



EXTENDED AUDIT REPORT

For

ALBANIAN HELSINKI COMMITTEE

Audit of the Financial Statements for the year ended

December 31st 2016

ALB BB Auditing Shpk.

Rr. Bulv "Gjergj Fishta", Nd. 16, H.9, Ap. 20, Njesia Bashklake Nr. 10, Kodi Postar 1001, Tiranë –Albania,
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AUDITORS OPINION

Albanian Helsinki Committee

Tirana, Albania

March 8, 2017

Dear Sirs/Madam,

In accordance with the audit agreement signed between parties (Alb BB Auditing Shpk provider (here and after audit Firm of the service) and Albanian Helsinki Committee (here and after organization), we provide our report for the audit of the financial statements ending on 31 December 2016.

1. Obligations and Responsibilities of the Parties

1.1 Obligations and Responsibilities of the Audit Firm:

Our audits of the Organization's Financial Statements ending on 31 December 2016 were conducted in accordance with International Standards on Auditing ("ISA").

We will plan and perform our audits to obtain reasonable assurance about whether the Financial Statements are free of material misstatement, whether caused by error or fraud. However, because of the characteristics of fraud, a properly planned and performed audit may not detect a material misstatement. Therefore, an audit conducted in accordance with ISA is designed to obtain reasonable, rather than absolute, assurance that the Financial Statements are free of material misstatement. An audit is not designed to detect error or fraud that is immaterial to the Financial Statements.

An audit includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions.

Our ability to express the opinions and the wording of our opinions will, of course, be dependent on the facts and circumstances at the dates of our reports. If, for any reason, we are unable to complete the audits or are unable to form or have not formed the opinions, we may decline to express the opinions or decline to issue the reports as a result of this engagement. If we are unable to complete our audits or if our auditors' reports require modification, the reasons therefore will be discussed with the Audit Committee, if applicable, and the Organization's management.

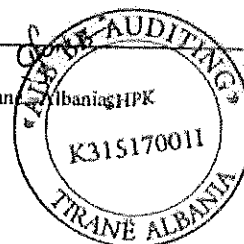
1.2 Obligations and Responsibilities of the Organization:

The preparation of the Organization's Financial Statements based on its policies and regulations is the responsibility of the Organization's management.

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In this regard, among other things, management is responsible for: (1) establishing and maintaining effective internal control over the preparation rules; (2) identifying and ensuring that the Organization complies with the laws and regulations applicable to its activities and informing us of any known material violations of such laws or regulations; (3) properly recording transactions in the accounting records; (4) adjusting the Financial Statements to correct material misstatements;

Additionally, management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing about all known or suspected fraud affecting the Organization involving: (1) management, (2) employees who have significant role in internal control, and (3) others where the fraud could have a material effect on the Financial Statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, or others.

We will make specific inquiries of the Organization's management about the representations embodied in the Financial Statements. As part of our audit procedures, we will request that management provide us with representation letter acknowledging management's responsibility for the preparation of the Financial Statements confirming certain representations made to us during our audit. The responses to those inquiries and related written representations of management required by ISA are part of the evidential matter that we will rely on as auditors in forming our opinion on the Organization's Procurement

2. Opinion

In our opinion, considering only the Financial Statements we assessed, analyzing them in general and in every material aspect in our opinion we can express that the financial Statements of Albanian Helsinki Committee ending on December 31, 2016 show a true and fair view of its financial position.

Yours sincerely,

Lavdimir Fusha, CPA

Managing Partner

Lavdimir Fusha

March 8, 2017

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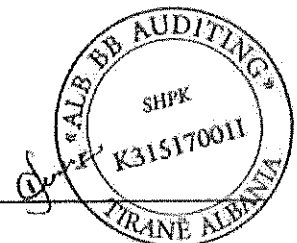
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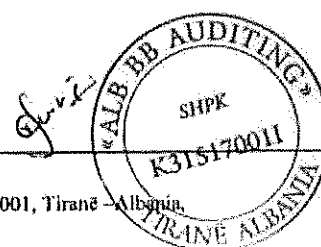
Chapter 1 - Information about Albanian Helsinki Committee

General Information

The Albanian Helsinki Committee has been created in early 90's and has been operating for more than twenty years. The organization has been initially founded as "Forum for the Protection of Human Rights" on 16 December 1990. In 1992 the NGO joined the Helsinki International Federation and changed its name to Albanian Helsinki Committee.

Staff management and structure:

Name / Surname	Position at AHC
Vjollca Meçaj/ Erida Skendaj	Executive Director
Katerina Sherko	Finance Manager
Andi Muratej	Program Leader
Niazi Jaho	Legal Advisor
Klejda Ngjela	Program Leader
Elton Frasheri	Program Assistant
Iva Bregasi	Program Assistant
Valentina Kabili	Program Assistant
Valmira Kallushi	Office Administrator / Financial Assistant



Chapter 2 - Procedures performed and Factual Findings

We have conducted our audit of the financial statements for the fiscal year ending on 31.12.2016 according to the international auditing standards. Below we show our specific procedures and factual findings:

1. Obtaining a sufficient Understanding of the Actions and of the terms and conditions of the Grant Contracts

We have obtained a sufficient understanding of the terms and conditions of the Grant Contracts by reviewing the Grant Contracts and its annexes and other relevant information, and by inquiry of Albanian Helsinki Committee. We have paid particular attention to the Annexes the Grant Contracts, which contain the Description of the Action. We have been ensured by the Beneficiary that the applicable nationality and origin rules are identified and understood.

2. Procedures to verify the Eligibility of Expenditure in the Financial Statements for each action.

2.1 General Procedures

2.1.1 We have verified that the Financial Report complies with the conditions of the Grant Contract notably with the General Conditions (including format and language).

2.1.2. We have examined whether the AHC has complied with the rules for accounting and record keeping of the Grant Contracts notably with General Conditions and Albanian laws in power.

2.1.3. We have reconciled the information in the Financial Statements to the AHC's accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.).

2.1.4. We have verified that the correct exchange rates have been applied for currency conversions where applicable.

2.2 Procedures to verify the Eligibility of Expenditure for the financial statements of Albanian Helsinki Committee (all actions)

We have verified that the Financial Statements of Albanian Helsinki Committee show a true and fair view of its financial position on 31.12.2016; also we have verified that all expenses are eligible and especially we have verified that the financial statements do not possess any duplication of expenses.

2.3 Conformity of Expenditure with the Budget and Analytical Review

We have carried out an analytical review of the expenditure headings in the Financial Statements and:

- verified that the budget in the Financial Statements corresponds with the Budget of each Grant Contract and that the expenditure incurred was foreseen in the budget of each Grant Contract.
- verified that any amendments to the Budget of the Grant Contract comply with the conditions for such amendments, and also AHC's own budget has been used where required.
- verified that the conditions for profit according to Albanian Laws in power were respected.

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2.4 Verification of the Financial Statements for the year ended December 31st 2016

2.4.1 General Statement of Balance Sheet for the year ended December 31st 2016

	Amounts in Leke	Amounts In EUR	Amounts in Leke	Amounts in EUR
	Period ended December 31 st 2016		Period ended December 31 st 2015	
Assets:				
<i>Current Assets</i>				
Cash at Bank	17,655,980	130,563	11,615,528	84,612
Cash in hand	20,038	148	61,963	451
Receivables	360,926	2,669	0	0
	18,036,943	133,380	11,677,491	85,063
<i>Non-Current Assets</i>				
Fixed Assets	4,743,254	35,075	5,300,744	38,613
Depreciation	-2,017,480	-14,919	-3,322,866	-24,205
	2,725,774	20,157	1,977,878	14,408
Total Assets	20,762,717	153,536	13,655,369	99,471
Liabilities, Project funding and Other Funds:				
Liabilities	1,949,864	14,419	1,932,021	14,074
Project Funding	12,672,814	93,713	2,819,650	20,539
Other Funds	6,140,039	45,404	8,903,698	64,858
Total Liabilities	20,762,717	153,536	13,655,369	99,471

Executive Director **Erida SKENDAJ**

Financial Manager **Katerina SHERKO**



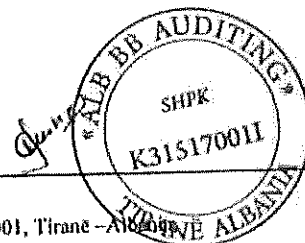
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2.4.1 General Statement of Revenue and Expenses for the period beginning January 1st 2016 to December 31st 2016

	<i>Amounts in Lek</i>	<i>Amounts in Lek</i>
	For the Period Beginning January 1st to December 31st 2016	For the Period Beginning January 1st to December 31st 2015
Revenue		
Funding from donors	25,303,584	35,406,991
Miscellaneous Revenue	25,303,584	35,406,991
Expenses		
Personnel	11,650,681	17,846,273
Activities Direct costs	9,358,986	13,352,164
Photocopies, stationary and supply	133,546	650,678
Office rent and utilities	1,378,387	1,805,308
Telecommunication	701,430	491,368
Transport	114,722	139,264
Translation	312,653	192,781
Audit	744,199	531,819
Legal services, taxes	15,100	10,120
Banking costs	100,162	110,881
Depreciation	0	0
Miscellaneous	793,716	276,335
	25,303,584	35,406,991
Result of the Year	0	0

Executive Director **Erida SKENDAJ**

Financial Manager **Katerina SHERKO**

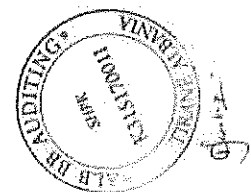


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Details of Statement of Revenue and Expenses for the period beginning January 1st 2016 to December 31st 2016

CODE	2008.KSHH	2013.07A	2014.01A	2015.03A	2015.05A	2015.06A	2016.01A	2016.02A	2016.04A	2016.05A	2016.06A	2016.07A	2016.08A	2016.09A	Total Amount
Funding from Jobs	658,980	1,337,284	1,726,176	3,906,399	338,140	2,972,857	6,553,134	987,422	2,396,538	85,190	1,613,148	584,879	46,368	77,070	25,383
Miscellaneous Revenue															
Total Revenues	658,980	1,337,284	1,726,176	3,906,399	338,140	2,972,857	6,553,134	987,422	2,396,538	85,190	1,613,148	584,879	46,368	77,070	25,383
Personnel	88,530	1,044,453	1,260,745	1,215,520	111,883	1,702,724	3,008,254	731,026	982,670	18,255	921,762	465,389		77,070	11,680
Activities Direct costs		312,831	1,711,894	1,733,482	155,432	939,160	2,735,115	148,588	833,340	66,935	619,229	56,614	46,368		9,358
Photocopies, stationery and supply			72,990	109			60,456								133,2
Office rent and utilities	39,571		118,987	347,507		117,059	360,253	103,632	242,354		47,224	2,000			1,378
Telecommunication			96,777	149,226	300	42,109	186,648		168,236		4,020	54,014			701,4
Transport				67,018		2,910	38,314	410	6,070						114,7
Translation			75,641		60,815	95,480	47,872		22,956		9,889				312,4
Audit			384,384	207,300		61,154	91,361								744,1
Legal services, axes				15,100											15,1
Banking costs			4,957	10,159	9,610	12,261	20,330	1,367	27,898		6,719	6,861			160,1
Depreciation															0
Miscellaneous	530,879			140,988			4,530		113,014		4,305				793,7
Total Expenses	658,980	1,357,284	3,726,176	3,906,399	338,140	2,972,857	6,553,134	987,422	2,396,538	85,190	1,613,148	584,879	46,368	77,070	25,383
Result of the Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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Details of Statement of Revenue and Expenses the period beginning January 1st 2015 to December 31st 2015

CODE	2008.KSHH	2013.88A	2013.01A	2014.01A	2013.87A	2015.81A	2015.82A	2015.03A	2014.04A	2015.04A	2015.05A	2015.06A	Total Annual
Funding from donors	690,742	4,000	1,339,931	12,214,145	960,999	8,328,937	2,366,660	4,994,303	1,938,481	2,521,779	44,678	2,335	35,406,991
Miscellaneous Revenue													
Total Revenues	690,742	4,000	1,339,931	12,214,145	960,999	8,328,937	2,366,660	4,994,303	1,938,481	2,521,779	44,678	2,335	35,406,991
Personnel			649,560	6,814,018	638,928	4,197,818	1,408,147	2,310,581	909,423	917,299			17,866,273
Activities Direct costs	171,510		529,539	4,056,725	302,497	3,076,878	814,708	2,227,352	839,285	1,311,997	44,678		13,355,171
Photocopier, stationery and supply	113,573	4000		228,730		163,366	35,000	55,000		48,000			642,671
Office rent and utilities	96,947		134,334	618,881		321,390	15,170	357,033	134,195	127,155			1,805,308
Telecommunication			12,470	65,631		258,910	16,925	39,180	68,138	30,113			491,368
Transport	43,200			1,350	16,000	34,839	2,580	430	4,740	36,125			139,264
Translation			13,828	50,450		125,485				3,018			192,781
Audit				336,336		101,275		48,193		44,613			531,819
Legal services, taxes				10,120									10,120
Banking costs				31,903	3,574	36,431	23,934	4,725	2,701	3,560		2,035	110,882
Depreciation													0
Miscellaneous	265,810					10,545							276,355
Total Expenses	690,742	4,000	1,339,931	12,214,145	960,999	8,328,937	2,366,660	4,994,303	1,938,481	2,521,779	44,678	2,335	35,406,991
Result of the Year	0	0	0	0	0	0	0	0	0	0	0	0	0

Executive Director : Erida SKENDAJ

Financial Manager : Katerina SHERKO

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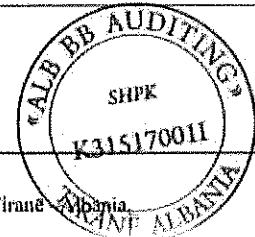




Details of the above projects Code:

Code	2015
2008KSHH	Albanian Helsinki Committee
2013.01A	OSI Budapest 2013 "For a better respect of the Prisoners: disciplinary procedure, health and psycho-social care"
2013.07A	MATRA – Netherland "Improvement of prison conditions for reintegration of Juvenile detainees in Albania, Macedonia and Kosovo"
2013.08A	NHC – "Study on the personal remand orders for the article 134 of the Criminal Code"
2014.01A	CE- CRD "Together against police and prison Torture in Albania"
2014.04A	"For a better respect of human rights, health and social care in Albania"
2015.01A	Legal Clinic 2015
2015.02A	CRD 2015 - Monitoring
2015.03A	Regional Project Swiss
2015.04A	American Embassy, Election project
2015.05A	Regional Project Polish
2015.06A	American Embassy 2015-2016

Code	2016
2008KSHH	Komiteti Shqiptar i Helsinkit
2013.07A	MATRA NHC 2013-2016
2014.01A	CE- CRD Se bashku kunder Tortures
2015.03A	Pr Rajonal me Swiser
2015.05A	Projekti polak Rajonal
2016.01A	161304 CRD Klinika Ligjore 2016
2016.02A	OFSA Trasparence per publikun ne proceset vendimmarese
2016.04A	OSI Budapest Mbeshtetje institucionale 2016-2018
2016.05A	SOROS Çeshtja "Fotaq Zaharia
2016.06A	"Reforma ne drejtesi " Amb Hollandeze
2016.07A	"Azili dhe Refugjatet" Ambasada Hollandeze 1 Tetor -31 Dhjetor 2017
2016.08A	Qeverisje me perfshirje te grupeve ne nevoje Amb Amerikane
2016.09A	USAID 23.11.2016



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Signature



2.4.2. Selecting Expenditure Items

Value is the primary factor used by us to select expenditure items or classes of expenditure items for verification. We have verified all expenditure items which we believed would have a material impact for expressing an opinion over the financial statements of Albanian Helsinki Committee.

2.5. Verification of Expenditure

The expenditure items were verified by testing for the criteria set out below.

2.5.1. Eligibility of Direct Costs

We have verified the eligibility of direct costs if:

- are necessary for carrying out the action. In other words, we have verified that expenditure for a transaction or action has been incurred for the intended purpose of the action and that it has been necessary for the activities and objectives of the action. We have further verified that the direct costs are provided for in the Grant Contract Budgets and comply with the principles of sound financial management, in particular value for money and cost effectiveness;

- are recorded in the accounts of the AHC and are identifiable, verifiable and substantiated by originals of supporting evidence.

We also considered non-eligible costs as described in each Contract. In this respect we verified in particular whether expenditure includes certain taxes, including VAT. Where this was the case, we verified whether the Beneficiary (or, where applicable the partners) cannot reclaim these taxes and whether the applicable regulations, rules and practices in the country concerned allow the coverage of these taxes in the expenditure. No non-eligible costs were identified.

2.5.2. Accuracy and recording

We have verified that expenditure for a transaction or action has been accurately and properly recorded in the AHC's accounting system and the Financial Statements and that it is supported by appropriate evidence and supporting documents. This includes proper valuation and the use of correct exchange rates.

2.5.3. Classification

We have verified that the expenditure for a transaction or action has been classified under the correct heading and subheading of the Financial

2.5.4. Reality (Occurrence / existence)

We have exercised professional judgment to obtain sufficient appropriate verification evidence as to whether the expenditure has occurred (reality and quality of the expenditure) and - where applicable - assets exist. We verified the reality and quality of the expenditure for a transaction or action by examining proof of work done, goods received or services rendered on a timely basis, at acceptable and agreed quality and at reasonable prices or costs.

2.5.5. Compliance with procurement, nationality and origin rules

We have examined which procurement, nationality and origin rules apply for a certain expenditure heading, subheading, a class of expenditure items or an expenditure item. We have verified whether the AHC has complied with such rules and whether the expenditure concerned is eligible.

2.5.6. Administrative (Indirect) costs

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We have verified that the administrative (indirect) costs are reasonable.

2.7. Verification of Revenues of the Action

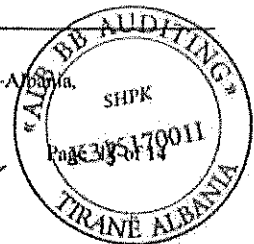
We verified that revenues have been appropriately allocated and correctly disclosed in the Financial Statements.

2.8. Verification of Exchange rates

We verified that the exchange rate used for Euro = 135.23 Albanian Lek and USD = 128.17 Albanian Lek.

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Annex 1 – Organization of AHC

Names of General Assemble of AHC:

1. Prof. Dr. Shaban Sinani - President
2. Prof. Dr. Jorgo Bulo
3. Prof. Dr. Aurela Anastasi
4. Njazi Jaho
5. Prof. Dr. Arben Puto
6. Florian Ballhysa
7. Dr. Zana Sota
8. Av. Flamur Cato
9. Av. Fatmir Braka
10. Kujtim Cashku
11. 12. Elvis Koci
12. Dr. Sokol Sadushi
13. Dr. Artan Hoxha

Honor members of AHC

1. Prof. Dr. Xhevair Spahiu
2. Prof. Dr. Kristo Frashëri
3. Prof. Dr. Ylli Popa

Board of directors of AHC:

1. Prof. Dr. Aurela Anastasi
2. Prof. Dr. Jorgo Bulo
3. Elvis Koçi

Annex 2 Financial Report as provided by the beneficiary

Attached to this report.

ALB BB Auditing Shpk-

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