

THE AUDIT REPORT  
ON THE SPENDING OF DESIGNATED FUNDS,  
BY YOUTH INITIATIVE FOR HUMAN RIGHTS,  
IN 2008.

*/period January-December/*

Podgorica, April 2009

**OPINION OF AN INDEPENDENT AUDITOR**

on accuracy and objectivity when spending financial funds in 2008,  
period January - December

Responding to your request we have audited financial reports of Youth Initiative for Human Rights office in Podgorica, Montenegro, from 1 January through 31 December, that have been submitted to the donor on the spending of financial funds, as well as reports that are submitted to authorities in Republic of Montenegro. The Management of the Initiative for Human Rights office in Podgorica is responsible for those reports and our task is to give our opinion on their accuracy and objectivity based on the result on the auditing.

We fulfilled auditing in accordance with generally accepted auditing standards. Those standards require planning and auditing done in such way that it gives reasonable understanding of whether the financial reports contain major mistakes. Auditing consisted of evaluating the accounting standard and terms that are applied as well as evaluation of the management of the centre.

We were also evaluating the quality of the presentation of the financial reports. We believe that the completed auditing forms a reliable base for our opinion.

In our opinion, financial reports give true and fairly account of income and expenditures of Youth Initiative for Human Rights office in Podgorica, Montenegro. Expenditures were made in accordance to the purpose funds were donated for.

Financial conduct was in accordance to regulation valid in Republic of Montenegro.

Podgorica, 15.04.2009.

The authorised auditor:

Manager

Momčilo S. Mihaljević

Momčilo S. Mihaljević

ШВЕДСКИ ХЕЛЦИНШКИ КОМИТЕТ ЗА ЉУДСКА ПРАВА

Подгорица

### **ИЗВЈЕШТАЈ НЕЗАВИСНОГ РЕВИЗОРА**

Извршили смо ревизију правилности поступања Иницијативе младих за људска права из Подгорице, у складу са одредбама правила о трошењу донираних средстава од Шведског Хелсиншког комитета-а за период 1. јануар до 31. децембар 2009. године, која се односе на рачуноводствено обухватање и финансијско извјештавање.

Ревизију смо извршили у складу са Међународним стандардима ревизије који се односе на ревизију правилности поступања у складу са основама утврђеним ревизијским ангажманом. Ови стандарди налажу да ревизију планирамо и извршимо на начин који омогућава да се, у разумној мјери, увјеримо да је Иницијатива младих за људска права из Подгорице поступала у складу са одговарајућим правилима. Ревизија укључује испитивање поткрепљујућих доказа на основу провјере узорака. Сматрамо да ревизија коју смо обавили пружа разумну основу за наше мишљење.

По нашем мишљењу, Иницијатива младих за људска права из Подгорице је, у свим материјално значајним поступањима, поступила у складу са одредбама правила о трошењу донираних средстава која се односе на рачуноводствено обухватање и финансијско извјештавање, са стањем на дан 31. децембар 2008. године.

Подгорица, 15.04.2009.

«Независна ревизија М.С.М»  
Подгорица  
Блок 7 улаз 6; 3/2

Овлашћени ревизор  
Момчило С.Михаљевић

## AUDITORS's COMMENTS

With financial reports from January through 31 December 2008.

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## **1. INTRODUCTION**

Youth Initiative for Human Rights (YIHR) office in Montenegro is registered as a non-governmental, non-profit and non-political organisation. YIHR's office in Montenegro was founded to advocate the rule of law in Montenegro, to provide protection for the victims of human rights violations, and to research the overall human rights situation in the country. The office focus on strengthening cooperation between and among local human rights NGOs in order to increase the visibility, impact and value of efforts to create a responsible, free and democratic society.

Youth Initiative for Human Rights office in Montenegro was founded in the august of 2006 and is based in Podgorica, st. Vukiće Mitrović 16. Registry number of the organisation is 3640 (act 02-3609-06 on 23.08.2006.), activity code 02622220-302.

Youth Initiative for Human Rights office in Montenegro has giro accounts:

- 510-12631-74 at Crnogorska komercijalna banka a.d. Podgorica;
- 510-15939-44 at Crnogorska komercijalna banka a.d. Podgorica;
- 510-18136-49 at Crnogorska komercijalna banka a.d. Podgorica;
- 510-18134-55 at Crnogorska komercijalna banka a.d. Podgorica;
- 510-21366-59 at Crnogorska komercijalna banka a.d. Podgorica;
- 510-20207-44 at Crnogorska komercijalna banka a.d. Podgorica;

Youth Initiative for Human Rights office in Montenegro is e non-profit organisation that is financed by donations from foreign governments and organisations, and by donations from local donnors.

### **Responsability of the menagement**

Youth Initiative for Human Rights office in Montenegro has following managerial body:

- Program director of YIHR Montenegro is Boris Raonić;

Management's decisions are carried out by the Program director, which is, also, selected by Management. Member of the Management team are given a permanent position, until the termination of contract by Management. Members of Management team report to Management on all aspects of the functioning of the centre.

- Executice director of YIHR Montenegro is Edina Hasanaga Cobaj;

Executive director is in charge for all administraitve work.

## Object of the audit

Spending of the designated funds donated by Swedish Helsinki Committee for Human Rights, Foundation for an Open Society and Royal Norwegian Embassy was audited.

Swedish Helsinki Committee for Human Rights finances projects that support democratisations of the society and the development of the civil society.

Foundation for an Open Society finances projects related to right of minorities on informing on mother language and youth activism.

Royal Norwegian Embassy finances projects related to freedom of expression.

Financing includes the organisations of seminars, workshops, incorporation of specific regional network projects, and education of young leaders, young politicians and similar.

The goal of this audit is to determine the spending of designated funds that were donated by Swedish Helsinki Committee for Human Rights, Foundation for an Open Society and Royal Norwegian Embassy, for financing of the activities from its field of interests.

Auditing will be carried out according to International audit standard 800.

## Audit Scope

Tolerable Error assigned to Location Youth Initiative for Human Rights, office in Podgorica has been set at EURO 500.

All amounts are reported in EURO.

## 2. EXPENDITURE IN 2008 RELATED TO YOUTH INITIATIVE FOR HUMAN RIGHTS

No	DESCRIPTION	In Euro Amount
1.	Balance 01.01.2008.:	
	- Swedish Helsinki Committee for Human Rights	5,303.79 €
	- contributions from other sources	20,400.33 €
	Total	<b>25,704.12 €</b>
2.	Income 2008.	
	- Swedish Helsinki Committee for Human Rights	35,980.80 €
	- contributions from other sources	876.04 €
	Total	<b>36,856.84 €</b>
<b>TOTAL INCOME 2008</b>		<b>62,560.96 €</b>

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3. EXPENSES 2008

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Swedish Helsinki Committee for Human Rights  
(Budget line 2008)

01- Research costs	1,259.10 €
02- Conference cost	-
03- Advocacy	-
04- Publication	869.64 €
05- Salaries	21,952.14 €
06-Administration cost	7,415.52 €
07-Bank charges	106.51 €
<b>Total</b>	<b>31,602.91 €</b>

Swedish Helsinki Committee for Human Rights  
(Budget line 2007 – (balance 01.01.2008. - 5,299.22 €))

01- Event costs	112.50 €
02- Travel cost	521.00 €
03- Salaries	1,804.16 €
04- Publication	2,375.00 €
06-Administration cost	492.48 €
<b>Total</b>	<b>5,305.14 €</b>

Foundation Open Society

01-Honoraria	2,399.38 €
02-Travel costs	695.00 €
03-Accommodation costs	6,104.07 €
04-Other costs	1,128.55 €
05-Bank charges	-
<b>Total</b>	<b>10,327.00 €</b>

Royal Norwegian Embassy

01-Honoraria	5,942.03 €
02-Editing-recording	1,651.36 €
03-Accommodation costs	700.62 €
04-Other costs	1,946.35 €
05-Bank charges	-
<b>Total</b>	<b>10,240.36 €</b>

Journal for youth – REZ

01-Other costs	702.95 €
<b>Total</b>	<b>702.95 €</b>

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**TOTAL EXPENSES 2008**

**58,178.36 €**

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4.	Saldo	<b>4,382.60 €</b>

Through our insight into original documentation we saw that designated funds were used accordingly.

The above mentioned Statement was examined and all tests of the supporting documentation and accounting record deemed necessary were carried out in order to obtain reasonable assurance that in our opinion, based on our audit:

- the amount of the total eligible costs 58,178.36 EURO declared above, is complying with the following cumulative conditions:
  - \* they are actual and reflect the contractor's economic environment;
  - \* they are determined in accordance with the contractor's accounting principles;
  - \* they have been incurred during the periods covered by the Statements concerned by this audit certificate;
  - \* they are recorded in the accounts of the contractor at the date of establishment of this audit certificate;
  
- accounting procedures used in the recording eligible costs and receipts respect the accounting rules of the State in which the contractor is established and permit the direct reconciliation between the costs and receipts incurred for the implementation of the project covered by the YIHR;
  
- paying teller was done according to rules and standards. Every payment has a document attached to it that guarantees it;
  
- personal income (salaries and temporary contracts) has been accounted according to rules.

### 3. REVIEW OF THE INCOME FROM A DONORS

During the year 2008, Youth Initiative for Human Rights had the following income:

-open balance 1/1/08	25,704.12 €
-transfer on 08/05/08 amount of euro	17,964.04 € (SHC)
-transfer on 07/03/08 amount of euro	17,964.14 € (SHC)
-contribution from other sources 2008	928.66 €
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<b>TOTAL</b>	<b>62,560.96 €</b>
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In year 2008 income was, 62,560.96 euro.

Remaining funds of 2007 year were 25,704.12 euro and these surplus is transferred to year 2008. There is remaining funds of 4,382.60 from the this period and these surplus is transferred to year 2009.

#### **4. RECOMMENDATION**

In the planning and completing of our partial auditing we have not investigated internal control routines in Youth Initiative for Human Rights Podgorica in detail but only the part that is directly related to donors.

Auditing was conducted according to regulations of International audit standard 800.

We have conducted an audit relating to the cost declared in the Financial Statement.

We confirm that our audit was carried out in accordance with generally accepted auditing standards respecting ethical rules and on the basis of the relevant provisions of the above referenced contract.

Due to this fact, our observations and recommendations could not be perceived as complete as it could be if we were responsible for the auditing of the whole enterprise.

That's why this report is relevant primarily for Youth Initiative for Human Rights Podgorica Management and - Swedish Helsinki Committee for Human Rights.

Upon examination of the document we noticed high level of order and systematic deposition and operational processing of documents.

We want to point out that we, as an auditor, found no reason to be suspicious that the submitted documentation was not trustworthy.

Finally, we want to emphasise high level of rationality in the spending of financial funds by YIHR Podgorica, as well as high level of order in their conduct.