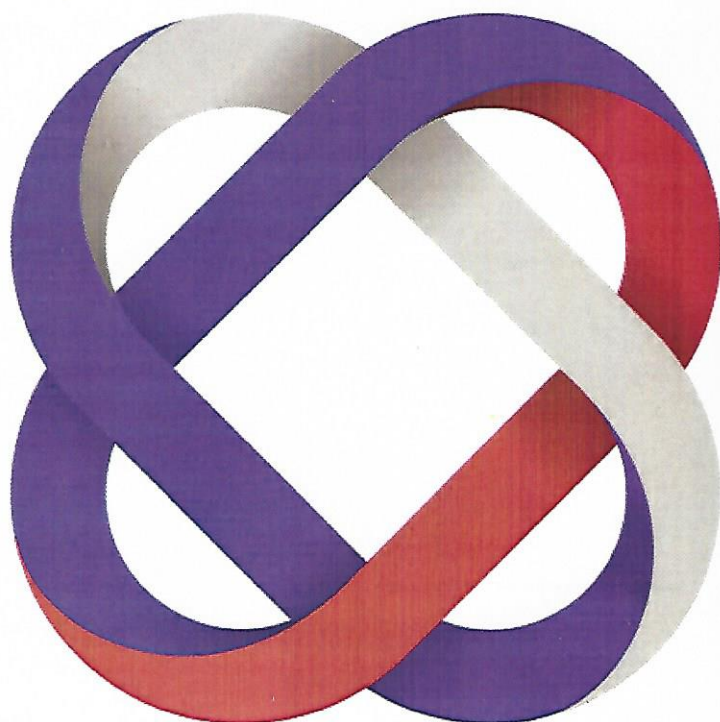


# **Special Purpose Project Financial Statement and Independent Auditor's Report**

## **Institute for Development of Freedom of Information**

“Support the Implementation of the UN Sustainable  
Development Goals in Georgia”  
Project No. 0009712

For the period from 1 December 2016 to 31 July 2018



# Contents

Independent auditor's report	3
Statement of Expenditures	5
Notes to the special purpose project financial statements	6

# Independent auditor's report

შპს გრანტ თორნტონ  
ქეთევან წამებულის გამზირი 54  
0144, თბილისი, საქართველო  
ტ. + 995 322 604 406

Grant Thornton LLC  
54 Ketevan Tsamebuli Avenue  
0144 Tbilisi, Georgia  
T + 995 322 604 406

To the Management of the Institute for Development of Freedom of Information

## *Opinion*

We have audited the special purpose project financial statement of the Project "Support the Implementation of the UN Sustainable Development Goals in Georgia", Project No. 0009712 (the "Project"), implemented by the Institute for Development of Freedom of Information (IDFI) with the assistance of United Nations Development Programme (UNDP) under Grant Agreement dated 5 December 2016, which comprises the Statement of Expenditures for the period from 1 December 2016 to 31 July 2018 (Project implementation period), including a summary of significant accounting policies.

In our opinion, the accompanying Statement of Expenditures presents fairly, in all material respects, the expenditures incurred by IDFI under the "Support the Implementation of the UN Sustainable Development Goals in Georgia" Project for the period from 1 December 2016 to 31 July 2018, in accordance with the basis of accounting described in note 2 to the Statement of Expenditures.

## *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 Special Purpose Project Financial Statements section of our report. We are independent of IDFI 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.

## *Emphasis of Matter – Purpose of this Report and Restriction on Distribution*

We draw attention to note 2 to the Statement of Expenditures, which describes that the special purpose project financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting at variance with the International Financial Reporting Standards and Generally Accepted Accounting Principles. The special purpose project financial statement is prepared to assist the IDFI's statutory body in meeting the financial reporting provisions of the Grant Agreement referred to above. As a result, the special purpose project financial statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



## Responsibilities of the IDFI's Statutory Body for the Special Purpose Project Financial Statement

The IDFI's statutory body is responsible for the preparation and fair presentation of the special purpose project financial statement in accordance with the basis of accounting described in the note 2 to the Statement of Expenditures and in conformity with the terms and conditions of the Grant Agreement referred to above, and for such internal control as management determines is necessary to enable the preparation of special purpose project financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibilities for the Audit of the Special Purpose Project Financial Statement*

Our objectives are to obtain reasonable assurance about whether the special purpose project financial statement as a whole is 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 economic decisions of users taken on the basis of this special purpose project financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintained professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose project financial statement, 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 controls relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IDFI'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 special purpose project financial statement, including the disclosures, and whether the special purpose project financial statement represents 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.

Vakhtang Tsabadze  
Managing Partner

Ketevan Ghambashidze  
Registered Auditor

17 October 2018



# Statement of Expenditures

For the period from 1 December 2016 to 31 July 2018

In USD

Budget Line	Expenditure Description	Total		Balance
		Approved budget	expenditure	
<b>1</b>	<b>Creating and launching an electronic Monitoring System (EMS) for SDGs</b>			
1.1	Prepare a needs assessment document for the EMS (to be prepared by the local expert) Expert honorarium			
1.2	Prepare a monitoring methodology for SDG G16 (to be prepared by the international expert) Expert honorarium	11,876	11,876	-
1.3	Prepare a monitoring methodology for SDG G16 (to be prepared by the international expert) Travel, accomodation and per diem expenses of the international expert (10 days)			
1.4	Preperation of the Terms of Reference (TOR) for the EMS (to be prepared by the local expert) Expert honorarium	1,000	1,000	-
1.5	Develop a user manual for the EMS (to be prepared by the local expert) Expert honorarium			
1.6	Development of the EMS	13,875	13,875	-
1.7	Train AoG Staff in the operation of the EMS (cost of the venue)			
1.8	Training of beneficiary agency staff (cost of the venue)			
	<b>Total for Activity 1</b>	<b>26,751</b>	<b>26,751</b>	<b>-</b>
<b>2</b>	<b>Conducting a comprehensive awareness camping about UN Sustainable Development Goals and their global, region and national context</b>			
2.1	Public discussions conducted about SDGs and their implementation in Georgia (cost of the venue)	3,236	3,236	-
2.2	Public discussions conducted about SDGs and their implementation in Georgia (speakers free)			
2.3	SDG related analytical paper contest is conducted for students (cost for venue)	672	672	-
2.4	SDG related analytical paper contest is conducted for students (contestant prize)	2,234	2,234	-
2.5	At least 4 workshops about SDGs are conducted for civil servants (costs of the venue)	2,177	2,177	-
2.6	Conduct lectures in 3 different regions of Georgia (cost of the venue)	764	764	-
2.7	Conduct workshops for representatives of CSOs (cost of the venue)			
2.8	Conduct workshops for representatives of private companies and media (cost of the venue)	1,120	1,120	-
2.9	Organize advertisement campaign about SDGs (prepare video, launching on online and TV outlets)	3,443	3,443	-
2.10	Organize an international forum about SDG Goal 16 (costs related to travel of participants, accommodation, venue, printing expenses, etc.)	23,844	23,844	-
2.11	Local PR Consultant	4,875	4,875	-
2.12	Participation of Local Representative in OGP Summit (International travel,accommodation and per diem)	1,615	1,615	-
2.13	Accommodation and per diem expenses of the project local representatives in the regions	808	808	-
	<b>Total for Activity 2</b>	<b>44,788</b>	<b>44,788</b>	<b>-</b>



# Statement of Expenditures (continued)

For the period from 1 December 2016 to 31 July 2018

In USD

Budget Line	Expenditure Description	Approved budget	Total expenditure	Balance
<b>3</b>	<b>Support the Administration of Government in steering the SDG</b>			
3.1	Prepare a needs assessment for the SDG Council (to be prepared by the local expert)	1,250	1,250	-
3.2	Prepare recommendations on the improvement of the work of the Council (to be prepared by the local expert)			
3.3	Peer exchange and study tour expense for AoG staff members (for 3 persons)	6,176	6,176	-
3.4	Local Consultant (Analyst)	14,000	14,000	-
	<b>Total for Activity 3</b>	<b>21,425</b>	<b>21,425</b>	-
<b>4</b>	<b>Project Management/Administration</b>			
4.1	Salary for Project Director (25% involvement - full time rate USD 2,500)	8,750	8,750	-
4.2	Salary for the Project Coordinator (50% involvement - full time rate USD 1,400)	9,800	9,800	-
4.3	Salary for the Project Assistant (100% involvement - full time rate USD 700)	9,800	9,800	-
4.4	Office running costs (office rent, utilities, communication, stationary expenses)	6,997	6,997	-
4.5	Transportation expenses	4,698	4,698	-
4.6	Financial expenses	3,500	3,500	-
4.7	Audit Cost	3,000	3,000	-
4.8	Miscellaneous/Contingency	1,190	1,190	-
	<b>Total for Activity 4</b>	<b>47,736</b>	<b>47,736</b>	-
	<b>Grand Total</b>	<b>140,700</b>	<b>140,700</b>	-

The Statement of Expenditures was approved by the management of the IDFI on 12 August 2018 and signed on its behalf. The accompanying notes set out on pages 7-8 form an integral part of this Statement.

Giorgi Kldiashvili

Executive Director



# Notes to the special purpose project financial statement

## 1 General information and nature of activities

IDFI is a non-governmental organization. IDFI's vision is:

*"Informed and empowered society for democratic governance!"*

IDFI's mission is:

*"We strive for an empowered and inclusive society; we promote human rights and good governance by raising civic awareness through sound informational reports, research and recommendations; we advocate for initiating & implementing reforms of policies, laws and practices to enhance democratic governance".*

The main strategic objectives of the Institute are:

- Development of democratic governance and freedom information, defending freedom of expression, increasing transparency and accountability of public institutions;
- Supporting the establishment of institutional mechanisms for the fight against corruption, participating in the development of anti-corruption policies, raising public awareness about the fight against corruption;
- Monitoring the transparency and accountability of public institutions;
- Improving the legal framework on the freedom of information and access to information and raising public awareness;
- Strengthening the rule of law and increasing the independence of the judiciary;
- Developing e-governance and new technologies;
- Protecting human rights and freedoms;
- Promoting the openness of archives and research of Soviet past;
- Conducting research on social, economic, political, historical and legal topics;
- Supporting the formation of civil society in Georgia;
- Conducting research, scientific, and practical activities for the improvement of the legal system in Georgia and eradication of existing problems;
- Supporting fair and democratic elections;
- Supporting media freedom and pluralism;
- Providing qualified and free legal aid to citizens;
- Supporting the development of public administration and reforms in Georgia;
- Working on issues of youth development;
- Supporting the integration of people with disabilities;
- Promoting the decentralization process and supporting capacity building in local self-governments of Georgia in order to ensure open government, citizen engagement, accountability and transparency.
- Carrying out educational activities in the following areas: human rights, democratic governance, freedom of expression, freedom of the media, e-governance and internet, public administration, the fight against corruption, social and economic policy, archival work, history, etc.;
- Supporting and executing other initiatives that will support the democratic development of Georgia.



## Brief description of the project:

The aim of the sub-project is to support the Administration of the Government of Georgia (AoG) in effective monitoring of the national agenda on the implementation of UN Sustainable Goals (SDGs), based on pilot system that will initially monitor Georgian performance on Goal 16.

The sub-project intends to use an innovative approach and develop an electronic monitoring system that will enable effective and transparent monitoring of the national agenda of UN Sustainable Goal 16 that can be later adjusted to all SDGs after the successful testing of the initial tool. The electronic monitoring tool will support the distribution of up-to-date information about the performance of public agencies on individual targets and indicators of Goal 16 and subsequently all 169 targets of the SDGs.

The sub-project also aims to increase public awareness about the global agenda on UN SDGs in Georgian context. The planned target groups of the awareness campaign are central and local public employees, the private sector, youth, civil society and academia. Active involvement of various stakeholders in the implementation of UN Sustainable Development Goals will increase public ownership of SDGs as well as national activities aimed at their implementation.

## 2 Significant accounting policies

### 2.1 Basis of preparation

The Statement of Expenditures is prepared on the cash basis of accounting which means that expenses are recognized when paid rather than when incurred.

### 2.2 Functional and presentation currency.

The national currency of Georgia is the Georgian lari, which is the functional currency, as it best reflects the economic substance of the underlying events and transactions.

The Statement of Expenditures is presented in US Dollars (USD) – the presentation currency, according to the requirements of the Grant Agreement.

In preparing the special purpose project financial statement, transactions in Georgian lari were recorded in US dollars per UN Operational Rates of Exchange at the dates of cash receipts from the donor. The FIFO method was used for currency translation, which means that:

- the exchange rate for the first tranche (2.5030 Georgian lari for 1 US dollar) was applied to all transactions paid from the first tranche;
- the exchange rate for the second tranche (2.4090 Georgian lari for 1 US dollar) was applied to all transactions paid from the second tranche; and
- the exchange rate for the third tranche (2.7060 Georgian lari for 1 US dollar) was applied to all transactions paid from the third tranche.