



CRNA GORA
GLAVNI GRAD PODGORICA
SLUŽBA ZA PODRŠKU POLJOPRIVREDI
I RURALNOM RAZVOJU

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No: UU 35-307/23-2

Concluded on 01.11.2023 in Podgorica

**CONTRACT: AUDIT / EXPENDITURE VERIFICATION OF THE GRANT CONTRACT
EU – CFCU/MNE/147**

CONTRACTING PARTIES:

1. "Reviko" doo, Branka Deletića street, L-B/1a-4, 81000 Podgorica, represented by Mr Svetomir Akovic, CEO (hereinafter referred to as the Auditor);
2. Capital City Podgorica, Vuka Karadžića 41, 81000 Podgorica, represented by Mr Dušan Radonjić (hereinafter referred to as Contracting authority).

SUBJECT OF THE AGREEMENT AND OBJECTIVE OF AUDIT

Article 1

Contracting parties agree that the subject of this Contract is expenditure verification for Grant Contract CFCU/MNE/147, action name "Creating employment in agriculture" (hereinafter referred to as Grant contract). Procedure will be conducted according to Grant contract and applicable ISA.

Audit methodology and reporting is defined by Annex VII of Grant contract, and will apply the International Standards on Auditing and the Code of Ethics for Professional Accountants in accordance with the Law on Auditing (Official Gazette of Montenegro no. 01/17).

The Expenditure Verifier shall undertake this engagement in accordance with:

- the International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
- the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards.

Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting authority requires that the Expenditure Verifier is independent from

the Contracting authority and complies with the independence requirements of the IFAC Code of Ethics for Professional Accountants.

PRICE

Article 2

Contracted price for the services from Article 1 of this Contract is 5.000,00 €, in letters (five thousand euro). VAT not included in price. VAT will be calculated at 0% rate on base Article 25, Law of VAT.

PAYMENTS

Article 3

Contracting authority shall pay the Contracted price from the Article 1 of this Contract to Auditor as follows:

The payment: the Contracted price in the amount of 5.000,00 € shall be paid within 15 days of the delivering Audit report and receiving the invoice.

The payment will be paid to bank account of the company "Reviko" doo, Podgorica, number:



RESPONSIBILITIES OF THE CONTRACTING AUTHORITY

Article 4

Contracting authority is obliged to:

- Within the agreed period referred to in Article 6 of this Contract organize the realization of the audit from the Article 1 of the Contract, in the official premises of the Contracting authority (in the Project management team office, or other premises of the Contracting authority);
- Make the payment as defined under Article 3;
- Make available to Auditor for use (access, photocopying, etc.) all business records necessary for the realization of the audit defined under Article 1 of the Contract;
- Provide access to all required resources and facilities during the audit process.
- Management team is required to inform the auditor of any facts that may have had effect on financial statements.

OBLIGATIONS OF AUDITOR

Article 5

The Auditor is obliged to:

- Perform tasks defined to in Article 1 of the Contract pursuant to the Law on Accounting (Official Gazette of Montenegro No. 145/2021) and Law on Audit (Official Gazette of Montenegro No. 1/2017) and ISA;
- The implementation of activities under Article 1 of the Contract to be entrusted to licensed auditor/s (other staff must be supervised by the licensed auditor/s):
 - o Svetomir Akovic and
 - o Suncica Krstic.
- The implementation of activities under Article 1 of the Contract to be carried out pursuant to the dynamics in Article 6 of the Contract;
- Business documents and information that come to possession during the implementation of the subject services under Article 1 of the Contract are to be treated as a business secret of the Contracting authority and are not to be disclosed to any third party (including any kind of media) without prior written approval of the Contracting authority; If the Auditor violates this regulation, the Contracting authority has the right to terminate the contract, and to require from the Auditor to cover all the losses of the Contracting authority. This confidentiality agreement has unlimited duration.

DYNAMICS OF IMPLEMENTATION AND DEADLINE

Article 6

The Auditor will implement services from Article 1 of this Contract in the period from the signing of contract and until completing required audit service and delivering Audit report, but no later than 28.11.2023.

LIABILITIES

Article 7

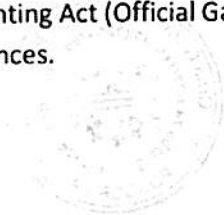
Managing team of the Contracting authority is responsible for preparation and adequate disclosure of information and financial statements - defined by IAS and Grant Contract, which include adequate accounting records and internal controls, selection and application of accounting policies and protection of company assets.

The Auditor is responsible for providing opinion on disclosed data and information contained in the financial statements being audited as defined by the IAS.

AUDIT REPORT

Article 8

The independent auditor is required to submit an Audit report on the financial statements of the Grant contract. The Audit report is to be prepared in accordance with International Standards on Auditing and Article 12 of the Accounting Act (Official Gazette 145/21). The expected form may vary depending on the particular circumstances.



In addition to the Audit report, the auditor is required to submit financial statements that were the subject of the audit, and is responsible and obliged to prepare and present them to the Management team of the Contracting authority.

The auditor is obliged to provide the Audit report in English language.

The factual findings shall be reported in accordance with the format and criteria specified in the Expenditure Verification Report template (Annex 3) – Grant contract.

The description of findings need to include the standard applied (e.g. art. xx of the General Conditions of the Contract), the facts and the analysis of the Expenditure Verifier.

AUDIT LIMITATIONS

Article 9

Due to the inherent limitations of the audit, coupled with the inherent limitations of internal control, there is an inevitable risk that some material misstatement will remain undetected, even though the audit is properly planned and conducted in accordance with International Standards on Auditing.

TRANSITIONAL AND FINAL PROVISIONS

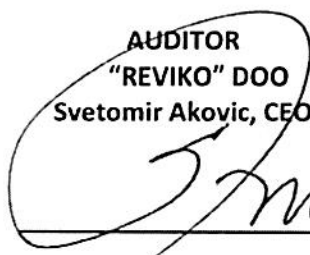
Article 10

The Contracting parties agree to comply with the provisions of this Contract in a manner determined in the Contract. Possibly incurred disputes shall endeavour to resolve amicably and if this is not possible it is determined by the legal jurisdiction of the Commercial Court of Montenegro.

Article 11

This Contract takes effect when signed by authorized representatives of both Contractual parties. The Contract has been made in four (4) original copies in English, two for each party.

AUDITOR
"REVIKO" DOO
Svetomir Akovic, CEO



CONTRACTING AUTHORITY
Dušan Radonjić
Head of the Capital City Agriculture Support Service

