes of the Cooperation Agreement, and presents fairly, in all material respects, the expenditure incurred and the revenue received for the Project, and
- The funds of the project have, in all material respects, been used in conformity with the agreed Project budget and applicable PIA.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing 800/805 and the Terms of Reference for Annual Audit of the "Regional Programme SID 34".

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statement in the Republic of North Macedonia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We have taken into account all the available evidence presented to us during our fieldwork which we finalized on 13 February 2024, including the subsequent comments and information of the Entity. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Entity's management for the Financial Statements**

Management is responsible for preparation and fair presentation of the financial statement in accordance with the cash receipts and disbursements basis of accounting described in the Notes to the financial statement; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error. In preparing the financial statement, management is responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

In accordance with the agreed conditions the Entity's management is responsible for the preparation of the Financial Report and for being satisfied that it presents fairly the actual expenditure incurred and revenue received for the Project in conformity with the applicable agreed conditions.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Distribution and use

The Kvinna till Kvinna Foundation has requested this report and it is intended solely for the information and use of the Kvinna till Kvinna Foundation and the Entity.

Date of the auditor's report: February 13, 2024

Auditors' address: Kreston Macedonia,  
str. Pandil Siskov, no. 5/1-45, Skopje

Name of Auditor signing: Zvonko Kocovski, Certified Auditor



## **Agreed-Upon Procedures Report**

### ***KVINNA TILL KVINNA FOUNDATION***

***Non-governmental organization,  
Sweden***

In accordance with the engagement letter dated 20.12.2023, that we agreed with Kvinna till Kvinna Foundation, we provide our Agreed-Upon Procedures Report ("the Report") with respect to the accompanying Financial Report of the project entitled "Ensuring Gender Equality through Education" with reference number MK01SID34-17304, the 'Project', for the period from 1 January 2023 – 31 December 2023, based on a Cooperation Agreement signed on 28 February 2021 between the Kvinna till Kvinna Foundation "Contracting Authority" and Coalition "Sexual and Health Rights of Marginalized Communities "MARGINS Skopje, "Coalition MARGINS", "the Entity".

### **Objective**

Our engagement was an expenditure verification which is an engagement to perform certain agreed-upon procedures with respect to the accompanying Financial Report of the project entitled "Ensuring Gender Equality through Education" based on a Cooperation Agreement between the Kvinna till Kvinna Foundation "Contracting Authority" and Coalition "Sexual and Health Rights of Marginalized Communities "MARGINS Skopje, "Coalition MARGINS", "the Entity".

The objective of this Report of factual findings is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

### **Standards and Ethics**

Our engagement was undertaken in accordance with:

- International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the International Federation of Accountants ('IFAC);
- the Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also comply with the independence requirements of the Code of Ethics for Professional Accountants.

### **Procedures performed**

As requested, we have performed the procedures listed below.

These procedures have been performed in order to provide the Contracting Authority with a clear insight into the eligibility of the costs.

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 Entity 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 Report sets out information provided to us by you in response to specific questions or obtained and extracted from your accounts and records.

## Factual Findings

The total expenditures that are the subject of this expenditures verification amount to 26.627 EUR. The Expenditure Coverage Ratio is 100 %. This ratio represents the total amount of expenditures verified by us expressed as a percentage of total expenditures which has been subject to this expenditures verification. This amount is equal to the total amount of expenditures reported by you in the Financial Report.

We report the details of our factual findings which result from the procedures that we performed in Chapter 2 of this Report.

## Use of this report

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

This Report is prepared solely for your confidential use and solely for the purpose of submission by you. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties. This report is solely on the accounts and items which are mentioned above and it does not refer to the financial statements of the Coalition "Sexual and Health Rights of Marginalized Communities "MARGINS Skopje, "Coalition MARGINS", taken as a whole.

Date of the auditor's report: February 13, 2024

Auditors' address: Kreston Macedonia,  
str. Pandil Siskov, no. 5/1-45, Skopje

Name of Auditor signing: Zvonko Kocovski, Certified Auditor



## **1. The Engagement Context**

### **1.1. Contractual Conditions**

The Project was financed through an Agreement signed on 28 February 2021 between the Kvinna till Kvinna Foundation and Coalition "Ensuring Gender Equality through Education " MARGINS Skopje, "Coalition MARGINS", for providing financial support for the action entitled "Ensuring Gender Equality through Education". The total cost of the Action estimated for financing by the Contracting Authority for 2022 year is SEK 309.971 (EUR 30.840), whereby the Contracting Authority undertakes to finance a maximum of SEK 309.971 (EUR 30.840) which is equivalent to 100% of the estimated total eligible costs.

According to approved Reallocations, the total cost of the Action estimated for financing by the Contracting Authority is SEK 309.997 (EUR 30.842), whereby the Contracting Authority undertakes to finance a maximum of SEK 309.997 (EUR 30.842) which is equivalent to 100% of the estimated total eligible costs. Total amount received during this reporting period is EUR 26.791.

The following Annexes (attachments) form an integral part of the present Agreement:

- Project proposal documents;
- Budget;
- Kvinna till Kvinna's Anticorruption policy for partner organizations and third parties;
- Kvinna till Kvinna's Procurement guidelines for partner organizations;
- Financial report template
- Kvinna till Kvinna's Guidelines for financial reports;
- Kvinna till Kvinna's Policy for sustainable partnership;
- Disbursement Request template

There were amendments (reallocations) regarding the budget and project activities which were made with previous approval from the Contracting Authority and according to the terms and conditions set out in the Grant Agreement and its Annexes.

The total period of the Project was set to be 36 months (starting 1 January 2021 to 31 December 2023). The implementation period of the project that is subject to this audit was set to be 12 months (starting 1 January 2023 to 31 December 2023).

### **1.2. Project subject to Audit**

The Project subject to audit is "Ensuring Gender Equality through Education"

*Project description:*

The project aims are to propose action and intervention for the duration of 36 months that aims to ensure gender equality in North Macedonia through formal education. The main outcomes are:

- 1) Gender equality is a key standard within national education reforms;
- 2) Gender equality with a focus on the reality of intersectional factors is recognized as a key criterion in EU accession processes
- 3) Coalition Margins play a key role in EU accession processes through advocating for inclusive education based on principles of equality and nondiscrimination.

### **1.3. Entity subject to Audit**

Coalition Margins is a non-profit organization that began with its activities in June 2007, and was legally registered in year 2011.

Its mission and main programs are to promote and respect the fundamental human rights of marginalized communities.

The work of the organization is focused on: promoting policies, laws and practices that will provide fair and equal treatment of marginalized communities; promoting inclusion and full participation of MC in the creation and implementation of policies and services crucial for their health and rights; educating

the concerned- MC, government representatives, service providers, collaborators and the general public regarding health requirements and rights of MC; developing/inclusion/networking with associated organizations in order to provide exchange of knowledge, assuming joint actions and providing application of good practices for promotion of health and rights of MC; developing strategies for providing financial means from possible donors, government institutions etc.

The main target groups of the organization are Local and central governments; the Academic community; the international community representatives in Macedonia; Marginalized communities.

Key Activities of the organization are advocacy, research and analysis, the inclusion of the marginalized communities in the creation and implementation of the policies, debates and hearings on Sexual and Health Rights of the marginalized communities, promotion of anti-discrimination law, education of all the relevant actors, promotion of the cultural practices of the marginalized communities, as well as networking and building alliances with the civil society.

## **2. Procedures Performed and Factual Findings**

*The procedures that we have performed are:*

1. We observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget.
2. We observe and inspect whether the financial report provides information regarding:
  - a) All incomes from Kvinna till Kvinna for the reporting period and financial outcome per budget line for the reporting period.
  - b) When applicable, we compare if the open fund balance for the reporting period matches with what was stated as the closing balance in the previous reporting period.
  - c) A disclosure of exchange gains/losses. Inquire and confirm whether the disclosure includes the entire chain of currency exchange from Kvinna till Kvinna's disbursement to the handling of the project within the organization in local currency.
  - d) Accounting principles applied for the financial report.
3.
  - a) We inquire and inspect with what frequency salary costs during the reporting period are debited to the project
  - b) We inquire and inspect whether there is supporting documentation for debited salary costs.
  - c) We inquire and inspect whether the actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time are performed.
  - d) We inspect whether the Partner Organizations comply with applicable tax legislation with regard to personal income taxes and social security fees.
4.
  - a) We inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with the information provided in the accounting system and bank account.
  - b) We inspect whether the Partner Organization has adhered to the procurement guidelines annexed to the agreement.
  - c) We inspect and confirm the unspent balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to Kvinna till Kvinna.
5. We inspect whether the expenditure was incurred by and pertains to the Partner Organization.
6. We inspect whether the expenditure incurred during the contractual eligibility period.
7. We inspect whether the expenditure is identifiable and verifiable.

*We report our factual findings resulting from these procedures below:*

1. We confirm that the financial report is structured in a way that allows for direct comparison with the latest approved budget.
2.
  - a) We confirm that the financial report provides information regarding all incomes from Kvinna till Kvinna for the reporting period and financial outcome per budget line for the reporting period.
  - b) We confirm that the open fund balance for the reporting period is 2 EUR and matches with what was stated as the closing balance in the previous reporting period.
  - c) We confirm that the disclosure includes the entire chain of currency exchange from Kvinna till Kvinna's disbursement to the handling of the project within the organization in local currency.  
We confirm that disclosure of exchange rate gains/losses is included in the Financial Report.
  - d) We confirm that the Financial Report provides information regarding the accounting principles applied to the Financial Report.
3.
  - a) We inspected with what frequency the salary costs are debited to the project. The salary costs are debited to the project monthly.
  - b) We confirm that there is supporting documentation for debited salary costs.
  - c) We confirm that actual time worked is documented and verified by a manager monthly.
  - d) We confirm that Partner Organizations comply with applicable tax legislation with regard to personal income taxes and social security fees.
4.
  - a) We confirmed that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.
  - b) We confirm that the Partner Organisation has adhered to the procurement guidelines annexed to the agreement.
  - c) The unspent fund balance at the end of the project period that should be repaid to Kvinna till Kvinna amounts to 164 EUR.
5. We verify that the actual expenditure for a selected item was incurred by and pertains to the Partner Organization. We take into consideration the detailed conditions for actual costs incurred. For this purpose, we examined supporting documents (e.g. invoices, contracts) and proof of payment. We also examined proof of work done, goods received, or services rendered and we verified the existence of assets. We verify that the costs incurred during the implementation period have effectively been paid at the moment of the verification;
6. We verify that the expenditure for a selected item was incurred during the implementation period of the Action.
7. We verify that the expenditure was identifiable and verifiable. The expenditure is substantiated by evidence and notably the supporting documents. The expenditures are backed up by sufficient supporting documentation and proof of payment. Where expenditure was apportioned, the applied allocation key was based on sufficient, appropriate and verifiable underlying information. The expenditure is backed up by evidence of works done, goods received, or services rendered. The existence of assets is verifiable;

The total expenditure verified by us amounts to 26.627 EUR, and is summarized in the table below. The overall Expenditure Coverage Ratio is 100%.

Budget heading	Expenditures incurred (EUR)	Expenditures verified (EUR)	Expenditure verified (in relative %)
1. Staff costs	14.813	14.813	100%
2. Office costs	3.029	3.029	100%
3. Technical equipment	-	-	-
4. Activities	8.785	8.785	100%
<b>Total expenditures</b>	<b>26.627</b>	<b>26.627</b>	<b>100%</b>

We did not find any findings or weakness during the audit of the project "Ensuring Gender Equality through Education" implemented by Coalition "Sexual and Health Rights of Marginalized Communities" MARGINS Skopje, "Coalition MARGINS" that would result in a Management Letter.

There were not identified weaknesses in previous audit.

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