



CROATIAN – SWISS RESEARCH PROGRAMME 2017 – 2023 (CSRP)

REPORT OF FACTUAL FINDINGS

For 2019 and 2020

February 2021

Alpha Audit d.o.o.
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Ilija Nikolić, CEO
Danijel Pevec, CEO
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MB: 04166469
ID number: 14404485248
The share capital of the company
amounts to HRK 24,000 and has
been fully paid
The Company is registered with the
Commercial Court in Zagreb
MBS: 080893769
IBAN: HR9823600001102399338



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REPORT OF FACTUAL FINDINGS

To CROATIAN SCIENCE FOUNDATION

We have performed the procedures agreed with you and enumerated below with respect to the Financial Report of the **CROATIAN – SWISS RESEARCH PROGRAMME 2017 – 2023 (CSRP)**, for the period 2019 and 2020 set forth on the page 5. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the use of funding and are summarized as follows:

1. Verifying whether all costs are eligible and directly related to the subject of the Agreement on Division of Duties and Responsibilities Concerning Monitoring and Financing in the implementation of the „Croatian-Swiss Research Program“, in the part of implementation related to the fulfillment of the obligations of the Republic of Croatia (No: U-1058-2018);
2. Verifying whether the costs incurred during the period are eligible for funding;
3. Verifying whether the costs are justified and in accordance with the principles of sound financial management, in particular with regard to the value of money, cost efficiency and maximum permissible levels according to the categories defined in the appendix to the project budget breakdown for the CSRP project (Class 910-04/17-01/6 No.: 538-17-99), signed between the Swiss Agency for Development and Cooperation and the Ministry of Regional Development and EU Funds of 10 July 2017;
4. Verifying whether the costs incurred by the beneficiary and supported by accounts consistent with the generally accepted accounting principles and the applicable tax and social regulations;
5. Verifying whether the costs are identifiable and can be verified and backed up by the original supporting documents;
6. Verifying whether travel, accommodation and daily costs are in accordance with the usual practices and procedures of the user and in accordance with the statutory travel expenses;
7. Verifying whether the equipment costs (procurement, service, upgrading) are carried out in accordance with the tender rules and in accordance with the project budget;
8. Verifying whether the costs are in accordance with the planned and approved budget of the CSRP Project;
9. To give recommendations to strengthen the control system and report any actual or alleged fraud or irregularity.

We report our findings below:

- a) With respect to item 1, we found that all the costs are eligible and directly related to the subject of the Agreement on the division of duties and responsibilities related to the monitoring and financing the implementation of the „Croatian-Swiss research program“, in the part of implementation relating to the fulfillment of the obligations of the Republic of Croatia (Reg. No: U-1058-2018);
- b) With respect to item 2, we found that the costs incurred during the period are eligible for funding;
- c) With respect to item 3, we found that the costs are justified and in accordance with the principles of sound financial management, in particular with regard to the value of the money, cost efficiency and maximum permissible levels according to the categories defined in the appendix to the project budget breakdown for the CSRP project (Class 910-04/17-01/6 No.: 538-17-99), signed Swiss Agency for Development and Cooperation and the Ministry of Regional Development and EU Funds od 10 July 2017;
- d) With respect to item 4, we found that the costs incurred by the beneficiary and supported by accounts consistent with the generally accepted accounting principles and the applicable tax and social regulations;
- e) With respect to item 5, we found that the costs are identifiable and can be verified and backed up by original supporting documents;
- f) With respect to item 6, we found that the travel, accommodation and daily costs are in accordance with the usual practices and procedures of the user and in accordance with the statutory travel expenses;
- g) With respect to item 7, we found that there was no costs for equipment (procurement, service, upgrades);
- h) With respect to item 8, we found and reviewed the costs incurred by the program and the amount paid by the Ministry of Science and Education.

In 2019 and 2020, the Ministry of Education and Science perform following payments:

Date of payment	Paid amount (HRK)	Application for payment
21.02.2019	450.495,96	Application for payment no 5/2019
01.04.2019	111.811,46	Application for payment no 6/2019
23.04.2019	117.698,06	Application for payment no 7/2019
29.08.2019	117.657,59	Application for payment no 8/2019
24.12.2019	107.836,00	Application for payment no 9/2019
21.01.2020	51,07	Application for payment no 9/2020
31.03.2020	117.576,68	Application for payment no 10/2020
19.06.2020	522.234,98	Application for payment no 11/2020 i 13/2020
13.07.2020	111.811,46	Application for payment no 12/2020
27.07.2020	117.698,05	Application for payment no 14/2020
02.09.2020	110.348,25	Application for payment no 12/2020
14.10.2020	229.044,26	Application for payment no 15/2020
TOTAL	2.114.263,82	

Amount of spent funds in 2019. is 122.070,96 CHF (823.115,74 HRK) and in 2020 in amount 195.997,64 CHF (1.321.600,75 HRK), as presented in Financial Report of the „Croatian – Swiss Research Programme 2017 – 2023 (CSRP)“ for years 2019 and 2020 in page 4, 5 i 6.

i) With respect to item 9, we have nothing to report.

Because the above procedures do not constitute either an auditor or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accompanying Financial Report of the CROATIAN – SWISS RESEARCH PROGRAMME 2017 – 2023 (CSRP), for the 31 December 2020.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you. Furthermore, Alpha Audit d.o.o., conducted an audit of financial statements of the Croatian Science Foundation, Zagreb for 2019, and the audit of financial statements for 2020 is in progress.

Our report is solely for the purpose stated in the first section of this report and for your information. And applies only to the items specified above and does not extend to any financial statements of the Croatian Science Foundation, Zagreb taken as a whole.



A L P H A

Nataša Žitnik, certified auditor and CEOI d.o.o.
Zagreb OIB: 14404485248

February 15 2021.

Alpha Audit d.o.o.
Sky Office Ul. Roberta Frangeša Mihanovića 9, 12. floor
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FINANCIAL REPORT OF THE CROATIAN for the period 2019 and 2020

SWISS RESEARCH PROGRAMME 2017 – 2023 (CSRP),

OVERVIEW OF REALIZED COSTS „CROATIAN – SWISS RESEARCH PROGRAMME 2017 – 2023“ FOR 2019

Budget line	Total budget (HRK)	Total budget (CHF)	Previously incurred costs (HRK)	Previously incurred costs (CHF)	Incurred costs in this reporting period (HRK)	Incurred costs in this reporting period (CHF)	Total incurred eligible costs (HRK)	Total incurred eligible costs (CHF)	Remaining budget (HRK)	Remaining budget (CHF)
Sub-category 1.1 – Grants for JRP's	3.730.532,66	553.250,00	446.025,38	66.147,00	797.663,07	118.296,00	1.243.688,45	184.443,00	2.486.844,21	368.807,00
Sub-category 1 - Grants for JRP's	3.730.532,66	553.250,00	446.025,38	66.147,00	797.663,07	118.296,00	1.243.688,45	184.443,00	2.486.844,21	368.807,00
Sub-category 2.1 - Panel meetings*	51.738,19	7.672,94	51.327,77	7.612,07	410,42	60,87	51.738,19	7.672,94	-	-
Sub-category 2.2 – Steering Committee meetings	121.000,00	17.944,69	9.342,69	1.385,55	1.990,89	295,26	11.333,58	1.680,81	109.666,42	16.263,88
Sub-category 2.3 - External audit	230.000,00	34.109,74	4.000,00	593,21	1.625,00	240,99	5.625,00	834,21	224.375,00	33.275,53
Sub-category 2.4 - Sub-project meetings and on-the-spot-checks	186.120,00	27.602,20	-	-	-	-	-	-	186.120,00	27.602,20
Sub-category 2.5 Video-conference for the promotion of the call	5.000,00	741,52	5.000,00	741,52	-	-	5.000,00	741,52	-	-
Sub-category 2.6 - Conference for the GA signing	5.437,50	806,40	5.437,50	806,40	-	-	5.437,50	806,40	-	-
Sub-category 2.7- Closing conference	10.500,00	1.557,18	-	-	-	-	-	-	10.500,00	1.557,18
Sub-category 2.8 - Promotional materials	34.062,50	5.051,58	16.331,25	2.421,98	-	-	16.331,25	2.421,98	17.731,25	2.629,60
Sub-category 2.9 - rainings for HRZZ employees*	143.380,29	21.263,76	26.009,14	3.857,24	21.426,36	3.177,60	46.821,59	6.943,79	96.558,70	14.319,97
Category 2 - Management costs of HRZZ	787.238,48	116.750,00	117.448,35	17.417,97	25.452,67	3.774,71	142.287,11	21.101,64	644.951,37	95.648,36
TOTAL	4.517.771,14	670.000,00	563.473,73	83.564,97	823.115,74	122.070,71	1.385.975,56	205.544,64	3.131.795,58	464.455,36

OVERVIEW OF REALIZED COSTS „CROATIAN – SWISS RESEARCH PROGRAMME 2017 – 2023“ FOR 2020

Budget line	Total budget (HRK)	Total budget (CHF)	Previously incurred costs (HRK)	Previously incurred costs (CHF)	Incurred costs in this reporting period (HRK)	Incurred costs in this reporting period (CHF)	Total incurred eligible costs (HRK)	Total incurred eligible costs (CHF)	Remaining budget (HRK)	Remaining budget (CHF)
Sub-category 1.1 – Grants for JRP	3.730.532,66	553.250,00	1.243.688,45	184.443,00	1.316.600,75	195.256,13	2.560.289,20	379.699,13	1.170.243,46	173.550,87
Sub-category 1 - Grants for JRP	3.730.532,66	553.250,00	1.243.688,45	184.443,00	1.316.600,75	195.256,13	2.560.289,20	379.699,13	1.170.243,46	173.550,87
Sub-category 2.1 - Panel meetings*	51.738,19	7.672,94	51.738,19	7.672,94	-	-	51.738,19	7.672,94	-	-
Sub-category 2.2 – Steering Committee meetings	121.000,00	17.944,69	11.333,58	1.680,81	-	-	11.333,58	1.680,81	109.666,42	16.263,88
Sub-category 2.3 - External audit	230.000,00	34.109,74	5.625,00	834,21	5.000,00	741,52	10.625,00	1.575,72	219.375,00	32.534,02
Sub-category 2.4 - Sub-project meetings and on-the-spot-checks	186.120,00	27.602,20	-	-	-	-	-	-	186.120,00	27.602,20
Sub-category 2.5 Video-conference for the promotion of the call	5.000,00	741,52	5.000,00	741,52	-	-	5.000,00	741,52	-	-
Sub-category 2.6 - Conference for the GA signing	5.437,50	806,40	5.437,50	806,40	-	-	5.437,50	806,40	-	-
Sub-category 2.7- Closing conference	10.500,00	1.557,18	-	-	-	-	-	-	10.500,00	1.557,18
Sub-category 2.8 - Promotional materials	34.062,50	5.051,58	16.331,25	2.421,98	-	-	16.331,25	2.421,98	17.731,25	2.629,60
Sub-category 2.9 - rainings for HRZZ employees*	143.380,29	21.263,76	46.821,59	6.943,79	-	-	46.821,59	6.943,79	96.558,70	14.319,97
Category 2 - Management costs of HRZZ	787.238,48	116.750,00	142.287,11	21.101,64	5.000,00	741,52	147.287,11	21.843,15	639.951,37	94.906,85
TOTAL	4.517.771,14	670.000,00	1.385.975,56	205.544,64	1.321.600,75	195.997,64	2.707.576,31	401.542,28	1.810.194,83	268.457,72



* Amounts in HRK are expressed in CHF at the CNB middle exchange rate on the day of signing the Project Contract (Class: 910-04/17-01/6, No: 538-17-99), signed between the Swiss Development Agency and cooperation and the Ministry of Regional development and EU funds of 10 July 2017, in accordance with Article 4 of the Agreement on the division of duties and responsibilities related to the monitoring and financing the implementation of the „Croatian-Swiss research program“, in the part of implementation relating to execution the obligation of the Republic of Croatia (No.: U-1058-2018).

The Project Management Policy is to prepare the accompanying financial statements based on cash receipts and payments in accordance with International Accounting Standards for the public sector issued by the Public Sector Committee of the International Federation of Accountants. On this basis, cash receipts are recognized when received and cash outflows are recognized when paid, and not when they are incurred.

According to the Law on Financial Operations and Accounting on Non Profit Organizations (NN 121/14, Article 26), the Croatian Science Foundation has an obligation to recognize revenues and expenditures by applying the principle of occurrence of events, but for the Project Management, the Croatian Science Foundation prepares the financial statements on based cash receipts and payments, in accordance with the agreed procedures. This difference do not leads to significant discrepancies in the reporting of the same business events in the Croatian Science Foundation's business books and in the financial statements for the Project.