

Bemoni Public Union

Annual Expenditure and Cash Balance Report

Independent Auditor's Report

For the period 01 March, 2018 February 28, 2019

01 March, 2019 February 29, 2020

Independent Auditor's Report

Annual Cash Expenditure And Cash Balance Report

We have audited the accompanying Annual Expenditure and Cash Balance Report prepared by the Bemoni Public Union ("Union") of the "Fight AIDS, Tuberculosis and Malaria" Project implemented under CCM Funding Agreement No. GEO-CFUND-1708, For the period from March 01, 2018 to February 28, 2019 and For the period from March 01, 2019 to February 29, 2020.

Emphasis of Matter – Basis Of Accounting

We draw attention to note to the Annual Report Which describes that the expenses in the Annual Report are presented on the cash basis of accounting, which is a comprehensive basis of accounting at variance with International Financial Reporting Standards and Generally Accepted Accounting Principles.

Responsibilities of management and those charged with governance for the Annual Expenditure and Cash Balance Report

The management of the Bemoni Public Union is responsible for the preparation and fair presentation of these Annual Reports in accordance with the basis of accounting described in the note to the Annual Reports and in conformity with the terms and conditions of the Funding Agreement No. GEO-CFUND-1708, and for such internal control as management determines is necessary to enable the preparation of Annual Reports that are free from material misstatement, whether due to fraud or error.

Opinion

In our opinion, the accompanying separate Annual Reports present fairly, in all material respects, Expenditures of funds received by the Bemoni Public Union from the Global Fund for the "Fight AIDS, Tuberculosis and Malaria" Project, to support certain administrative costs and other activities of Country Coordinating Mechanism (CCM) under CCM Funding Agreement No. GEO-CFUND 1708 for the period from March 01, 2018 to February 28, 2019 and for the period from March 01, 2019 to February 29, 2020 and the cash balance in accordance with reporting requirements set for the project.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Georgia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Responsibilities for the Audit of the Annual Report

Our objectives are to obtain reasonable assurance about whether the Annual Reports are 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 decisions of users taken on the basis of these Annual Reports.

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 Annual Reports, 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 Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Ana Afriashvili.

Ana Afriashvili
Registered Auditor

A handwritten signature in blue ink, appearing to be 'S. Afriashvili'.

Davit Kiladze
Managing Auditor

A handwritten signature in blue ink, appearing to be 'Davit Kiladze'.

ANNUAL EXPENDITURE AND CASH BALANCE REPORT CCM FUNDING AGREEMENT

Section 1. General Information

CCM Name:	CCM Georgia
CCM Agreement No:	GEO-CFUND-1708
Starting Date:	01 March 2018
Year of Agreement:	Year 2
Currency:	USD

	BUDGET	EXPENDITURE	ABSORPTION
GRAND TOTAL (Fixed Costs + Activities) =	70 000	60 015	86%

Section 2. Fixed costs and HR positions covered by CCM Funding Agreement

2A. Fixed Costs

Cost Grouping	Performance Area	Description	Budget approved	Expenditure	Expenditure rate	Variance	Reasons for Variance
1 Human Resources	Alignment	Human Resources (Secretariat staffs)	38 904	38 904	100%	0	
2 External Professional Services	Alignment	Overhead cost (itemized fees to manage CCM funding)	3 600	3 600	100%	0	
Indirect and Overhead Costs	Alignment	Office rental and supplies	886	752	85%	-134	This budget line summarizes the expenditure of the following lines: stationary, office cleaning supplies and printed CCM supplies. The procurement of the items was done based on the actual need.
3 Indirect and Overhead Costs	Alignment	Overhead cost (itemized fees to manage CCM funding)	298	54	18%	-244	This budget line summarizes the following lines: bank charges and courier shipment. The expenditure was done based on the actual transfers received during the reporting period. During the reporting period no additional official documentation shipment was required.
4 Non-health Equipment	Alignment	Overhead cost (itemized fees to manage CCM funding)	102	100	98%	-2	This budget lines summarizes the following lines: website maintenance/ hosting and registration. Maintenance of the website was done by the secretariat and the support from MoLHSA IT team was provided free of charge.
5				-	-	0	
6				-	-	0	
Total			43 790	43 410	99%	-380	

2B. HR positions covered by this agreement

CCM Secretariat full-time equivalent positions	Approved	Reported	Reasons for Variance
1 Executive Secretary	23 880,00	23 880,00	
2 Administrative Assistant	15 024,00	15 024,00	
3			
4			
	38 904,00	38 904,00	

Section 3. CCM Activities

Cost Grouping		Performance Area	Activities	Total Activities approved	Total Activities executed	Budget approved	Expenditure	Expenditure rate	Variance	Reasons for Variance
1	External Professional Services	Constituency Engagement	Constituency engagement meetings (specify in comments)	1	1	700	700	100%	0	
2	External Professional Services	Sustainability and Transition	Technical Support	11	9	9 625	6 945	72%	-2 680	The charge has been done according to the actual timesheet and reports provided by the expert.
3	Travel-related Costs	Oversight	Site Visits / Monitoring Visits	4	4	1 050	126	12%	-924	During this reporting period 4 site visits (2 in Tbilisi and 2 in the regions) were conducted as planned. However no accommodation costs were required.
4	Travel-related Costs	Alignment	CCM Plenary / General Assembly meeting	4	2	1 120	294	26%	-826	The expenditure was done based on the actual need.
5	Travel-related Costs	Constituency Engagement	Constituency consultations for non-governmental constituencies only and processes to promote and improve the quality of stakeholder participation.	1	1	7 695	5 489	71%	-2 206	The cost effective approach by the secretariat negotiating price with theHotel resulted in saving funds under this particular budget line.
6	Communication Material and Publications	Alignment	Others (Please specify in comments)	4	3	1 795	1 106	62%	-689	CCM branded memory cards were ordered for the participants of the CSO Forum. The cost effective approach by the secretariat negotiating price with the printing company resulted in saving funds under this particular budget line.
7	Communication Material and Publications	Alignment	Others (Please specify in comments)	4	4	3 425	1 655	48%	-1 770	Part of the documents were translated by the secretariat that resulted in savings under this budget line.
8	Travel-related Costs	Oversight	Site Visits / Monitoring Visits	4	4	800	291	36%	-509	The frequency of cancellation of taxi calls/orders by the taxi company was very high, due to the traffic, thus secretariat wasn't always able to use taxi service .
9								-	0	
10								-	0	
11								-	0	
12								-	0	
13								-	0	
14								-	0	
15								-	0	
16								-	0	
					Total	26 210	16 605	63%	9 605	

Section 4. Co-funding

Cost Grouping		Performance Area	Description of funding support	Budget	Source of financing	Reported	Comment
1	Indirect and Overhead Costs	Alignment	Office services: budget per year: Office cleaning: 600\$ Telephone, fax, postage: 3600\$ Internet: 600\$ Electricity: 600 The MoLHSA also provides: IT support, Elevator service and maintenance, security	10 800	Ministry of Internally Displaced Persons from the occupied Territories, Health labor and Social Affairs	10 800	In kind contribution by the MoLHSA is provided as per their commitment
2	Indirect and Overhead Costs	Alignment	Office space and dedicated meeting rooms	19 200	Ministry of Internally Displaced Persons from the occupied Territories, Health labor and Social Affairs	19 200	In kind contribution by the MoLHSA is provided as per their commitment
3							
4							
5							
6							
7							
TOTAL				30 000		30 000	

Section 5. Conditions

	Expected (as per the agreement amount and CCM policy)	Approved for current year	Reported	Execution rate	Variance	Comments (include information on the activities lines it refers to)
CCM Secretariat positions (headcount) - Maximum (number of position)	2	38 904	38 904	100%	-38 902	
Civil Society engagement: 15% of the budget - Minimum (Please detail the lines and amounts to be taken into account in the comment section) (in USD/EUR)	10 500	10 485	7 207	69%	-15	
Co-funding - Minimum (in USD/EUR) The amount expected represents the minimum to be co funded for the 3 years agreement.		30 000	30 000	100%	30 000	

Section 6. Cash Reconciliation

Cash Outflow			Reported	Comments
Income	1,1	Cash Balance at the beginning of the period	28 119	
	1,2	Disbursement from the Global Fund	45 191	
Cash Outflow	2,1	Activities	-16 605	
	2,2	Fixed costs	-43 410	
Commitments	3,1	Unpaid invoices, legal		
TOTAL			13 295	

Bank information	Reported	Comments
Cash Balance as per bank statements	12 864	
Cash in transit for the reporting period		
Cash in transit after the current reporting period		
TOTAL	12 864	

ANNUAL EXPENDITURE AND CASH BALANCE REPORT CCM FUNDING AGREEMENT

Section 1. General Information

CCM Name:	CCM Georgia
CCM Agreement No:	GEO-CFUND-1708
Starting Date:	01 March 2019
Year of Agreement:	Year 3
Currency:	USD

	BUDGET	EXPENDITURE	ABSORPTION
GRAND TOTAL (Fixed Costs + Activities) =	77 705	69 975	90%

Section 2. Fixed costs and HR positions covered by CCM Funding Agreement

2A. Fixed Costs

Cost Grouping	Performance Area	Description	Budget approved	Expenditure	Expenditure rate	Variance	Reasons for Variance
1 Human Resources	Alignment	Human Resources (Secretariat staffs)	38 904	38 904	100%	0	
2 External Professional Services	Alignment	Overhead cost (itemized fees to manage CCM funding)	3 600	3 600	100%	0	
3 Indirect and Overhead Costs	Alignment	Office rental and supplies	886	655	74%	-231	This budget line summarizes the expenditure of the following lines: stationary, office cleaning supplies and printed CCM supplies. The procurement of the items was done based on the actual need.
4 Indirect and Overhead Costs	Alignment	Overhead cost (itemized fees to manage CCM funding)	298	62	21%	-236	This budget line summarizes the following lines: bank charges and courier shipment. The expenditure was done based on the actual transfers received during the reporting period. During the reporting period no additional official documentation shipment was required.
5 Non-health Equipment	Alignment	Overhead cost (itemized fees to manage CCM funding)	102	158	155%	56	This budget lines summarizes the following lines: website maintenance/ hosting and registration. The service fee has been increased . Based on the agreement with the GF the existing hosting package from 3GB was expanded to 5 GB and approximate 80 USD was reallocated from the sum envisaged for Stationary, small office supplies
6 Non-health Equipment	Alignment	Overhead cost (itemized fees to manage CCM funding)	2 600	2 470	95%	-130	Two laptops, printer , memory devices and small computer accessories were purchased from Y2 budget saving based on the agreement with GF
Total			46 390	45 848	99%	-542	

2B. HR positions covered by this agreement

CCM Secretariat full-time equivalent positions	Approved	Reported	Reasons for Variance
1			
2			
3			
4			
	0,00	0,00	

Section 3. CCM Activities

Cost Grouping		Performance Area	Activities	Total Activities approved	Total Activities executed	Budget approved	Expenditure	Expenditure rate	Variance	Reasons for Variance
1	External Professional Services	Constituency Engagement	Constituency consultations for non-governmental constituencies only and processes to promote and improve the quality of stakeholder participation.	1		700	703	100%	3	
2	External Professional Services	Sustainability and Transition	Constituency consultations for non-governmental constituencies only and processes to promote and improve the quality of stakeholder participation.	11		11 000	8 278	75%	-2 722	The charge has been done according to the actual timesheet and reports provided by the expert.
3	Travel-related Costs	Oversight	Site Visits / Monitoring Visits	4		1 400	863	62%	-537	The underspending of this budget line is caused due to the following reason: 2 field visits to two regions were merged which resulted in deduction of the accommodation as well as per diem costs
4	Travel-related Costs	Alignment	CCM Plenary / General Assembly meeting	4		1 500	755	50%	-745	The expenditure was done based on the actual need.
5	Travel-related Costs	Constituency Engagement	Constituency consultations for non-governmental constituencies only and processes to promote and improve the quality of stakeholder participation.	1		7 695	5 290	69%	-2 405	The cost effective approach by the secretariat negotiating price with the Hotel resulted in saving funds under this particular budget line.
6	Communication Material and Publications	Alignment	Others (Please specify in comments)	4		1 795	1 719	96%	-76	N/A
7	Communication Material and Publications	Alignment	Others (Please specify in comments)	4		3 425	2 885	84%	-540	Part of the documents were translated by the secretariat that resulted in savings under this budget line.
8	Travel-related Costs	Oversight	Site Visits / Monitoring Visits	4		800	572	72%	-228	The underspending of this budget line is caused due to the following reason: 2 field visits to two regions were merged which resulted in deduction of the travel cost.
9	External Professional Services	Alignment	Others (Please specify in comments)	1		3 000	3 060	102%	60	
					Total	31 315	24 127	77%	7 188	

Section 4. Co-funding

Cost Grouping		Performance Area	Description of funding support	Budget	Source of financing	Reported	Comment
1	Indirect and Overhead Costs	Alignment	Office services: budget per year: Office cleaning: 600\$ Telephone, fax, postage: 3600\$ Internet: 600\$ Electricity: 600 The MoLHSA also provides: IT support, Elevator service and maintenance, security	10 800	Ministry of Internally Displaced Persons from the occupied Territories, Health labor and Social Affairs	10 800	In kind contribution by the MoLHSA is provided as per their commitment
2	Indirect and Overhead Costs	Alignment	Office space and dedicated meeting rooms	19 200	Ministry of Internally Displaced Persons from the occupied Territories, Health labor and Social Affairs	19 200	In kind contribution by the MoLHSA is provided as per their commitment
3							
4							
5							
6							
7							
TOTAL				30 000		30 000	

Section 5. Conditions

	Expected (as per the agreement amount and CCM policy)	Approved for current year	Reported	Execution rate	Variance	Comments (include information on the activities lines it refers to)
CCM Secretariat positions (headcount) - Maximum (number of position)	2	0	0	-	2	
Civil Society engagement: 15% of the budget - Minimum (Please detail the lines and amounts to be taken into account in the comment section) (in USD/EUR)	11 656	10 762		0%	-894	
Co-funding - Minimum (in USD/EUR)		30 000	30 000	100%	30 000	

Section 6. Cash Reconciliation

Cash Outflow			Reported	Comments
Income	1,1	Cash Balance at the beginning of the period	12 864	
	1,2	Disbursement from the Global Fund	70 000	
Cash Outflow	2,1	Activities	-24 127	
	2,2	Fixed costs	-45 848	
Commitments	3,1	Unpaid invoices, legal obligations, other		
TOTAL			12 888,36	

Bank information	Reported	Comments
Cash Balance as per bank statements	11 733	
Cash in transit for the reporting period		
Cash in transit after the current reporting period		
TOTAL	11 733	

Notes to the annual expenditure and cash balance report

1. General Information

Bemoni Public Union has been functioning since 1998 as a Georgian non-governmental, non-profit organization.

2. Basis of preparation

Bemoni Public Union's policy is to report the expenditures of the project on the cash basis of accounting which means that expenses are recognized when it is paid and not when incurred. Under cash basis of accounting income and expenditure are recognized when cash is received or paid.