

Kosovar Centre for Security Studies

Independent Auditor's Report and Financial Report for the project "Support to Kosovo Probation Service", project no. 100002366 / 400006116 financed by Ministry of Foreign Affairs of the Netherlands

TABLE OF CONTENTS	PAGE
AUDIT CERTIFICATE	3
AUDITORS' REPORT	4
FINANCIAL REPORT	6
NOTES TO THE FINANCIAL REPORT	7
MANAGEMENT LETTER	12
FINDINGS AND RECOMMENDATIONS	13

Audit certificate

We have audited the Kosovar Centre for Security Studies (KCSS) financial report for the project "Support to Kosovo Probation Service" supported by the Ministry of Foreign Affairs of the Netherlands.

The audit was carried out in accordance with generally accepted auditing standards and in our opinion, the financial report represents fairly, in all material respects, results of KCSS operation and cash flow related to project for the period from 01 October 2022 till 31 December 2024 in conformity with actual laws.

I recommend the report to be approved by the Ministry of Foreign Affairs of the Netherlands.

Prishtina/29 May 2025

Armend Osaj
Audit & Consulting Associates
Prishtina, Kosova





INDEPENDENT AUDITOR'S REPORT

To the Management of Kosovar Centre of Security Studies (KCSS)

Opinion

We have audited the financial report of KCSS for the project "Support to Kosovo Probation Service", which comprise the financial report for the period 01 October 2022 – 31 December 2024 and other explanatory notes.

In our opinion the financial report presents fairly, in all material matters all positions in accordance with the requirements of the donor and the current Laws in force.

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Project financial report section of our report. We are independent of the Business in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the financial report

Management is responsible for the preparation and fair presentation of this financial report in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial report without material misstatement due to fraud or error.

For the financial report preparation, management is responsible for assessing the organization's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Organization or Interrupt the operation, or there is no other possible alternative than to do it.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report 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 total, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

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.

Armend Osaj – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtina, Kosovo
29 May 2025



**KCSS – Support to Kosovo Probation Service
Financial Report
For the period 01 October 2022 – 31 December 2024**

	Notes	Planned Budget (in EUR)	Incurred income/expenses (in EUR)	Remained Budget (in EUR)	(Percentage)
Received Instalments from donor					
Received instalments	3	87,970	83,570	4,400	5.00%
Total received instalments		87,970	83,570	4,400	5.00%
Expenses					
Management and administration costs	4	26,270	26,270	-	0.00%
Activity 1.1 - Improve knowledge on gender sensitization of KPS R&R Programmes	5	4,560	4,425	135	2.95%
Activity 1.2 - Strengthen capacities of KPS in designing, M&E R&R programmes - Trainings	6	30,880	30,717	163	0.53%
Activity 3.2 - Consultative meetings with CSO	7	7,560	6,806	754	9.97%
Activity 3.3 - Integrated platform to monitor R&R activities by CSOs	8	14,500	14,419	81	0.56%
Activity 2.2.1 - Interinstitutional Workshops	9	2,000	2,273	(273)	-13.64%
Evaluation		2,200	2,200	-	0.00%
Total expenses		87,970	87,111	859	0.98%
Amount expected to be disbursed		-	(3,541)	3,541	4.03%

The financial report has been signed on 29 May 2025 by:

Mentor Vrajolli


Executive Director



The accompanying notes from 1 to 7 form an integral part of this financial report

KCSS - Support to Kosovo Probation Service
Notes to the Financial Report
For the period 01 October 2022 – 31 December 2024

1. INTRODUCTION

Kosovar Centre for Security Studies is an independent policy research centre founded in April 2008 and based in Prishtina - Kosovo. KCSS is dedicated to security sector development and reform in Kosovo and Western Balkans. It proactively promotes principle of good governance, integrity and resilience. Founded in 2008, KCSS's main interest remains to be development of security sector in Kosovo and Western Balkans based on the good governance. In almost a decade, KCSS has been building and offering alternative expertise in security studies, by filling a void in a limited academic contribution in the field in Kosovo.

The KCSS aims to enhance the effectiveness by supporting the SSR programs through its research, events, training, advocacy and direct policy advice. Advancing new ideas and social science methods are also core values of the centre. Each year, KCSS publishes numerous reports, policy analysis and policy briefs. It also, runs more than 200 public events including conferences, round-tables, and debates, lectures – in Kosovo, also in collaboration with regional and international partners. A wide-range of activities includes research, capacity-building, awareness and advocacy.

KCSS - Support to Kosovo Probation Service
Notes to the Financial Report
For the period 01 October 2022 – 31 December 2024

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial report for the Organization has been prepared on a cash basis for revenue and expenditure. The basics of measurement are described in more detail in the accounting policies set out below.

2.2 Currency of presentation

The functional currency of the Organization is the European Union currency unit Euro ("EUR"). The business financial report is presented in Euro.

2.3 Foreign currency exchange

Foreign currency transactions are exchanged into the functional currency using the exchange rates existing at the dates of the transactions. Foreign currency gains and losses arising from the adjustment of transactions such as the re-measurements of monetary items at the end of the year exchange rates are presented as profit or loss.

2.4 Revenue recognition

Grant revenue is recognized as revenue at the time it is paid. At the end of the year the excess amount of income in addition to expenses is treated as deferred revenues for the next period.

2.5 Expenses

Expenses incurred are recognized in the relevant period on a cash basis.

2.6 Employee benefits

The Organization, in the normal course of business, makes payments to the State budget of on behalf of its employees. The majority of the Organization's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

KCSS - Support to Kosovo Probation Service
Notes to the Financial Report
For the period 01 October 2022 – 31 December 2024

3. INCOMES

	Planned Budget	Installments Occurred from Ministry of Foreign Affairs of the Netherlands	Installments to be paid	
			(in EUR)	Percentage
Installments planned				
First installment - received on 07 Oct 2022	41,785	41,785	-	0.00%
Second installment - received on 11 Dec 2023	41,785	41,785	-	0.00%
Third installment	4,400	-	4,400	100.00%
Total installments planned	87,970	83,570	4,400	5.00%

4. MANAGEMENT AND ADMINISTRATION COSTS

	Planned Budget	Incurred Expenses	Remained Budget	
			(in EUR)	Percentage
Management and administration costs				
Project Officer	11,280	11,280	-	0.00%
Data collection and logistics officer	5,100	5,100	-	0.00%
Senior Researcher /Methodologist	9,890	9,890	-	0.00%
Total Management and administration costs	26,270	26,270	-	0.00%

5. ACTIVITY 1.1 – IMPROVE KNOWLEDGE ON GENDER SENISITIZATION OF KPS R&R PROGRAMMES

	Planned Budget	Incurred Expense	Remained Budget	
			(in EUR)	Percentage
Activity 1.1				
Methodology development - External	1,000	1,000	-	0.00%
Transaltion of report (ALB to ENG,SRB)	600	600	-	0.00%
Promotion of rinfographics in social media	560	425	135	24.03%
Six infographics	2,400	2,400	-	0.00%
Total Activity 1.1 costs	4,560	4,425	135	2.95%

KCSS - Support to Kosovo Probation Service
Notes to the Financial Report
For the period 01 October 2022 – 31 December 2024

6. ACTIVITY 1.2 – STRENGTHEN CAPACITIES OF KPS IN DESIGNING. M&E AND R&R PROGRAMMES – TRAININGS

	Planned Budget	Incurred Expenses	Remained Budget	
	(in EUR)	(in EUR)	(in EUR)	Percentage
Activity 1.2				
Training methodology development - External Expert	5,400	5,400	-	0.00%
Conference room - Venue rental (2 x 3 days)	1,500	-	1,500	100.00%
Lunch	3,900	3,171	729	18.70%
Refreshments	900	840	60	6.67%
Accommodations for participants	6,000	5,965	35	0.58%
Transport for participants	1,600	1,574	26	1.62%
Materials (printing materials)	300	260	40	13.33%
Equipments rental full day	3,000	2,800	200	6.67%
Simultaneous translation	1,680	931	749	44.58%
Accommodataion for expert	1,620	1,620	-	0.00%
Flight for experts	2,280	2,280	-	0.00%
External Expert fee	2,700	2,700	-	0.00%
Reallocation (final conference)	-	3,176	(3,176)	0.00%
Total Activity 1.2 costs	30,880	30,717	163	0.53%

7. ACTIVITY 3.2 – CONSULTATIVE MEETINGS WITH CSO

	Planned Budget	Incurred Expenses	Remained Budget	
	(in EUR)	(in EUR)	(in EUR)	Percentage
Activity 3.2				
Venue rental (6 meetings)	1,500	895	605	40.32%
Lunch (6 meetings x 20 persons)	2,400	2,561	(161)	-6.72%
Refreshments	300	-	300	100.00%
Materials (printing materials)	360	350	10	2.78%
Equipments rental (half day)	1,800	1,800	-	0.00%
Translation	1,200	1,200	-	0.00%
Total Activity 3.2	7,560	6,806	754	9.97%

KCSS - Support to Kosovo Probation Service
Notes to the Financial Report
For the period 01 October 2022 – 31 December 2024

8. ACTIVITY 3.3 – INTEGRATED PLATFORM TO MONITOR R&R ACTIVITIES BY CSO

	Planned Budget (in EUR)	Incurred Expenses (in EUR)	Remained Budget	
			(in EUR)	Percentage
Activity 3.3				
Platform development - External	13,500	13,300	200	1.48%
Launching of database	1,000	1,119	(119)	-11.90%
Total Activity 3.3	<u>14,500</u>	<u>14,419</u>	<u>81</u>	<u>0.56%</u>

9. ACTIVITY 2.2.1 – INTERINSTITUTIONAL WORKSHOPS

	Planned Budget (in EUR)	Incurred Expenses (in EUR)	Remained Budget	
			(in EUR)	Percentage
Activity 2.2.1				
Transport	1,600	1,751	(151)	-9.43%
Materials	400	522	(122)	-30.45%
Total Activity 2.2.1	<u>2,000</u>	<u>2,273</u>	<u>(273)</u>	<u>-13.64%</u>

KCSS - Support to Kosovo Probation Service
Notes to the Financial Report
For the period 01 October 2022 – 31 December 2024

To the Management of Kosovar Centre for Security Studies - KCSS
Fiscal No. 600278685

**Management letter/Audit Memorandum from the audit of
the final report for project “Support to Kosovo Probation
Service”**

Introduction

We have audited the KCSS Final Report for the project “Support to Kosovo Probation Service”. It is the responsibility of the Board of KCSS to ensure that laws, regulations and the audit instructions have been followed. Our responsibility is to state whether we have found any circumstances indicating that the accounting, control and reporting have not been performed according to law, regulations and International Standards of Accounting – ISA.

Content and the scope of audit

We have planned and performed the audit from the perspective of materiality and risk in order to obtain reasonable assurance that the Final Report is free from material misstatement. An audit involves examination on a test basis of appropriate evidence.

Findings and recommendations

There were no findings during this audit process.

Prishtina / 29 May 2025

Yours faithfully,



Armend Osaj
Audit & Consulting Associates
Prishtina, Kosova

