

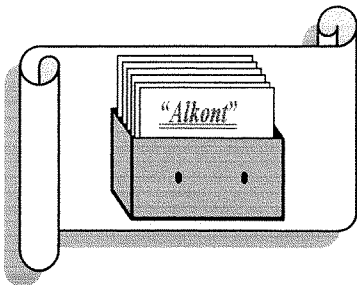
AUDIT FIRM "ALKONT"

REPORT ON AUDIT FINDINGS

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AUDIT FIRM «ALKONT»

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To the management of Transparency International Moldova

In planning and performing our audit of financial statements of Transparency International Moldova NGO for the period from January 01, 2008 up to and including December 31, 2008 drawn up in accordance with the cash receipts and disbursements basis of accounting, as well as of the internal controls employed by the Projects to determine our auditing procedures, in order to express our opinion on financial statements of the Projects, a special attention was paid to:

- Design and operation of the accounting system of the Projects, i.e. documentation, authorization of transactions, acquisition of goods and services, documentation on business trips, book-keeping and account reconciliation;
- All the necessary supporting documents, records, and accounts have been kept in respect of all the Project's revenues and expenses;
- The received funds have been spent efficiently for the purpose of the Projects in accordance with the budget and other clauses set by the Grant Agreements;
- All the expenses are properly documented and are in accordance with the budget prescribed by the Grant Agreements;
- All the expenses have been incurred in accordance with the legislation in force; and
- All the equipment acquired by means of the grants exists.

This report is intended solely for the information and use by the management of Transparency International Moldova and their donors and "Alkont" Audit Firm is not responsible before the third persons that could use this information for any other purposes is not intended and should not be used by anyone other than the specified parties.

Alla Kulikovskaia
Auditor

May 31, 2009



REPORT ON AUDIT FINDINGS

May 2009

1. Compliance to the Budgets

The following tables summarize the expenses incurred by the management of Transparency International - Moldova from donations received from NOVIB, ALAC, AED and reported within the period from January 01, 2008 up to and including December 31, 2008 compared to the budget items and audited expenditure.

1.1 Nederlandse Organisatie voor Internationale Ontwikkelingssamenwerking (NOVIB) – Project “Civil Society Against Corruption” (MOL-503837-0005116), was funded EUR 162,774 (balance at January 1, 2008 – € 87,774 and received in 2008 € 75,000) and uses funds for 12 months – EUR 122,842.

Description	Budget	Expenditure	Variance %%
Activity 1:” Civil society its capacity to withstand corruption”			
1.1.Ensuring legal assistance to the citizens that face corruption: hot-line, visiting centre	20,500	19,408	95
1.2 Training of trainees, maintaining a permanent network of trainees that will conduct anti-corruption workshops in rural site	6,500	6,088	94
1.5 Conducting a study of perception of conflict of interests in the society and representatives of state institutions	7,800	6,805	87
1.6. Conducting a study of political parties funding;	7,600	7,115	94
1.9. Conducting and opinion poll on bribery in business	2,000	1,186	59
1.10 Maintaining the web-site	3,100	2,941	95
1.11 Editing and disseminating the monthly Informational Bulletin of TI-Moldova	7,300	7,862	108
1.12 Broadcasting TV and radio anticorruption programs, radio and video spots	2,300	2,290	99
1.13. Confectioning and disseminating promotional materials with an anticorruption message (T-shirts, posters, calendars, satirical magazines)	2,300	2,603	113
1.14 Organizing of concert for youth " Say NO to corruption"	7,000	7,354	105
Total Activity 1:	66,400	63,652	96
Activity 2. State institutions assisted in corruption preventing			
2.1 Participating of TI-Moldova in the Working Group for Monitoring the Implementation of the National Strategy for Preventing and Fighting Corruption ; Writing comments on the work of the group	3,840	3,840	100
2.2 Writing comments on draft laws and other normative acts related to preventing and combating corruption	4,160	3,832	92

2.3 Conducting regular workshops for the local public administration in the Academy of Public Administration	2,000	1,742	87
Total Activity 2:	10,000	9,414	94
Activity 3. Investigative journalists increased their capacities to conduct ethical investigations related to corruption			
3.1 Elaborating, editing and printing a handbook on investigative journalism for University student of Department of journalism	12,000	9,485	79
3.2 Conducting extracurricular work-shops on investigative journalism Universities, Departments and Journalism	1,600	1,510	94
3.3 Conducting yearly contests for the best article about corruption	2,100	1,367	65
3.4 Printing the early editions of "Artist against Corruption" with the articles presented for the contest	2,000	1,970	99
3.5 Participation in international conferences, training, regional and yearly meetings of TI	3,000	3,219	107
Total Activity 3:	20,700	17,551	85
Activity 4. Activities additional to the work plan			
Total Activity 4:	0	3,240	
Management			
Total Management	28,786	28,985	101
TOTAL Project MOL-503837-0005116	125,886	122,842	98

On the whole, the project budget has been accomplished by 98 %.

1.2 Advocacy and Legal Advice Centres (ALAC) Project 209-354.10 SOE 02/2008, total funds received EUR 15,575 the budget is EUR 15,575 and used funds represent EUR 15,373.59.

Description	Budget	Actual	Variance %%
Human Resources	6,500	6,360	98
Travel	500	502	100
Office Costs, Equipment and Supplies	3,500	3,378	97
Other Costs/Services	5,075	5,133	101
Total Project 209-354.10 SOE 02/2008	15,575	15,374	99

On the whole, the project budget has been accomplished by 99 %.

1.3. Monitoring Preventing Corruption and Combating Corruption in Fiscal System project: 2926-16-TI (STND)-07-005 / AED, was funded EUR 34,812 (532,388 MDL) in 2008 and uses funds for 12 months – EUR 34,812 (532,388 MDL)

Description	Budget	Actual	Variance %%
Salaries and Honorariums	19,766	18,318	93
Project manager	6,039	5,187	86
Honorariums for Experts - 3	11,083	10,866	98
Accountant	2,644	2,265	86
Direct project Expenses	14,163	12,463	88
Survey	12,816	12,209	95

