

Expenditure Verification Report

Of Final Financial Report of the EU grant contract:

ENI/2020/417-289

**Local Investments in Networks for Knowledge and Skill-Share
(LINKS) Contract ENI/2020/417-289 for the period: 16 July 2020**

– 31 October 2023

Implemented by UN Association

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1. Background information

The project had been signed between UN Association in Georgia and European Union represented by European Commissions on 16 July 2020. Open Society Georgia Foundation is co-beneficiary of the Action. Partnership Agreement is signed by both parties.

In June 2023 UNAG applied for the project extension. The LINKS commenced during first year of the Covid-19 pandemic. As letter explained” the majority of activities and interventions were successfully conducted online, certain processes experienced delays or required more time for facilitation. Although the project has achieved its targets and carried out most of the planned activities, an extension is necessary to finalise ongoing processes that are crucial for yielding sustainable results”. EU agreed with the request and the project was prolonged till 31 October 2023. Amended duration of the project prolonged for 39 months 16 days.

All changes in the budget and the activities were accepted and signed by EU on 18 July 2023.

1.1 Short description of the action subject to verification

Contract number and title:	Local Investments in Networks for Knowledge and Skill-Share (LINKS) ENI/2020/417-289
Contract type	Grant Contract
Financial Report(s) subject to verification	17 July 2020 – 31 October 2023 (amended closing date)
Reporting Entity and Other Spending Entities⁶	United Nations Association of Georgia (UNAG) Legal status (organisation): Private law body with legal form, non-entrepreneurial (non- commercial) Legal Entity Organisation official registration number 204878114 Full official address: Dolidze street 2, Tbilisi, 0171, Georgia VAT number 204878114 hereinafter the ‘coordinator’ Open Society Georgia Foundation (OSGF) Legal status (organisation): Private law body with legal form, non-entrepreneurial (non- commercial) Organisation official registration number: 291 Full official address: Chovelidze str 4A, Tbilisi, 0108, Georgia VAT number: 203844448 Co-beneficiary
Location(s) where the Contract is implemented	Georgia, Georgia Regions
Contract execution period	Initial grant agreement’s period was 36 months from the date of signature. In accordance with the amendment requested by UNAG and approved by the EU the period had been extended till 31 October 2023. Amended project period is 39 months 16 days.
Contract implementation status	Complete
General and specific objectives of the Contract	The project will contribute to the Call for Proposals’ specific objective of “fostering employability and employment of women and men in the selected regions of Georgia” by achieving a measurable, verifiable and attributable outcome - “quality and accessibility of skills anticipation, skills development and skills matching services is quantifiably improved and better aligned with Georgia’s socio-economic development strategy”. The project counts on achieving this outcome by: a. skills anticipation: sustainable supply of actionable data, labour market insights, tools and platforms for collaboration will enable the local stakeholders to improve the quality and relevance of their skills development, training and re-training, career guidance, internships, apprenticeships, and other employment support services (intermediary outcome “skills anticipation

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	and matching is improved through platforms, partnerships, insights and access to relevant data”).
Synthetic description of the activities, outputs and target group	Project target groups and final beneficiaries are women (50% of all final beneficiaries will be women), youth and young adults (total of 800, selected via VET partners and the LINKS centres, run by local partner CSOs), NEETs (at least 50% of all final beneficiaries will be NEETs), teachers and career counsellors, Annex I Action, LINKS Contract 2020/417-289 Page 5 of 32 training providers, VETs, local youth centres and civil society organisations. Project will also target IDP populations in Shida Kartli (Gori) and ethnic and religious minority communities in Kvemo Kartli. Gendersensitive approach will be applied to all the activities (training, career counselling, professional secondments / subsidies, social innovation grants)

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2. Financial information of the Contract

2.1 Expenditure

Budget Headings	Budgeted Expenditure	Reported Expenditure (amount)
Human Resources	404,940	403,899
Travel	13,000	14,015
Equipment and supplies	23,154	23,092
Local office	41,700	41,908
Other costs, Services	80,040	79,267
Other	605,390	596,068
Subtotal direct eligible costs of the Action (1-6)	1,168,224	1,158,248
Indirect Costs	81,776	81,077
Total Eligible costs of the Action, excluding reserve (7+8)	1,250,000	1,239,326
Total Eligible costs (9+10)	1,250,000	1,239,326
- Taxes, - Contributions in kind		
Total accepted costs of the Action (11+12)	1,250,000	1,239,326

2.2. Contributions

Source of Contribution	Budgeted Contribution (amount)	Actual Contribution (amount)
EU	1,000,000	908,248
Co-financing	250,000	250,000
<i>Beneficiary - UNAG</i>	125,000	
<i>UNICEF</i>		9,600
<i>UNDP</i>		6,177
<i>FID</i>		123,786
<i>Co-beneficiary - OSGF</i>	125,000	110,437
Total	1,250,000	1,158,248

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2.3 Revenues

Revenue Types	Budgeted Revenues (amount)	Actual Revenues (amount)
Interest Income		Not incurred
EU	1,000,000	900,000
UNAG	125,000	139,563
OSGF	125,000	110,437
Total	1,250,000	1,150,000

3. Verified Financial Reports/Invoices

See annex 3.1

4. Risk analysis

4.1 Outcome of risk analysis

Based on the risk analysis performed in accordance with the Terms of Reference, we should state following:

- Financial Report is reliable and presents in all material aspects the actual expenditure incurred and revenue received in conformity with applicable conditions;
- Expenditure declared in the financial report has, in all material aspects, been incurred in conformity with applicable contractual conditions;
- Revenues generated by the Reporting Entity in the execution of the contract are not deducted from the declared expenditure in conformity with applicable conditions;
- Fraud and irregularities were not occurred which could have had an impact on expenditure and / or revenue reported under the contract.

Assessing the inherent risk, we took in consideration number of transactions, their complexity, as well as complexity of the activities provided for the contract. Grant contract is implemented by two organizations – UNAG (applicant) and OSGF (co-applicant). Both organizations have more than 15 years' experience in implementing the grants issued by various donor organizations. We have not discovered negative publicity, or other issues associated with those entities.

We have performed evaluation of the internal control based inter alia on the information described in Annex 1 Engagement Context / Key Information.

As stated in Key Information there are no complex procurement procedures; the costs are incurred in local currency – Georgian Lari, no expenditures in other currencies. We have not discovered the instances of political interference. The payments are performed via bank transferees, cash payments are insignificant.

In accordance with the management's explanations there were no cases of fraud and errors.

Based on evaluation, we consider the control risk as medium. There are the mechanisms in internal control to mitigate the inherent and control risks.

During the process of verification and based on the sample of transactions, we have performed certain verification procedures to mitigate risks affecting the verified report to possibly low level.

This is the first expenditure verification for current project in accordance with the Terms of Reference Annex VII of the Grant Agreement. However, there was prior verification in accordance with the ISRS 4400 (Revised) conducted by BDO (London Office). Period covered by verification was 16 July 2020 to 13 July 2021. Finding 1 related to sub-grants advances issued and recognised as expenses. Comments from the entity were obtained. Please refer to below:

“Comments from the Entity: Per the co-beneficiary's clarification, all transferred grants are viewed as costs incurred and are reported as such. Hence, the advance payments to sub-grantees were reported as expenditures in the interim report to the coordinator. We acknowledge the finding and confirm that the coordinator received and verified all the supporting documentation for costs incurred for the abovementioned 20,955.03 euros later in 2021.

Final comments of the Verifier: We note that advances paid to sub-grantees should not be reported as

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project expenditure, only expenditure that has been incurred by the sub-grantees should be reported. We acknowledge the comments that these advances were subsequently incurred and may be eligible in future periods. However, for the period subject to verification, these amounts are considered to be ineligible.”

Considering that current report represents operationally closed period, all costs incurred by the sub-grantees were recognised as expenditure, and no further investigation needed.

We have past experience in auditing other grant programs implemented by UNAG in cooperation with OSGF. No significant findings or disclaimer of opinions were issued by us or other auditors in prior periods.

4.2 Implications on the sampling

Based on the risk assessment we have performed judgmental sampling for section 1 Human Resources and sections 2 – 7 of the grant budget.

We have selected the entries for the sets of the costs (see below), to include at least 65% of the total population in the verification procedures. Actual coverage ratio is 65%. The costs declared by co-beneficiary were included in sampling, and the same verification procedures were applied to prove the correctness and eligibility.

5. Transaction population and sample

5.1 Sampling Highlights/Overview

The sample size was determined based on a materiality threshold of 2% of the total amount of reported expenditure with a confidence level of 95% and considering the risk analysis presented above. Performance materiality – 22,815 EURO.

Report/invoice: Financial Report for the period: 17 July 2020 – 31 October 2023		
	Population	Audited sample
Number of transactions	2406	539
Value of transactions EUR (direct costs)	1,158,248	757,682

A complete list of the transactions is included in Annex 3.3 (excel file).

6. Substantive testing

6.1 Short description of the testing process

Compliance with the Terms of Reference and with the International Standard on Related Services (ISRS) 4400.

We have conducted verification procedures of the costs incurred by the Reporting Entity (UNAG) and Spending Entity (OSGF).

The costs are posted in the accounting system of the implementing entities using usual accounting practices applied and in accordance with applicable accounting standards.

The costs were incurred in the reporting period (cut – off). No deviations found.

No costs not indicated in the approved budget were included in the report. The costs selected for verification were indicated in contractual budget, and are allocated to the correct budget line.

Expenditure are supported by the primary documents such as contracts (personnel and other types of the contracts), invoices, the waybills, Acts of Delivery of Services, receipts, timesheets, and other documents. In addition, the entities are keeping the driver's logs for tracing the vehicle costs by the projects. Payments are authorised by the project coordinator and chief accountant or executive director (when required by the procedures). The costs are identifiable and verifiable.

Equipment and not expendable items are included in the List of Assets.

The costs related to the Entities as a whole are properly apportioned. Allocation keys for several costs (office rent, vehicle costs, communication, other) are in accordance with the agreed allocation method in approved budget (part "Justification").

Taxes applied to the costs are: salary and benefits – 20% from gross, 4% - pension charges. Both are properly charged and paid to the state budget.

EU grants are VAT exempt, and the entities obtained exemption at Revenue Services of Georgia. No cases of paid VAT were discovered. In case of the consolidated purchases for several projects when VAT invoice is issued by the vendor, VAT is not charged to EU as cost.

Exchange rate applied to the transactions denominated in National Currency – Lari, is the rate of conversion. Hence, "first in – first out" method had been used for conversion the costs into reporting currency – EURO.

There were no cases of simplified cost options.

Interest Income was not incurred in verified period.

Key information about the testing process:

Verification procedures had been conducted in December 2023 - January 2024. Field works were limited by interview with the key personnel: Finance and Grants Manager, Project Coordinator, and Chief Accountant.

The documents selected for verification were scanned and email to auditors. After review, we have requested additional documents, which were provided in time. No any limitation of work, or limited access to the information.

7. Summary of findings

7.1 Summary of errors detected

No errors were detected during the verification procedures.

7.2 Classification of errors by compliance issue

Due to the fact that no mistakes or errors to be reported were detected, no further classification is needed. The details of the improvements to be considered in the future, are presented on p.32 of the current report.

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No	Compliance issue / reason for ineligible expenditure	No of findings	Amount €
1	Missing / inadequate documentation		
2	Incorrect procurement procedure applied		
3	Expenditure outside contractual period		
4	Expenditure includes VAT / other taxes		
5	Incorrect exchange rate used		
6	Budget exceeded		
7	Expenditure not for project purposes		
8	Fraud and irregularities		
9	Income not declared / not reported		
10	Other financial findings		
	Total financial findings		

8. Audit team

Composition of audit team:

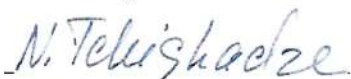
Category 1 – (Audit Partner)

Temuri Partskhaladze – reviewer, certified auditor and accountant, CROWE LLC Partner



Category 2 –

Natela Tchigladze – audit team leader, certified auditor and accountant, CROWE LLC Partner



Category 3 –

Ninia Maisuradze – senior auditor, CROWE LLC



Nikoloz Piliev – Assistant Auditor, CROWE LLC



Verifier's address: 2 D. Gamrekeli str. Axis Business Center, 4th Floor.

Date: 31 January 2024

Annex 3.1: Financial report provided by the auditee

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Final Financial Report of the project ENI/2020/417-289 Local Investments in Network for Knowledge and Skills Share (LINKS) for the period from July 17, 2020 to October 31, 2023 (amended closing date)

	EXPENDITURE	Budget as Per contract/addendum				Reallocation	Expenditure incurred					Variations in comparing with initial budget/addendum		
		UN IT	# Units	Unit Value (EUR)	Total Cost (EUR)		# Units	Unit Value	Total Cost (EUR)	Cumulated costs (before current report) (EUR)	Cumulated costs (from start of implementation to present report included) (EUR)	In absolute value in EUR	%	Explanation for all variations
			(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
1	Human Resources													
1.1	Salaries (gross salaries including social security charges and other				400,695.00	0.00			52,207	348,923	401,130	(435)	-0.11%	
1.1.1	Technical				285,899.00	0.00			48,615	237,763	286,378	(479)	-0.17%	
1.1.1.1	Team Leader, UNAG, 100%	Per month	39.5	2472.15	97,650.00		39.5	2,472	18,812	78,839	97,651			
1.1.1.2	Project Officer, Lifelong Learning, UNAG, 100%	Per month	37	1250.73	46,277.00		37	1,250	9,503	36,761	46,264			
1.1.1.3	Project Officer, MEL, UNAG, 100%	Per month	36.5	1076.58	39,295.00		36.5	1,077	8,659	30,654	39,313			
1.1.1.4	Program Assistant, OSGF, 100%	Per month	31.5	698.22	21,994.00		31.5	699	1,308	20,708	22,016			
1.1.1.5	Visibility and Dissemination Officer, UNAG, 50%	Per month	18	940.00	16,920.00		18	939	-	16,902	16,902			
1.1.1.6	Program Manager, OSGF, 40%	Per month	12.55	2400.00	30,120.00		12.55	2,400	-	30,122	30,122			
1.1.1.7	Program Coordinator, OSGF, 40%	Per month	13.5	1773.33	23,940.00		13.5	1,810	664	23,776	24,440			
1.1.1.8	Program Coordinator/team leader at OSGF, 45%	Per month	2.25	2090.22	4,703.00		2.25	2,081	4,681	-	4,681			
1.1.1.9	Program Assistant/reporting officer, OSGF 100 %	Per month	5	1000.00	5,000.00		5	998	4,988	-	4,988			
1.1.2	Administrative / support staff				114,796.00	0.00			3,592	111,160	114,752	44	0.04%	

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			(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
1.1.2.1	Executive Director, UNAG, 40%	Per month	13.4	1964.33	26,322.00		13.4	1,965	-	26,330	26,330			
1.1.2.2	Administrator, UNAG, 50%	Per month	16.75	1052.24	17,625.00		16.75	1,051	-	17,606	17,606			
1.1.2.3	Finance And Grants Manager, UNAG, 100%	Per month	33.5	1305.22	43,725.00		33.5	1,302	-	43,618	43,618			
1.1.2.4	Driver, UNAG, 100%	Per month	33.5	401.64	13,455.00		33.5	402	-	13,455	13,455			
1.1.2.5	Financial Assistant, OSGF, 50%	Per month	16.25	664.25	10,794.00		16.25	664	641	10,151	10,792			
1.1.2.6	Financial/Sub grant officer, OSGF, 50%	Per month	2.5	1150.00	2,875.00		2.5	1,180	2,951	-	2,951			
1.2	Salaries (gross salaries including social security)								-	-	-	-	0.00%	
1.3	Per diems for missions/travel5				4,245.00	0.00			371	2,398	2,769	1,476	34.77%	
1.3.1	Abroad (staff assigned to the Action)	Per diem	-	0.00					-	-	-			
1.3.2	Local (staff assigned to the Action)	Per diem	283	15.00	4,245.00		185	15	371	2,398	2,769			
1.3.3	Seminar/conference participants	Per diem	-	0.00					-	-	-			
Subtotal Human Resources					404,940.00	0.00			52,579	351,320	403,899	1,041	0.26%	
2	Travel											-	0.00%	
2.1	International travel Per flight	Per flight	0		-				-	-	-			
2.2	Local transportation	Per Trip	130	100.00	13,000.00		140	100	5,857	8,158	14,015			
Subtotal Travel					13,000.00	0.00			5,857	8,158	14,015	(1,015)	-7.81%	
3	Equipment and supplies													

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		UN IT	# Units	Unit Value (EUR)	Total Cost (EUR)	allowed realloca tion (article 9.4 of the GC)	# Units	Unit Value	Total Cost (EUR)	Cumulated costs (before current report) (EUR)	Cumulated costs (from start of implementation to present report included) (EUR)	In absolute value in EUR	%	Explanation for all variations
			(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
3.1	Rent of vehicle, UNAG	Per mon th	36	500.00	18,000.00		36	515	719	17,810	18,529			
3.2	Desktop Computers (station, monitor, accessories), UNA Georgia	Per stati on	5	613.00	3,065.00		5	483	-	2,414	2,414			
3.3	All-in-One Printer, UNA Georgia	Per prin ter	1	254.00	254.00		1	315	-	315	315			
3.3b	Laptops, OSGF	Per lapt op	2	760.00	1,520.00		2	760	-	1,520	1,520			
3.4	Copier, UNA Georgia	Per unit	1	315.00	315.00		1	315	-	315	315			
3.5	Spare parts and consumables for equipment	Per mon th	0	30.00	-		0	-	-	-	-			
Subtotal Equipment and supplies					23,154.00	0.00			719	22,373	23,092	62	0.27%	
4	Local office													
4.1	Vehicle costs (includes fuel, maintenance, spare parts, etc.)	Per mon th	36	250.00	9,000.00		39.5	240	-	9,496	9,496			
4.2	Office rent (cost will not be shared)	Per mon th	30	850.00	25,500.00		39.5	654	-	25,851	25,851			
4.3	Consumables - office supplies	Per mon th	15	120.00	1,800.00		39.5	42	-	1,663	1,663			
4.4	Other services - internet, telephone, utilities (shared cost)	Per mon th	36	150.00	5,400.00		39.5	124	93	4,804	4,897			
Subtotal Travel					41,700.00	0.00			93	41,814	41,908	(208)	-0.50%	
5	Other costs, services													
5.1	Publications ⁹ - online resources act.				31,900.00	0.00			6,179	23,460	29,639	2,261	7.09%	
5.1.1	Project landing page and social media accounts	We bpa ge	1	1500.00	1,500.00		1	1,500	-	1,500	1,500			

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			(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
5.1.2	Traveling university page and social media accounts	Webpage	1	1200.00	1,200.00		1	1,200	-	1,200	1,200			
5.1.3	LINKS webpage development	Webpage	1	2500.00	2,500.00		1	2,574	-	2,574	2,574			
5.1.4	Skills matching and vacancy management portal development	Webpage	1	1500.00	1,500.00		1	1,401	-	1,401	1,401			
5.1.5	Maintenance online resources - servers, domains, fixes, fees	Month	10	370.00	3,700.00		10	353	-	3,532	3,532			
5.1.6	Development of e-learning resources (videos, infographics, etc.)	Month	13.231	1625.00	21,500.00		13	1,495	6,179	13,253	19,432			
5.2	Studies, research				12,500.00	0.00		-	2,889	9,899	12,789	(289)	-2.31%	
5.2.1	Labour market monitoring methodology and baseline development	Report	1	12500.00	12,500.00		1	12,789	2,889	9,899	12,789			
5.3	Expenditure verification	Per Year	1	8950.00	8,950.00		1	8,950	8,950	-	8,950	-	0.00%	
5.4	Evaluation costs	Per Year	1	8330.00	8,330.00		1	8,318	8,318	-	8,318	12	0.14%	
5.5	Teleconferencing subscription fees	Month	36	50.00	1,800.00		39	41	-	1,617	1,617	183	10.18%	
5.6	Bank transaction fees	Per month	36	10.00	360.00		39	7	43	245	288	72	19.89%	
5.7	Visibility actions - social media ads, banners, leaflets, other 10	Per Month	11	900.00	9,900.00		11	1,073	7,589	4,215	11,804	(1,904)	-19.23%	
5.8	Visibility actions - case studies, videos	Per Month	10	630.00	6,300.00		10	586	4,278	1,585	5,862	438	6.95%	
Subtotal Other costs, Services					80,040.00	0.00			38,246	41,021	79,267	773	0.97%	
6	Other													

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	EXPENDITURE	Budget as Per contract/addendum				Realloc ation	Expenditure incurred					Variations in comparing with initial budget/addendum		
		UN IT	# Units	Unit Value (EUR)	Total Cost (EUR)	allowed realloca tion (article 9.4 of the GC)	# Units	Unit Value	Total Cost (EUR)	Cumulated costs (before current report) (EUR)	Cumulated costs (from start of implementation to present report included) (EUR)	In absolute value in EUR	%	Explanation for all variations
			(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
6.1	LINKS Centers operation and local professional secondments - (Batumi, Ozurgeti, Gori, Marneuli Centres); employment subsidies / professional secondments (4 centers * 3 years), LINKS Centres / Host CSOs (act 1.1.0 - 2.2.4)	Centre	3.915441	59130.00	231,520.00		4	56,324	104,540	120,756	225,296	6,224	2.69%	
6.2	Human Capacity Development Workgroup workshops /offline - conference room, cofee breaks (15 participants * 16 meetings) (act 1.2.1), UNAG	Workshop	16	150.00	2,400.00		16	76	586	634	1,220	1,180	49.16%	
6.3	Handbooks, Curricula and Teachers Manuals - expert fees, design and layout costs, e-publishing - (act 2.1.1), OSGF	E-publishing	3	2500.00	7,500.00		4	1,735	-	6,938	6,938	562	7.49%	
6.4	TVET Exchange / Learning Tours - venue, transportation, accommodation, meals, supplies, trainer fees (8 exchanges * 5 days per exchange * 15 persons) (act. 2.1.2. - 2.1.3), OSGF	Study Tour	8	5945.00	47,560.00		8	5,945	-	47,560	47,560	0	0.00%	
6.5	Entrepreneurship Training / TOT / online and offline - venue, transportation, accommodation, meals, trainer fees, supplies (16 trainings * 5 days per training * 15 persons) (act. 3.1.2, 3.1.1), OSGF	Training	16	2100.00	33,600.00		16	2,107	802	32,916	33,718	-118	-0.35%	

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Local Investments in Networks for Knowledge and Skill-Share (LINKS) Contract ENI/2020/417-289 for the period: 17 July 2020 – 31 Oct 2023

	EXPENDITURE	Budget as Per contract/addendum				Realloc ation	Expenditure incurred					Variations in comparing with initial budget/addendum		
		UN IT	# Units	Unit Value (EUR)	Total Cost (EUR)	allowed realloca tion (article 9.4 of the GC)	# Units	Unit Value	Total Cost (EUR)	Cumulated costs (before current report) (EUR)	Cumulated costs (from start of implementation to present report included) (EUR)	In absolute value in EUR	%	Explanation for all variations
			(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
6.5a	Support for the Entrepreneurship grant award receivers /Training in financial accountability and reporting, offline - venue, transportation, accommodation, meals, trainer fees, supplies	Train ing	1	3160.00	3,160.00		1	3,162	-	3,162	3,162	(2)	-0.05%	
6.5b	Support for the Entrepreneurship grant award receivers/start-up technical assistance and mentoring (43 days) (act. 3.1.2,), OSGF	Day	49.34	227.00	11,200.00		49.34	216	10,647	-	10,647	553	4.93%	
6.6	Key competencies training / TOT / online and offline - venue, transportation, accommodation, meals, trainer fees, supplies (40 trainings * 2 days per training * 15 persons) (act. 2.2.1 and 2.2.2), UNAG	Train ing	40	700.00	28,000.00		40	718	-	28,710	28,710	- 710	-2.53%	
6.7	Development of online learning module (expert fees)	Cou rse	1.6	2640.00	4,224.00		1.6	1,617	-	2,588	2,588	1,636	39%	
6.8	Job readiness training / online and offline, online learning course- venue, transportation, accommodation, meals, trainer fees, supplies (40 trainings * 1 day per training * 20 persons) (act. 2.2.1 - 2.2.2), UNAG	Train ing	40	250.00	10,000.00		40	274	5,926	5,018	10,943	- 943	-9%	

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EXPENDITURE	Budget as Per contract/addendum				Realloc ation	Expenditure incurred					Variations in comparing with initial budget/addendum		
	UN IT	# Units	Unit Value (EUR)	Total Cost (EUR)		# Units	Unit Value	Total Cost (EUR)	Cumulated costs (before current report) (EUR)	Cumulated costs (from start of implementation to present report included) (EUR)	In absolute value in EUR	%	Explanation for all variations
		(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
6.9	Training	1	8000.00	8,000.00		2	5,756	3,199	8,313	11,513	3,513	-44%	
6.10x	Day	360	45.00	16,200.00		360	45	-	16,256	16,256	56	0%	
6.11	Day	180	47.00	8,460.00		180	47	-	8,483	8,483	(23)	0%	
6.12	Visit/Lecture	336	310.00	104,160.00		337	309	30,204	74,039	104,243	83	0%	
6.13	Forum	4	1200.00	4,800.00		4	1,198	384	4,409	4,792	8	0%	
6.14	Expert/trainer	32	370.00	11,840.00		32	348	2,135	9,013	11,148	692	6%	

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	EXPENDITURE	Budget as Per contract/addendum				Reallocation	Expenditure incurred					Variations in comparing with initial budget/addendum		
		UN IT	# Units	Unit Value (EUR)	Total Cost (EUR)		# Units	Unit Value	Total Cost (EUR)	Cumulated costs (before current report) (EUR)	Cumulated costs (from start of implementation to present report included) (EUR)	In absolute value in EUR	%	Explanation for all variations
			(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
	online resources (act 2.2.3), UNAG													
6.15	Startup Funding- selection, award, reporting, etc. (act 3.1.3.), OSGF	Per Project	8	4050.00	32,400.00		8	3,693	29,546	-	29,546	2,854	9%	
6.16	Joint youth training for youth on key competencies, job readiness, citizenship, diversity management, equal workplace and non-discrimination/training venue, accommodation for participants, travel, meals (3 training courses * 4 days per training * 24 persons) (act. 2.2.1 - 2.2.2), UNAG	Training course	3	4200.00	12,600.00		3	4,041	639	11,486	12,124	476	4%	
6.17	ToT in Key competences and Job readiness	Per event	1	4800.00	4,800.00		1	4,765	-	4,765	4,765	35	1%	
	Joint youth event on effective communication, leadership competencies, job readiness, citizenship and Georgia's													
6.18	European past, digital competencies, modern technologies/ venue, accommodation for participants, travel, meals (Youth event * 6 days * 28 persons) (act. 2.2.1 - 2.2.2), UNAG	Per event	1	13677.30	13,677.30		1	12,210	12,210	-	12,210	1,467	11%	
6.19	Closing Event/travel, meals and accommodation for beneficiaries from regions, venue for the event, coffee break, lunch (Closing event* 2 days * 60 persons) OSGF	Per event	1	9289.00	9,289.00		1	10,205	10,205	-	10,205	-916	-10%	

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EXPENDITURE	Budget as Per contract/addendum				Reallocation	Expenditure incurred					Variations in comparing with initial budget/addendum		
	UNIT	# Units	Unit Value (EUR)	Total Cost (EUR)	allowed reallocation (article 9.4 of the GC)	# Units	Unit Value	Total Cost (EUR)	Cumulated costs (before current report) (EUR)	Cumulated costs (from start of implementation to present report included) (EUR)	In absolute value in EUR	%	Explanation for all variations
		(a)	(b)	(C)=a*b	(r)	(a)	(b)	(C)=a*b	(d)	(f)=c+d			(g)=c (or r) - f
Subtotal Other				605,390.30	0.00			211,023	385,045	596,068	9,322	1.54%	
7	Subtotal direct eligible costs of the Action (1-6)			1,168,224.30	0.00			308,517	849,731	1,158,248	9,976	1%	
8	Indirect Costs			81,775.70	0.00			21,596	59,481	81,077	698	1%	
9	Total Eligible costs of the Action, excluding reserve (7+8)			1,250,000.00	0.00			330,113	909,212	1,239,326	10,674	1%	
10	10. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)				0.00							0%	
11	Total Eligible costs (9+10)			1,250,000.00	0.00			330,113	909,212	1,239,326	10,674	1%	
12	- Taxes, - Contributions in kind			-	0.00			-	-	-	-	0%	
13	Total accepted costs of the Action (11+12)			1,250,000.00	0.00			330,113	909,212	1,239,326	10,674	1%	

Prepared by: Alexander Melkadze

Accepted by: Otar Kantaria

Finance and Grants Manager, UNAG

Executive Director, UNAG

Date: 31.01.2024

Accepted by: Teona Lebanidze

Project Coordinator, UNAG

Date: 31.01.2024



Annex 3.2: Procedures performed

We have performed verification procedures in accordance with requirements disclosed in the Terms of Reference provided by the client.

2. EXPENDITURE VERIFICATION PROCEDURES

The following checks must be performed by the Expenditure Verifier unless they are irrelevant in relation to the eligibility criteria applicable to the contract type. Therefore the Expenditure Verifier is required to gain appropriate understanding of such requirements in order to carry out only the relevant checks and properly apply the relevant eligibility requirements.

1.1 The expenditure was incurred by and pertains to the Entity.

1.2 The expenditure is recorded in the accounting system of the Reporting Entity or of the Other Spending Entities.

The expenditure is recorded in the accounting system of the Reporting Entity or of the Other Spending Entities in accordance with the applicable accounting standards and the Reporting Entity's usual cost accounting practices.

1.3 Expenditure incurred during the contractual eligibility period

The expenditure declared in the financial report was incurred during the contractual implementation period of the Action, except for expenditure relating to final reports, expenditure verification, audit and evaluation. Expenditure paid after the submission of the financial report, is listed in the final report along with the estimated date of payment.

1.4 Expenditure indicated in the contractual estimated budget

The expenditure included in the financial report was indicated in the contractual budget.

The applicable budget ceilings were not exceeded.

The expenditure has been allocated to the correct heading of the Financial Report.

1.5 Expenditure necessary for the implementation of the contractual activities, reasonable and justified

It is plausible that the direct and indirect expenditures included in the financial report were necessary for the implementation of the contractual activities.

The amount of the expenditure items included in the financial report is reasonable and justified and respects the principle of sound financial management.

1.6 Expenditure identifiable and verifiable

The expenditure is backed up by sufficient supporting documentation (e.g. invoices, contracts, order forms, pay slips, time sheets) 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.

1.7 Compliance with Procurement Principles and Nationality and Origin Rules

For the expenditure items concerned, the Reporting Entity has complied with the contractual requirements for procurement. Contractual nationality and origin rules have been applied, including those on derogations to be awarded by the Commission.

1.8 Expenditure complies with the requirements of applicable tax and social legislation

For the expenditure items concerned the Reporting Entity complies with the requirements of tax and social security legislation (for example: employer's part of taxes, pension premiums and social security charges).

1.9 Financial support to third parties (sub-granting)

Financial support to third parties is provided for by the contractual conditions and its amount does not exceed the contractual limits.

The expenditure incurred by the third parties meets the relevant eligibility requirements. In particular it was incurred by and pertains to the third party, during the contractual eligibility period, is necessary for the implementation of the contractual activities and is identifiable and verifiable (see definition at point 2.6).

1.10 Other eligibility requirements

Duties, taxes and charges, (e.g. VAT) included in the financial report cannot be recovered by the Entity unless otherwise provided for in the contractual conditions (accepted costs system). In the latter case these expenses are reported separately and relate to eligible direct expenditure.

The correct exchange rates are used where applicable.

The contingency reserve has not been established in accordance to the contractual conditions.

The indirect costs do not exceed the maximum contractual percentage of the eligible direct costs and do not include ineligible expenses or expenses already declared as direct ones.

Contributions in kind are not included in the financial report, unless otherwise provided for in the contractual conditions.

Expenditure specifically considered ineligible by the contractual conditions is not included in the financial report.

Expenditure declared under the simplified cost options respects the contractual requirements.

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The revenues generated by the Reporting Entity in the execution of the contract are disclosed in the financial report and deducted from the declared expenditure, unless otherwise provided for in the contractual conditions.

Annex 3.3: Table of transactions - provided as Excel file

Annex 3.4: Table of errors

During the process of verification procedures no errors or uncertainties to be reported had been found