

AFEX SERVICE SRL

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licenta nr. A MMII nr. 020980 din 25 aprilie 2006 e. eliberata de Camera de Licentiere a Republicii Moldova

To: Civil Rights Defenders
Address: Stora Nygatan 26
SE 111 27 Stockholm

Cc: Mr. Petru Macovei
Executive Director
Non Profit Organization "Association of Independent Press" (API)
Address: 2/2, Romana str., Chisinau, Republic of Moldova,
IDNO: 1010620004936
Registration Number to the Ministry of Justice – 0087

AUDITOR'S REPORT ON RESULTS OF AUDIT WITH SPECIAL CONSIDERATIONS

Introduction

We have conducted the audit in accordance with the Letter of Engagement no. 16/AF of 15 december 2014 with regard to compliance by **Non Profit Organization „Association of Independent Press”** (hereinafter referred to as –Beneficiary) with requirements of the **Grant Contract no. 143511** in amount of **EUR 47 899,00**, concluded by the **Civil Rights Defenders** and **Non Profit Organization „ Association of Independent Press”** on 07 April 2014, for the implementation of the Project *“Promoting Best Practices of Reporting on Human Rights in the Media”* namely verification of the financial report of the expenditure of grant funds, examining their validity (if they were actually incurred), accuracy and consistency with the conditions of the grant.

The Grant Beneficiary Management's Responsibility

The Grant Beneficiary Management **Non Profit Organization „Association of Independent Press”** is responsible for the preparation and fair presentation of the financial report in compliance with the requirements of the **Grant Contract no 143511**, as well as in accordance with the sponsor's requirements (Civil Rights Defenders) and the legislation of the Republic of Moldova (National Accounting Standards - NAS) so that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements submitted to the Regulator, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 towards **Civil Rights Defenders**.

We have been appointed to audit the financial statements prepared by the management of the Grant Beneficiary and submitted to the Regulator – Civil Rights Defenders. The Grant Beneficiary provided the Auditor with financial statements and supporting documents for the incurred expenses reflected in those statements. Concurrently, the Auditor was provided with some excerpts from the accounting system, including the flows of grant means on bank accounts, analysis of assets accounts, settlements with suppliers, advance payments made, salaries paid, income tax withheld and contributions made, and anticipated expenses. The performed audit procedures and evidence enable us to report exclusively on the expenses reflected in the financial statements, namely that they are realistic (there are supporting documents available that confirm their incurrence and payment), accurate (the data reflected in the financial statements match those stated in the supporting documents of acquisition and payment), and eligible (have been spent in compliance with the terms and requirements outlined by the Donation Contract).

Opinion

Presented report is to express our opinion, about discrepancy and audit findings disclosed during the audit with special considerations performed with regard to:

- compliance by **Non Profit Organization „Association of Independent Press”** with sponsor's requirements - Civil Rights Defenders with regard to the implementation of project *“Promoting Best Practices of Reporting on Human Rights in the Media”*;
- confirmation of the fact that the expenses related to the project and reflected in financial reports submitted to the Foundation were realistic, are correct (accurate) and eligible (were spent in accordance with the terms and conditions of the grant) have been separately recorded in accounting system, and were integrated into the overall financial situation of the entity and not reported to other projects and / or other donors.

In our opinion, in general, the financial report prepared by Grant Beneficiary **Non Profit Organization “Association of Independent Press”** presents a real situation with regard to expenses incurred in connection with implementation of the project *“Promoting Best Practices of Reporting on Human Rights in the Media”*, it was prepared in accordance with the requirements of donor - **Civil Rights Defenders**; regulatory framework complies with the requirements of preparation of financial statements in the Republic of Moldova (NAS).

Date: 31.01.2015

Negara Ghenadie



A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

Director of
Consulting and Auditing Company «AFEX Service» Ltd.
Certificate of auditor AG nr.000156 din 08.02.2008