

CROATIAN – SWISS RESEARCH PROGRAMME 2017 – 2023 (CSRP)

REPORT OF FACTUAL FINDINGS

June 2024

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ID number: 14404485248

The share capital of the company amounts to EUR 3.185,35 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 of 2023 set forth on the pages 5 and 6. 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 Monotoring 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 premissible leves 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;
- 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;
- Verifying whether the costs are identifiable and can be verified and backed up by the original supporting documents;
- 6. Verifying whether travel, accommondation 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;
- 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 mawimum premissible 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, accommondation 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.
 - Since the Croatian Science Foundation is a beneficiary of the state budget in the state treasury department from January 1, 2022. It operates through a single account within the state budget. It no longer receives payments on the transaction account opened with a commercial bank.

The amount of funds spent in 2023 is 26.577,58 CHF (29.697,54 EUR), while the total amount for the entire duration of the project is 617.790,75 CHF (552.887,02 EUR), as detailed on pages 4, 5, and 6 of the Overview of Expenditures of the Croatian-Swiss Research Programme 2017 - 2023.

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 2023.

Had we performed additional procedures or had we performed an audit or rewiew 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.

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.

June 12, 2024

ALPHA AUDIT D.O.O.

Croatian Certified Auditors

Ulica Roberta Frangeša Mihanovića 9

10 110 Zagreb, Croatia For Alpha Audit d.o.o.

Ilija Nikolić, Director

Croatian Certified Auditor and CEO

Natasa Žithik, Audit

U D ICroaffen & etified Auditor Zagreb OIB: 1440448 248

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FINANCIAL REPORT

OF THE CROATIAN - SWISS RESEARCH PROGRAMME 2017 – 2023 (CSRP)



OVERVIEW OF REALIZED COSTS "CROATIAN – SWISS RESEARCH PROGRAMME 2017 – 2023"

Budget line	Total budget (EUR)	Totak budget (CHF)	Previously incurred costs (EUR)	Previously incurred costs (CHF)	Incurred costs in this reporting period (EUR)	Incurred costs in this reporting period (CHF)	Total incurred eligible costs (EUR)	Total incurred eligible costs (CHF)	Remaining budget (EUR)	Remaining budget (CHF)
Sub-category 1.1 – Grants for JRPs	495.126,77	553.250,00	495.126,77	553.250,00	•	*	495.126,77	553.250.00	(00'0)	(0.00)
Sub-category 1 - Grants for JRPs	495.126,77	553.250,00	495.126,77	553.250,00	•	•	495.126.77	553.250.00	(0.00)	(00.0)
Sub-category 2.1 - Panel meetsings*	6.866,84	7.672,94	6.866,84	7.672,94	K		6.866.84	7 672.94		-
Sub-category 2.2 – Steering Committe meetings	16.059,46	17.944,69	3.804.97	4.251,63	310,60	277,97	4.115.57	4.598.69	11.943.89	10.689.10
Sub-category 2.3 - External audit	30.526,25	34.109,74	2,870,13	3.207,06	4.000,00	3.579,77	6.870,13	7.676.62	23.656.12	21.170.86
Sub-category 2.4 - Sub- project meetings and on-the – spot-checks	3.911,06	27.602,20	175,19		42	X.	Ĭ.		3.911,06	3.500,17
Sub-category 2.5 Video- conference for the promotion of the call	663,61	741,52	663,61	741,52	2 K	ij.	663,61	741,52	31	30
Sub-category 2.6 - Conference for the GA signing	721,68	806,40	721,68	806,40	33.03		721,68	806,40	٠	9
Sub-category 2.7- Closing conference	20.538,24	1.557,18		1	13.921,07	12.458,55	13.921,07	15.555.27	6.617.17	5.921.98
Sub-category 2.8 - Promotional materials	6.167,53	5.051,58	2.167,53	2.421.98	3.150,00	2.819.07	5.317.53	5.941.76	850.00	760.70
Sub-category 2.9 - rainings for HRZZ employees*	19.029,83	21,263,76	10.967,94	12.255,48	8.315,87	7.442.22	19.283.81	21.547.55	(253.98)	(227.30)
Category 2 - Management costs of HRZZ	104.484,50	116.750,00	28.237,89	31.357,00	29.697,54	26.577,58	57.760,24	64.540,75	46.724,26	41.815.51
TOTAL	599.611,27	670.000,00	523.364,67	584.607,00	29.697,54	26.577,58	552.887,02	617.790,75	46.724,26	41.815,51



* During the implementation of the project, prior to the introduction of the EUR as the primary currency in Croatia, amounts expressed in HRK were converted to CHF using the Croatian National Bank's (CNB) middle exchange rate on the date of the project contract signing (Class: 910-04/17-01/6, Reg. No: 538-17-99), signed between the Swiss Agency for Development and Cooperation and the Ministry of Regional Development and EU Funds on July 10, 2017. Following the introduction of the EUR as the primary currency of Croatia on January 1, 2023, to maintain exchange rate accuracy, amounts were calculated based on the conversion rates of EUR and CHF, in accordance with Article 4 of the Agreement and the division of duties and responsibilities related to the monitoring and financing in the implementation of the "Croatian-Swiss Research Programme," in the part of the implementation concerning the fulfillment of obligations by the Republic of Croatia (Reg. No U-1058-2018).

The Project Management's policy is to prepare the attached financial statements on a cash receipts and disbursements basis in accordance with the International Public Sector Accounting Standards issued by the International Federation of Accountants' Public Sector Committee. On this basis, cash receipts are recognized when received and cash disbursements are recognized when paid, not when they are incurred.