

UnMode – Community Movement for Access to Justice NNLE

Independent Auditor's Report of an Expenditure Verification

In the frame of the Project No 2022009

Donor: Stichting Aidsfonds – Soa Aids Nederland

Partnership agreement: PHRC/202209/RUNPUD/01

For the reporting period from 01 January, 2022 to 31 December, 2022

UnMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
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Independent Auditor's Report of an Expenditure Verification

To:

Project partner: UnMode – Community Movement for Access to Justice NNLE

Donor: Stichting Aidsfonds – Soa Aids Nederland

We have audited the financial report, initiated by us for identification purposes, of the Project No 2022009 for the period 01.01.2022-31.12.2022 of UnMode – Community Movement for Access to Justice NNLE. The financial report has been prepared by the management of UnMode – Community Movement for Access to Justice NNLE.

Management's Responsibility

Management of UnMode – Community Movement for Access to Justice NNLE is responsible for the preparation of the financial report in accordance with the Project Agreement and the Terms and Conditions Grants and for such internal control as it determines is necessary to enable the preparation of the financial report 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 report based on our audit. We conducted our audit in accordance with the audit requirements of Stichting Aidsfonds – Soa Aids Nederland. We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, 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 report 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion related to the expenditure verification.

Opinion

In our opinion, the financial report for the period 01.01.2022-31.12.2022 of UnMode – Community Movement for Access to Justice NNLE, is in all material aspects, accurate and in accordance with the Project Agreement and the Terms and Conditions Grants. The total declared amount is USD 98,192.

Restriction of Use

This report is intended solely for the use for management of the entity to report to Stichting Aidsfonds – Soa Aids Nederland and its donors for this project and should not be used for any other purpose. Consequently, the auditor’s report, or any part of it, may not be made available in any form to any other third parties without our prior written consent. Therefore, we do not accept any liability to any third party who may have access to this report or into whose hands this report may come.

Ana Osiqmishvili

10th April, 2023

Kudos Georgia LLC

Business Center Mosaic,

61 Davit Aghmashenebeli Ave.

Tbilisi, 0102, Georgia



Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE
 NNLE
 Partnership agreement PHRC202209RUNPUD01
 Date of report: 01/01/2022-12/31/2022
 Liquidity Forecast

Instalments received	Date received	Amount EUR	Amount USD	Exchange Rate
TOTAL RECEIVED IN 2022		€94,806.73	\$99,999.18	0.9481
Transfer N.1	03/04/22	€17,831.67	\$20,000.00	1.1216
Transfer N.2	04/01/22	€14,265.34	\$15,871.62	1.1126
Transfer N.3	06/02/22	€14,983.33	\$16,128.06	1.0764
Transfer N.4	08/19/22	€15,806.99	\$15,999.84	1.0122
Transfer N.5	10/13/22	€16,484.48	\$15,999.84	0.9706
Transfer N.6	12/15/22	€15,434.92	\$15,999.84	1.0366

Total expenditures		Amount in USD
From 01/01/2022 until	12/31/2022	\$ 98,192.45

Payment requested		Amount in USD
Total instalments until	12/31/2022	\$ 99,999.18
Total expenditures until	12/31/2022	\$ 98,192.45

Payment requested		\$ (1,806.73)
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Date: 10th April, 2023

Name and signature of authorized signatory:



Aidana Fedosik

Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
Partnership agreement PHRC202209RUNPUD01
Date of report: 01/01/2022-12/31/2022
Financial report

Budget line	Activity	Type of unit		Cost per unit	Initial Budget	Actual Expenses	% of budget use	Comments	Expected Expenses next period
	Annual face-to-face Consortium Meeting (tent. In Tbilisi)								
1	Flights participants Consortium annual meeting	Plane tickets	8	\$350	\$2,800	\$2,608	93%		\$2,608
	Financial capacity building of RuNPUD								
2	Face-to-face meeting EPLN and RuNPUD for financial control - travel costs to Tbilisi				-	-	-		
20	Training course for members of the Board and Secretariat of RuNPUD on financial management "Humentum" (through co-funding RuNPUD))	days/people	12	\$378	\$4,530	\$3,584	79%		\$3,584
21	Retreat for UnMode members to prevent burnout and strengthen psychological state	Day	5	\$210	\$1,050	\$2,318	221%		\$2,318
	MEL capacity building								
22	RUNPUD MEL consultant is cofunded	Day	18	\$80	\$1,440	\$0	0%		\$0
	Organisational capacity strengthening of the Consortium partners								
25	Recourse Mobilization Consultant		1	\$1,375	\$1,375	\$1,372	100%		\$1,372
3	Relocation costs	Person	1	\$1,763	\$1,763	\$1,993	113%		\$1,993
4	Legal aid for consortium members at risk - Lawyers fee				-	-	-		\$0

Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
Partnership agreement PHRC202209RUNPUD01
Date of report: 01/01/2022-12/31/2022
Financial report

Budget line	Activity	Type of unit		Cost per unit	Initial Budget	Actual Expenses	% of budget use	Comments	Expected Expenses next period
	Subgranting to local CSOs and communities for monitoring and litigation								\$0
5	Subgrants for RUNPUD street lawyers	Subgrant	1	\$2,200	\$2,200	\$1,485	68%	1800	\$1,485
6	Legal support to subgrantees for strategic cases	day	116	\$50	\$5,800	\$6,479	112%	1300	\$5,430
	Online Media Advocacy School								
7	Translation of media products	page	50	\$20	\$1,000	\$1,295	129%		\$1,295
23	Creation of an information platform on the website of the organization (including the purchase of necessary software) for representatives of the community of people who use drugs, prisoners/ex-prisoners with a feedback system.	day	30	\$80	\$2,400	\$1,233	51%		\$1,233
24	Technical assistance to street lawyers in creating text publications and videos reflecting their human rights activities	day	40	\$80	\$3,200	\$4,696	147%		\$4,696
	Submissions to UN mechanisms								
8	Submission of at least 1 shadow report to the relevant UN Committees from the Consortium countries after consultation with the community / consultant fee	consultancy days	10	\$50	\$500	\$522	104%		\$522

Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
Partnership agreement PHRC202209RUNPUD01
Date of report: 01/01/2022-12/31/2022
Financial report

Budget line	Activity	Type of unit		Cost per unit	Initial Budget	Actual Expenses	% of budget use	Comments	Expected Expenses next period
	Participation in European and international advocacy events								
9	Travel costs (flight, per diems, accomodation, PCR tests, transfers, conference fees) for conference and/or briefing meetings with international stakeholders	Person	2	\$1,000	\$2,000	\$0	0%		\$1,185
	TOTAL ACTIVITY				\$30,058	\$27,586	92%		\$27,721
11	RuNPUD financial manager ,including financial management and financial capacity strengthening (implementation of financial action plan). RUNPUD financial manager holds a position of 65% from which 25% are funded by RCF - for 12 months	Annual F/T Salary with on-costs	25%	\$18,000	\$4,500	\$4,512	100%		\$4,512
12	RuNPUD Executive Director, coordination and monitoring of implementation of project activities, including 10%FTE of MEL management RUNPUD Executive Director holds a 100%FTE position, from which 75% is funded by RCF - for 12 months	Annual F/T Salary with on-costs	91%	\$30,000	\$27,300	\$28,186	103%		\$28,186
13	RuNPUD Info Manager, RUNPUD info manager holds a 90% position from which 60% is cofunded by RCF - for 12 months	Annual F/T Salary with on-costs	60%	\$8,000	\$4,800	\$4,953	103%		\$4,953

Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
Partnership agreement PHRC202209RUNPUD01
Date of report: 01/01/2022-12/31/2022
Financial report

Budget line	Activity	Type of unit		Cost per unit	Initial Budget	Actual Expenses	% of budget use	Comments	Expected Expenses next period
14	RUNPUD advocacy and external relations manager - 30%FTE, brutto - for 12 months. No co-funding	Annual F/T Salary with on-costs	30%	\$8,332	\$2,500	\$2,545	102%		\$2,545
15	RuNPUD Legal Coordinator , including coordination and monitoring of implementation of legal and advocacy activities, RUNPUD legal coordinator holds a 90% position from which 70% is cofunded by RCF - for 12 months	Annual F/T Salary with on-costs	75%	\$24,000	\$18,000	\$18,078	100%		\$18,078
16	RuNPUD project audit	Audit	1	\$2,000	\$2,000	\$610	31%		\$1,230
17	RuNPUD bank fees / taxes	Monthly	12	\$28	\$341	\$150	44%		\$150
26	Notary services	service	3		-	\$132	-		\$132
18	RuNPUD accountancy costs	Monthly	6	\$250	\$1,500	\$2,009	134%		\$2,009
19	RuNPUD legal address and shelter 9 mounth x 2000 usd	Annual cost	50%	\$18,000	\$9,000	\$9,432	105%		\$10,482
	TOTAL CORE				\$69,941	\$70,607	101%		\$72,277
	GRANDTOTAL				\$99,999	\$98,192	98%		\$99,999

Date: 10th April, 2023

Name and signature of authorized signatory:

Aidana Fedosik

Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
Partnership agreement PHRC202209RUNPUD01
Date of report: 12/31/2022
Notes to the financial report

1. General information

“UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE” (hereinafter referred to as the “organization”) is an international non-profit organization registered on the basis of membership, which includes citizens residing in all countries of the Central, Eastern and Central Asia region, including Georgia and other states in which the organization operates.

The organization carries out its activities in accordance with the Constitution of Georgia, the laws of Georgia, other normative legal enactments governing non-entrepreneurial (non-commercial) charitable activities, other effective legislation of Georgia, as well as the legislation of Russia and those states on the territory of which its activities are extended.

The organization is registered by the public registry of Georgia on 07/09/2020. The identification code of the organization is 405410817. Legal address of the organization: Georgia, City Tbilisi, Nutsubidze plateau, micro/region II, quarter IV, building n2, area N76.

The governing body of the organization is:

Members of the governing body	
Piotr Us	2005002157549, AA0368353 /Moldova/
Ivan Anoshkin	65N5621974 /Russian Federation/
Giorgi Gogua	01018001387
Aidana Fedosik	75 8084986 /Russian Federation/

The goal of the organization’s activities is to ensure access to justice and protect the rights of prisoners/ex-prisoners, people who use drugs and human rights defenders from the community living in the countries of the Central, Eastern Europe and Central Asia region, guided by the principles of humanity, gender equality and human rights. The organization operates in the following areas:

- Education
- Health care, including socially significant diseases, reproductive health
- Assistance to people who are in difficult life situations
- Support and care, legal representation and legal aid
- Social protection, social security, social services and poverty reduction
- Culture and art
- Science and scientific research
- Sports and physical culture
- Human and civil rights and fundamental freedoms
- Mass media not prohibited by legislation of Georgia
- Other areas that are not prohibited by the applicable legislation of Georgia

**Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE
NNLE
Partnership agreement PHRC202209RUNPUD01
Date of report: 12/31/2022
Notes to the financial report**

2. Basis of presentation and significant accounting policies

The accounting of “UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE” is conducted in accordance with the Law of Georgia "On Accounting, Reporting and Audit" and complies with the financial reporting standards established for non-entrepreneurial (non-commercial) legal entities established by the Service (Service for Accounting, Reporting and Auditing Supervision)

- Accounting is conducted based on natural measurement values, generally, in monetary terms, by chronological, continuous and documented reflection.
- Accounting is conducted by a qualified legal entity.
- Accounting is carried out electronically in the accounting program in a simplified form with the reflection of the facts of economic activity using a double entry based on the relevant financial reporting standards.

In preparing this financial information management has used its best knowledge of the guidance and instructions.

Accounting of transactions is conducted by GEL, USD, EUR. The reporting period of the company includes the following period, from January 1st, 2022 to December 31st, 2022.

Currency rates

Per default, both parties shall use currency rates from the European Commission “InforEURO”.

3. Liquidity forecast

According to the budget the total funds allocated to The Russian-speaking Network of People who Use Drugs (RUNPUD) for “UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE (Prior RUNPUD)” project activities in 2022 is of 99,999 USD. The budget is paid by the Funding Authority to the European Prison Litigation Network (EPLN) and the EPLN distributes the payments of the Funds allocated to RUNPUD, according to provisions of payment set in Partnership Agreement. EPLN is the leading organization of the Project and is responsible for the distribution and monitoring of funds from the Funding Authority, in accordance with the rules set in the present Partnership Agreement and in compliance with provisions of the Project Agreement. The Funds allocated to RUNPUD is transferred by EPLN to RUNPUD, in several instalments covering an approximative period of two months of upcoming expenses. The following provisional calendar of instalments:

- 1) An instalment of 20% of the total Funds allocated to RUNPUD without delay after reception by EPLN of the first instalment of funds by the Funding Authority and signature of the present Partnership Agreement.
- 2) An instalment of 16% of the total Funds allocated to RUNPUD after reception of the 1st intermediary financial report and liquidity forecast.
- 3) An instalment of 16% of the total Funds allocated to RUNPUD after reception of the 2nd intermediary financial report and liquidity forecast.
- 4) An instalment of 16% of the total Funds allocated to RUNPUD after reception of the 3rd intermediary financial report and liquidity forecast
- 5) An instalment of 16% of the total Funds allocated to RUNPUD after reception of the 4th intermediary financial report and liquidity forecast
- 6) An instalment of the exact amount indicated in the 5th liquidity forecast after reception of the 5th intermediary financial report and liquidity forecast.
- 7) A final balance instalment after reception of the final financial report by RUNPUD.

4. Expenditure

Activity Expenditures

Activity	Type of unit	Number of units	Cost per unit	UNMODE
Annual face-to-face Consortium Meeting (tent. In Tbilisi)				\$2,608
Flights participants	Plane tickets	25	\$350	\$2,608
Financial capacity building of RuNPUD				\$3,584
Training course for members of the Board and Secretariat of RuNPUD on		1		\$3,584

Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE
 NNLE

Partnership agreement PHRC202209RUNPUD01

Date of report: 12/31/2022

Notes to the financial report

financial management "Humentum" (through co-funding RuNPUD))				
Organisational capacity strengthening of the Consortium partners				\$5,683
Reallocation costs	Person	2	\$800	\$1,993
Resource mobilisation trainer/consultant fee	days	1.5	\$600	\$1,372
Retreat for UnMode members to prevent burnnout and stengthen psucological state				\$2,318
Subgranting to local CSOs and communities for monitoring and litigation				\$7,465
Subgrants for UnMode street lawyers	Subgrant	5	\$2,200	\$1,485
Legal support to subgrantees for strategic cases	day	116	\$50	\$5,979
Online Media Advocacy School				\$7,724
Translation of media products	page	50	\$20	\$295
Creation of an information platform on the website of the organization (including the purchase of necessary software) for representatives of the community of people who use drugs, prisoners/ex-prisoners with a feedback system.				\$1,233
Technical assistance to street lawyers in creating text publications and videos reflecting their human rights activities				\$6,196
Submissions to UN mechanisms				\$522
	consultancy days	10	\$50	\$522
				\$27,586

Total expenditures		Amount in USD
From 01/01/2022 until	12/31/2022	\$ 98,192.45

**Name of the organization: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE
 NNLE
 Partnership agreement PHRC202209RUNPUD01
 Date of report: 12/31/2022
 Notes to the financial report**

Core expenditures

Budget line	Type of unit	Number of units	Cost per unit	UNMODE
I. Human resources				\$58,275
UnMode financial manager, including financial management and financial capacity strengthening (implementation of financial action plan). RUNPUD financial manager holds a position of 65% from which 25% are funded by RCF - for 12 months	Annual F/T Salary with on-costs	25%	\$18,000	\$4,512
UnMode Executive Director, coordination and monitoring of implementation of project activities, including 10%FTE of MEL management RUNPUD Executive Director holds a 100%FTE position, from which 75% is funded by RCF - for 12 months	Annual F/T Salary with on-costs	75%	\$30,000	\$28,186
UnMode Info Manager, RUNPUD info manager holds a 90% position from which 60% is cofunded by RCF - for 12 months	Annual F/T Salary with on-costs	60%	\$24,000	\$4,953
UnMode advocacy and external relations manager - 30%FTE, brutto - for 12 months. No co-funding	Annual F/T Salary with on-costs	30%	\$24,996	\$2,545
UnMode Legal Coordinator, including coordination and monitoring of implementation of legal and advocacy activities, RUNPUD legal coordinator holds a 90% position from which 70% is cofunded by RCF - for 12 months	Annual F/T Salary with on-costs	70%	\$24,000	\$18,078
II. Financial management				\$2,901
UnMode project audit	Audit	1	\$2,000	\$610
UnMode bank fees / taxes	Monthly	12	\$50	\$150
UnMode accountancy costs	Monthly	12	\$400	\$2,009
Unmode Notary Services				\$132
III. Office and communication				\$9,432
UnMode legal address hosting and co-working	Annual cost	50%	\$3,000	\$9,432
TOTAL CORE COSTS				\$70,607

MANAGEMENT LETTER

**CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022**

Dated: April 10,2023

Address:

Dear Aidana Fedosik,

The purpose of this report is to set out certain matters that came to our attention during the course of the audit of the financial statements of UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE for the year ended 31.12.2022.

Our objective is to use our knowledge of the business gained during our routine audit work to make useful comments and suggestions for you to consider. However, you will appreciate that our routine audit work is designed to enable us to form an opinion on the financial statements of the business and it should not be relied upon to disclose all irregularities that may exist or to disclose errors that are not material in relation to the financial statements.

Our report is designed to include useful recommendations that may help improve performance and avoid weaknesses that could lead to material loss or misstatement. It is your obligation to take the actions needed to remedy those weaknesses and should you fail to do so we shall not be held responsible if loss or misstatement occurs as a result.

The report is provided on the basis that it is for the information of directors and management of the business; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we will accept no responsibility to any third party in relation to it.

The report addresses our observations from the current year's Audit and our recommendations in each area. These matters have been discussed with Management and their response is included as appropriate.

Please do not hesitate to contact me if you have any questions about this report.

Yours faithfully,

Engagement Partner Name: Ana Osiqmishvili
Signature:



Rent related document

Observation

There is no confirmation of the information that the half of the rent is financed by other projects. The Agreement between Zurab Bitsadze and Giorgi Bitsadze (referred as landlords) and Aidana Fedosik (referred as tenant) dated March 18, 2022 contains the information regarding the monthly rent payment of 2,000 USD (ref. part 3 clause 3.1. of the Rent Agreement). Additionally, there is an Explanation Note dated July 27, 2022 regarding the rent tax payment on the Tax Code of Georgia where the monthly rent payment of 2,000 USD is also mentioned (ref. document "Explanation of the Tax Code of Georgia (5_ rental tax).docx").

During the review of the Expenses Register, it was discovered that the amounts designated as Rent Payment differed from the previously mentioned documents. The amounts recorded in the Register represented only fifty percent of the amount specified in the Agreement. Following a discussion with the Financial Consultant, it was determined that the reason for this discrepancy was due to the fact that half of the rent was paid through the co-financing of other projects. However, there is no documentary evidence to confirm the separation of these payments.

Recommendation

The primary suggestion in the event of payments made through the co-financing of other projects is to identify the payments that are divided between the other projects and financial sources, and furnish supporting documentation for such segregated payments.

Management response

We will take the information into account, we will divide the payments in the following periods.

Translation incompliances in the documents

Observation

The Acts of Services are documented in both English and Georgian and are found to have translation errors in the latter language. In case of any discrepancies, English is considered the priority language. The prevalent errors in the documentation pertain to the erroneous identification of the currency utilized for remunerating the services. For example, the Acts specify the service payments for Oksana Guz in US dollars, whereas the translation into Georgian indicates the same amount in euros.

Recommendation

It is recommended to create specialized templates in which the primary components that require modification are identified and marked as essential to be reviewed and adjusted as necessary in both the English and Georgian languages.

MANAGEMENT LETTER

**CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022**

Management response

We will bring the English and Georgian versions into line

Acceptance act incompliances**Observation**

The acceptance acts for the receipt of money are informally documented by means of a hand-written note and signed solely by the drivers, without the signatures of the individuals who requested the transfer and provided the funds. Overall, there exist three handwritten documents: transfer from Vladikavkaz to Tbilisi dated June 17, 2022; transfer from Tbilisi to Ureki dated June 22, 2022; transfer from Tbilisi to Vladikavkaz dated June 26, 2022.

Recommendation

It is recommended to provide printed acts or printed acts with forms to fill with signatures of the both sides (e.g., in mentioned case: the driver's personal information and signature and the clients' personal information and signatures).

Management response

Templates of such documents have already been developed and implemented in the document flow.

Exchange rate differences**Observation**

Differences have arisen due to variations in the application of exchange rates in expense calculations. The GEL amounts are converted directly into the target currency, which in this case is the US dollar, using the InforEuro exchange rates. In the case that the amount is specified in a different currency, it will be first converted into Georgian lari using the exchange rate offered by TBC Bank, or if unavailable, the rate of the National Bank of Georgia, and then converted into the target currency using the InforEuro exchange rate. As a result of the difference between the exchange rates of TBC Bank (or the National Bank of Georgia) and InforEuro, the conversion of amounts to the target currency may vary. The exchange rate of TBC Bank is stated in the invoices.

Please see the table below which indicates the differences related to the foreign exchange rates:

Client registry					Recalculated			
Payment date	Service	Original amount	Currency	Amount in USD Per InforEuro	Amount Per document	Currency	Amount in USD Per InforEuro	Difference
3/10/2022	Замена билета (Компенсация Федосик) Ticket Replacement (Fedosik Compensation)	808.70	GEL	266.28	252.30	USD	282.61	(16.33)

MANAGEMENT LETTER

**CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022**

Client registry					Recalculated			
Payment date	Service	Original amount	Currency	Amount in USD Per InforEuro	Amount Per document	Currency	Amount in USD Per InforEuro	Difference
3/18/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R6-1-02-01-2022 from 18.03.22	943.39	GEL	310.63	300.00	USD	318.17	(7.53)
3/18/2022	PAYMENT UNDER THE LEASE AGREEMENT OF A HOUSE FOR THE RESIDENCE OF EMPLOYEES OF THE ORGANIZATION	3,180.00	GEL	1,047.09	1,000.00	USD	1,060.55	(13.47)
3/18/2022	Tax payment	159.00	GEL	52.35	50.00	USD	53.03	(0.67)
4/1/2022	PAYMENT UNDER THE LEASE AGREEMENT OF A HOUSE FOR THE RESIDENCE OF EMPLOYEES OF THE ORGANIZATION	3,090.00	GEL	980.75	1,000.00	USD	980.63	0.13
4/1/2022	Tax payment	154.50	GEL	49.04	50.00	USD	49.03	0.01
4/5/2022	ADVANCE PAYMENT FOR SERVICES UNDER CONTRACT NO. PHRC-6-01/04/2022	2,145.50	GEL	680.97	700.00	USD	679.86	1.11
4/8/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/4-1 02/01/2022	3,678.00	GEL	1,167.38	1,200.00	USD	1,165.48	1.90
5/2/2022	ACCOUNTING SERVICE FEE FOR APRIL 2022	775.00	GEL	250.23	250.00	USD	246.93	3.30
6/3/2022	Tax payment	369.00	GEL	129.48	385.26	GEL	135.18	(5.70)
6/7/2022	ACCOUNTING SERVICE FEE FOR MAY 2022 ACCORDING TO INVOICE 0000000496 DATED 31 MAY 2022	740.60	GEL	259.86	764.78	GEL	268.35	(8.48)
6/7/2022	Tax payment	409.00	GEL	143.51	155.56	USD	160.47	(16.96)
6/10/2022	Покупка авиабилета Ус П. Бухарест-Стамбул-Тбилиси-Стамбул-Бухарест	1,466.88	GEL	514.70	495.00	USD	515.62	(0.92)
6/11/2022	Покупка авиабилета Левинсон Москва-Владикавказ	1,161.86	GEL	407.68	391.37	USD	406.78	0.89
6/18/2022	Возмещение стоимости жд билетов Самара-Минводы-Самара Аношкин	397.52	GEL	139.48	7,759.80	RUB	139.07	0.42

MANAGEMENT LETTER

CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022

Client registry					Recalculated			
Payment date	Service	Original amount	Currency	Amount in USD Per InforEuro	Amount Per document	Currency	Amount in USD Per InforEuro	Difference
6/18/2022	Возмещение стоимости авиабилетов Калининград-Москва-Владикавказ-Москва-Калининград Урыков	1,245.35	GEL	436.97	24,310.12	RUB	435.67	1.30
7/1/2022	ACCOUNTING SERVICE FEE FOR MAY 2022 ACCORDING TO INVOICE 0000000496 DATED 30.06.2022	725.00	GEL	246.33	738.65	GEL	250.97	(4.64)
7/1/2022	PAYMENT UNDER THE LEASE AGREEMENT OF A HOUSE FOR THE RESIDENCE OF EMPLOYEES OF THE ORGANIZATION	2,928.90	GEL	995.13	1,000.00	USD	994.93	0.20
7/1/2022	Tax payment	146.45	GEL	49.76	50.00	USD	49.75	0.01
7/1/2022	Tax payment	217.50	GEL	73.90	67.41	USD	66.42	7.48
7/1/2022	Токтогулова аванс по договору RCF-C6-01/06/2022 от 01.06.2022	570.00	GEL	193.66	200.00	USD	197.06	(3.40)
7/19/2022	Tax payment (доплата)	40.18	GEL	13.65	14.50	USD	13.97	(0.32)
7/19/2022	Tax payment (доплата)	281.94	GEL	95.79	88.14	USD	84.90	10.90
7/19/2022	Tax payment (доплата)	591.19	GEL	200.86	169.77	USD	167.27	33.59
8/1/2022	Tax payment	128.07	GEL	45.43	50.00	USD	49.05	(3.61)
8/1/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/3-1 01/01/2022 (07/01/2022-07/31/2022)	3,766.00	GEL	1,335.93	1,400.00	USD	1,373.28	(37.35)
8/1/2022	Tax payment	418.44	GEL	148.44	155.56	USD	152.59	(4.15)
8/1/2022	SALARY JULY 2022	5,380.00	GEL	1,908.47	2,000.00	USD	1,961.82	(53.35)
8/1/2022	Tax payment	1,345.00	GEL	477.12	500.00	USD	490.46	(13.34)
8/1/2022	ACCOUNTING SERVICE FEE FOR July 2022 ACCORDING TO INVOICE 0000000496 DATED 31.07.2022	691.30	GEL	245.23	732.23	GEL	259.75	(14.52)
8/23/2022	ADVANCE PAYMENT UNDER THE CONTRACT RCF-C7-12/07/2022	1,375.00	GEL	487.76	500.00	USD	494.78	(7.02)
8/23/2022	ADVANCE PAYMENT UNDER THE CONTRACT RCF-C8-12/07/2022	1,100.00	GEL	390.21	400.00	USD	395.83	(5.62)
9/1/2022	SALARY AUGUST 2022	5,700.00	GEL	1,996.64	2,000.00	USD	2,031.81	(35.17)
9/1/2022	Tax payment	1,355.00	GEL	474.64	500.00	USD	507.95	(33.31)

MANAGEMENT LETTER

**CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022**

Client registry					Recalculated			
Payment date	Service	Original amount	Currency	Amount in USD Per InforEuro	Amount Per document	Currency	Amount in USD Per InforEuro	Difference
9/1/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/3-1 01/01/2022 (08/01/2022-08/31/2022)	3,990.00	GEL	1,397.65	1,400.00	USD	1,422.27	(24.62)
9/1/2022	Tax payment	443.33	GEL	155.29	155.56	USD	158.03	(2.74)
9/1/2022	Tax payment	152.64	GEL	53.47	50.00	USD	50.80	2.67
9/1/2022	ACCOUNTING SERVICE FEE FOR AUGUST 2022 ACCORDING TO INVOICE 0000000761 DATED 31.08.2022	725.05	GEL	253.98	694.78	GEL	243.37	10.60
9/1/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/2-2 02/01/2022 (07/01/2022-08/31/2022)	2,137.50	GEL	748.74	750.00	USD	761.93	(13.19)
10/3/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/3-1 01/01/2022 (09/01/2022-09/30/2022)	3,878.00	GEL	1,376.13	1,400.00	USD	1,405.49	(29.36)
10/3/2022	SALARY SEPTEMBER 2022	5,540.00	GEL	1,965.90	2,000.00	USD	2,007.84	(41.94)
10/3/2022	PAYMENT FOR CONSULTING SERVICES PROVIDED UNDER THE SERVICE AGREEMENT NO.RCF-C10-09.01.2022	1,108.00	GEL	393.18	400.00	USD	401.57	(8.39)
10/3/2022	CONSULTANCY FEE FOR SERVICES PROVIDED UNDER THE SERVICE PROVISION AGREEMENT RCF-C11-09.01.2022	831.00	GEL	294.88	300.00	USD	301.18	(6.29)
10/3/2022	ADVANCE PAYMENT UNDER A SERVICE AGREEMENT RCF-C4-01/05/2022	1,385.00	GEL	491.47	500.00	USD	501.96	(10.49)
10/3/2022	ADVANCE PAYMENT UNDER A SERVICE AGREEMENT RCF-C5-01/05/2022	1,385.00	GEL	491.47	500.00	USD	501.96	(10.49)
10/3/2022	ADVANCE PAYMENT UNDER A SERVICE AGREEMENT RCF-C2-01/05/2022	831.00	GEL	294.88	300.00	USD	301.18	(6.29)
10/3/2022	Tax payment	430.89	GEL	152.90	155.56	USD	156.17	(3.26)
10/3/2022	Tax payment	1,385.00	GEL	491.47	500.00	USD	501.96	(10.49)

MANAGEMENT LETTER

**CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022**

Client registry					Recalculated			
Payment date	Service	Original amount	Currency	Amount in USD Per InforEuro	Amount Per document	Currency	Amount in USD Per InforEuro	Difference
10/3/2022	Tax payment	148.90	GEL	52.84	50.00	USD	50.20	2.64
10/3/2022	ACCOUNTING SERVICE FEE FOR AUGUST 2022 ACCORDING TO INVOICE 0000000761 DATED 30.09.2022	707.27	GEL	250.98	726.13	GEL	257.67	(6.69)
10/27/2022	Tax payment	1,362.50	GEL	483.49	500.00	USD	493.62	(10.13)
10/28/2022	ADVANCE PAYMENT, SALARY OCTOBER 2022	5,450.00	GEL	1,933.96	2,000.00	USD	1,975.83	(41.87)
11/1/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/2-2 02/01/2022 (09/01/2022-10/30/2022)	2,040.00	GEL	742.80	750.00	USD	757.93	(15.13)
11/1/2022	PAYMENT FOR CONSULTING SERVICES PROVIDED UNDER THE SERVICE AGREEMENT NO.RCF-C10-09.01.2022	1,088.00	GEL	396.16	400.00	USD	404.23	(8.07)
11/1/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/3-1 01/01/2022 (10/01/2022-10/31/2022)	3,808.00	GEL	1,386.56	1,400.00	USD	1,414.80	(28.24)
11/1/2022	Tax payment	423.11	GEL	154.06	155.56	USD	157.20	(3.14)
11/1/2022	Tax payment	146.07	GEL	53.19	50.00	USD	50.53	2.66
11/1/2022	ACCOUNTING SERVICE FEE FOR AUGUST 2022 ACCORDING TO INVOICE 0000000761 DATED 31.10.2022	693.85	GEL	252.64	708.80	GEL	258.09	(5.44)
12/1/2022	ACCOUNTING SERVICE FEE FOR AUGUST 2022 ACCORDING TO INVOICE 0000000367 DATED 30.11.2022	679.43	GEL	249.57	693.95	GEL	254.91	(5.33)
12/1/2022	PAYMENT FOR CONSULTING SERVICES PROVIDED UNDER THE SERVICE AGREEMENT NO.RCF-C10-09.01.2022	1,064.00	GEL	390.84	400.00	USD	399.32	(8.48)
12/1/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/3-1 01/01/2022 (11/01/2022-11/30/2022)	3,724.00	GEL	1,367.93	1,400.00	USD	1,397.60	(29.67)
12/1/2022	Tax payment	413.78	GEL	151.99	155.56	USD	155.29	(3.30)
12/1/2022	SALARY NOVEMBER 2022	5,320.00	GEL	1,954.19	2,000.00	USD	1,996.58	(42.39)
12/1/2022	Tax payment	1,330.00	GEL	488.55	500.00	USD	499.14	(10.60)

MANAGEMENT LETTER

**CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022**

Client registry					Recalculated			
Payment date	Service	Original amount	Currency	Amount in USD Per InforEuro	Amount Per document	Currency	Amount in USD Per InforEuro	Difference
12/8/2022	Компенсация произведенных расходов	275.80	GEL	101.31	102.52	USD	101.38	(0.07)
12/8/2022	Компенсация произведенных расходов	3,878.80	GEL	1,424.79	1,443.40	USD	1,427.30	(2.51)
12/8/2022	ADVANCE PAYMENT, SALARY DECEMBER 2022	5,270.00	GEL	1,935.82	2,000.00	USD	1,977.70	(41.88)
12/8/2022	Tax payment	1,317.50	GEL	483.96	500.00	USD	494.42	(10.47)
12/8/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/3-1 01/01/2022 (12/01/2022-12/31/2022)	3,689.00	GEL	1,355.07	1,400.00	USD	1,384.39	(29.31)
12/8/2022	Tax payment	409.88	GEL	150.56	155.56	USD	153.82	(3.26)
12/8/2022	PAYMENT FOR CONSULTING SERVICES PROVIDED UNDER THE SERVICE AGREEMENT NO.RCF-C10-09.01.2022	1,054.00	GEL	387.16	400.00	USD	395.54	(8.38)
12/8/2022	CONSULTANCY FEE FOR SERVICES UNDER AGREEMENT RCF-R/2-2 02/01/2022 (11/01/2022-12/31/2022)	1,976.00	GEL	725.84	750.00	USD	741.64	(15.80)
12/8/2022	ADVANCE PAYMENT FOR CONSULTING SERVICES PROVIDED UNDER THE SERVICE AGREEMENT NO RCF-C12-10/01/20222	646.95	EUR	670.63	700.00	USD	659.06	11.57
12/8/2022	ADVANCE PAYMENT FOR CONSULTING SERVICES PROVIDED UNDER THE SERVICE AGREEMENT NO RCF-C12-10/01/20222	646.95	EUR	670.63	700.00	USD	659.06	11.57
12/30/2022	PAYMENT FOR CONSULTING SERVICES PROVIDED UNDER THE SERVICE AGREEMENT NO.RCF-C10-09.01.2022	2,856.90	GEL	1,049.42	1,070.00	USD	1,065.26	(15.84)
Total				44,041.76			44,738.20	(696.46)

Recommendation

MANAGEMENT LETTER**CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022**

It is recommended that exclusively the InforEuro exchange rate be utilized in the Expenses Registry for the conversion of amounts. This modification will streamline the process of verifying expenses and comparing them with accompanying documentation.

Management response

For this project, funds were received in euros, the project currency was US dollars, transfers to the accounts of individuals and legal entities were made in GEL. In this regard, there were differences in exchange rates.

The absence of individual accounting reporting for the project**Observation**

The absence of individual accounting reporting for the project and its combination with other projects precludes the possibility of exclusively examining financial statements pertaining solely to this project. The lack of individual accounting reporting for the aforementioned project, coupled with its integration with other projects, renders it impossible to conduct a thorough and isolated analysis of the financial statements solely pertaining to this project. As a result, it becomes arduous to identify the financial performance of the project in question, given the absence of segregated financial data.

Recommendation

The recommendation is to allocate the financial statements among distinct projects or designate accounting entries for each project separately.

Management response

We will take this recommendation into account.

LETTER OF REPRESENTATION

**CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE
FOR THE FINANCIAL YEAR ENDED: 31.12.2022**

Dated:

Address:

Dear Sir,

This representation letter is provided in connection with your audit of the financial report of UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE for the year ended 31.12.2022 for the purpose of expressing an opinion as to whether the financial report are presented fairly, in all material respects, (or give a true and fair view) in accordance with the provisions of the .

We confirm that, to the best of our knowledge, the financial report encompasses all transactions and receipts, is accurate and complete in every respect, and that all grant conditions, including those beyond the scope of the audit, have been met. To the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial reports

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 01.12.2022, for the preparation of the financial report based on the Law of Georgia "On Accounting, Reporting and Audit" established for non-profit legal entities; in particular the financial reports are fairly presented, (or give a true and fair view) in accordance therewith.
- We have fulfilled the requirement indicated in the of the Project agreement No 2022009
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information Provided

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All transactions that should have been recorded have been recorded in the accounting records and are reflected in the financial reports.
3. We have disclosed to you the results of our assessment of the risk that the financial reports may be materially misstated as a result of fraud.
4. We have disclosed to you that we are not aware of any information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial report.

5. We have disclosed to you that we are not aware of any information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you that we are not aware of any known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial report.



Name and Surname: Aidana Fedosik
Executive Director

(To be signed by)

Memorandum of Examination

TO: AIDS FONDS – SOA AIDS NEDERLAND

CLIENT NAME: UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE

FOR THE FINANCIAL YEAR ENDED: 31.12.2022

1. Fraud risk assessment

We performed procedures to identify fraud risk factors and performed audit procedures in response to those identified risks.

Fraud risk	Management control	Audit response	Result
<p>Embezzlement: Employees or volunteers misappropriate funds or assets for personal use.</p>	<p>Effective management controls to prevent embezzlement include implementing proper segregation of duties, regular audits, strict approval processes for expenses and purchases, and thorough background checks on employees and volunteers.</p>	<p>The expenses and purchases processes have strict procedures of approval. Each purchase is controlled by the director and requires their signature. In case of expenses which are between 1,000 EUR and 10,000 EUR the organization has at least three documented offers from service providers and justification of the selection.</p>	<p>The organization has submitted information and substantiation pertaining to the measures taken to mitigate the risk of embezzlement.</p>
<p>Misuse of Funds: Funds are used for purposes other than those specified in the organization's mission or designated by donors.</p>	<p>Proper management controls to prevent misuse of funds include having a clear budget and expense reporting process, regular audits, and policies and procedures for spending and reimbursement that are consistently enforced.</p>	<p>The organization has clear and detailed budget and expenses information, which include donor's transaction history, acts, invoices, bank statements, transfer acceptance act, receipts, copies of tickets, etc.</p>	<p>The organization has furnished documentation concerning its budget and expenditure objectives.</p>
<p>False Reporting: Staff falsify reports or financial statements to conceal irregularities or to present a false picture of the organization's financial health.</p>	<p>Management controls to prevent false reporting include implementing proper financial controls, such as segregation of duties, regular audits, and accurate record-keeping.</p>	<p>The donor has established stringent prerequisites concerning the reporting of the organization. These prerequisites encompass reporting and control procedures, supporting documentation, and the necessity for an independent audit.</p>	<p>The organization has proffered information concerning the reporting requisites, with substantiation of accurate reporting reinforced by documentary evidence.</p>

Fraud risk	Management control	Audit response	Result
<p>Self-Dealing: Insiders engage in transactions that benefit themselves at the expense of the organization.</p>	<p>To prevent self-dealing, nonprofits should have policies and procedures in place that require disclosure of conflicts of interest and prohibit transactions that benefit insiders. Nonprofits should also establish independent audit and governance committees to oversee transactions and ensure that conflicts of interest are disclosed and managed.</p>	<p>The organization possesses various official documents such as the Charter, Code of Ethics, and Anti-Corruption Policy that govern conflicts of interest, prohibited transactions, and other activities that could be classified as fraudulent or harmful to the organization's reputation.</p>	<p>The organization has no substantiation of self-dealing fraud and has provided comprehensive documentation.</p>
<p>Fundraising Fraud: Misrepresent the purpose or use of funds raised through charitable campaigns, or fail to disclose the portion of donations that will be used for administrative or fundraising expenses.</p>	<p>To prevent fundraising fraud, nonprofits should have clear policies and procedures for fundraising that are communicated to all staff, volunteers, and donors. The policies should cover the use of funds, the percentage of donations that will be used for administrative and fundraising expenses, and the disclosure of any potential conflicts of interest.</p>	<p>The organization has furnished exhaustive information pertaining to the objectives of expenditures, reinforced by supplementary documentation such as copies of tickets, bank statements, invoices, receipts, and the like.</p>	<p>The organization provided comprehensive information concerning the utilization of funds, accompanied by all the supporting documents.</p>

2. Materiality, PM end SUM posting level

Materiality used: 2,946 USD (98,193*3%)

Performance materiality: 2,209 USD (2,946*75%)

Sum posting Level: 110 USD (2,209*5%)

3. Summary of unadjusted differences

please refer to attached Summary of Unadjusted Differences. All items have been discussed and agreed with local management. We hereby give you a short description of the differences which are not material and are less than Performance materiality level:

Description of the difference	Amount	Management response
Recalculation of the amounts from original currency to InforEuro USD.	696.46 USD	

Description of the difference	Amount	Management response
Difference due to misstatement with the documents.	144.26 USD	

4. Description of significant accounting, financial, tax, or auditing matters, including accounting estimates and related judgments

Issue	Recommendations	Management response
NA	NA	NA

5. Update of last years issues

The following issues reported last year have been resolved.

Issue	Follow-up
NA	NA

**The UNMODE - COMMUNITY MOVEMENT FOR ACCESS TO JUSTICE NNLE project started in 2022Y. Thus, no prior year report exists.*

6. Compliance with local laws and regulations

During our audited we have not identified any non-compliances related to the local laws and regulations. We have paid special attention to compliance with the local tax regime and other company related local laws and regulations. No specific laws and regulations identified that may have the impact.

7. Findings related to cash procedures/transactions

Each payment is authorized by the director, as evidenced by the fact that all invoices have been signed by the director. Rent payments, however, do not require approval, as they are determined by the agreement with the landlord. Staff expense reimbursements are contingent upon reports provided by the responsible person. With regard to financial procedures, sole signature authority is held by the director, and all documentation and payments are processed through the director. Starting cash and cash equivalent balance equals to Zero. As for the ending balances, given the fact that the company did not have the individual accounting reporting for the project and its combination with other projects precludes the possibility of exclusively examining of the ending cash and cash equivalent balances for financial statements pertaining solely to this project. Details are included in the management letter

8. Exchange rate

Exchange rate have been calculated by the client using the JSC TBC bank Exchange rates on the payment dates and are converted into the GEL amount. As for the budget purposes, The GEL amounts are converted directly into the target currency, which in this case is the US dollar, using the InforEuro exchange rates. Deficiencies identified are indicated in the management letter.

9. Other matters

All matters identified are included in the management letter. No matters other than indicated in the management letter were noted.

