

ASSOCIATION FOR PROTECTION OF WORKER'S RIGHTS GLASEN TEKSTILEC – SHTIP

PROJECT FUNDED BY SWEDISH SIDA

AUDIT REPORT

**Program 23-NM-WB – North Macedonia
For the period 1 January 2025 – 31 December 2025**

Project No. P101507

Kairska street, 45/1-4
1000, Skopje, Republic of
North Macedonia

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SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT

To: **Association for protection of worker's rights Glasen Tekstilec - Shtip**

Opinion

We have audited the accompanying Accumulative Budget report and Expenditure Specification report of project P101507 ("The project") implemented by Association for protection of worker's rights Glasen Tekstilec – Shtip ('organization'), implementing partner of Olof Palme International Center, project funded by Swedish SIDA for the period 1 January 2025 through 31 December 2025 a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Accumulative Budget report and Expenditure Specification report presents fairly, in all material respects, the cash receipts and disbursements of the project, for the period 1 January through 31 December 2025 in accordance with the organization's accounting records for cash receipts and disbursements basis of accounting and with Olof Palme Center's Accumulative Budget and Expenditure Specification reports.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the Olof Palme International Center's Audit Instructions. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Accumulative Budget report and Expenditure Specification report section of our report*. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the Accumulative Budget report and Expenditure Specification report in North Macedonia, and we 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.

Emphasis of Matter –Restriction on Distribution and Use

The Accumulative Budget report and Expenditure Specification report are prepared to provide information to Olof Palme International Center. As a result, the statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Accumulative Budget report and Expenditure Specification report

Management is responsible for the preparation and fair presentation of the Accumulative Budget report and Expenditure Specification report in accordance with the cash receipts and disbursements basis of accounting; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the statement of receipts and disbursements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of Accumulative Budget report and Expenditure Specification report that is free from material misstatement, whether due to fraud or error.

In preparing the statement of receipts and disbursements, management is responsible for assessing the Organization's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Accumulative Budget report and Expenditure Specification report

Our objectives are to obtain reasonable assurance about whether the Accumulative Budget report and Expenditure Specification report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken because of the Accumulative Budget report and Expenditure Specification 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 Accumulative Budget report and Expenditure Specification 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 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 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 ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention to our auditor's report to the related disclosures in the Accumulative Budget report and Expenditure Specification 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 the auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Accumulative Budget report and Expenditure Specification report, including the disclosures, and whether the Accumulative Budget report and Expenditure Specification report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Ljubica Joanidis
Statutory Auditor

Baker Tilly Joanidis
27 February 2026



**Report on factual findings in connection with Accumulative Budget report and
Expenditure Specification report of
ASSOCIATION FOR PROTECTION OF WORKER'S RIGHTS GLASEN TEKSTILEC – SHTIP,
Project funded by Swedish SIDA**

**Program 23-NM-WB – North Macedonia
For the period 1 January – 31 December 2025**

Project No. P101507

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Report on factual findings

To: Olof Palme International Center

We have performed the procedures agreed with you and enumerated below with respect to the Accumulative Budget report and Expenditure Specification report of Association for protection of worker's rights Glasen Tekstilec – project no. P101507 ('partner organization') showing a total cost of 569,687 SEK for the project funded by Swedish International Development Cooperation Agency (SIDA) through Olof Palme International Centre.

Our engagement was undertaken in accordance with the International Standards on Related Services ISRS 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information. The procedures were performed solely as part of your commitment to Swedish International Development Agency (SIDA) to provide a statement showing how funds from SIDA have been used and are summarized as follows:

Procedures performed:

As requested by Olof Palme International Center's Audit instructions for Partner organizations, we have only performed the procedures listed in terms of reference for this engagement as follows:

1. Observation whether the financial report is structured in a way that allows direct comparison with the latest approved budget;
2. Observation and inspection whether the financial report provides information regarding:
 - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under the current Agreement;
 - b) Verification if the opening fund balance for the reporting period matches with what was stated as closing fund balance in the previous reporting period;
 - c) Inquiry and confirmation whether the disclosure includes the entire chain of currency exchange rate from the Palme Center's disbursement to the handling of the project withing the PO in local currency;
 - d) Explanatory notes – such us, for instance, accounting principles applied for the financial report and
 - e) Amount of funds that have been forwarded to implementing partners, when applicable.
3. To audit staff costs as per below:
 - a) Inquiry and inspection with what frequency salary costs during reporting period are debited to the project/programme;
 - b) To choose a sample of three individuals for three different months and inquire and inspect whether there are supporting documentation for debited salary costs;
 - c) Verification whether actual time worked is documented and verified by the Manager and we inquire and inspect within which frequency reconciliation between debited time and actual worked timed is performed and
 - d) To inspect whether the partner organization complies with applicable tax legislation regarding personal income taxes (PAYE) and social security fees.

4. To audit the remaining unspent balance as per below:
 - a) To inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account and
 - b) To inspect and confirm the unspent fund balance (including exchange gains) in the financial report and to confirm the amount that must be repaid to the Palme Center.
5. To inquire and inspect whether the Partner Organization has documented its follow up actions based on the information provided in the financial reports and the reporting from the Auditor for previous audits.
6. To review and confirm whether the Partner Organization screens IPs and/or suppliers that such parties are not subject to the European Union's financial sanctions list of persons, groups and organizations (EU Sanctions list). To enquire whether there have been any reported findings from the screening process and if so, report on such findings.
7. To perform additional procedures if funds are channeled to third parties, such as:
 - a) to inspect and confirm that the Partner Organization has signed Agreement/s with selected partner/s;
 - b) to inspect and confirm whether the Partner Organization, in all agreements entered with IPs, included the requirements to carry out annual audits, in accordance with the requirements set out in the agreement between the partner and Olof Palme Internacional Center;
 - c) to inquire and inspect whether the Partner Organization has received financial reports and reporting from Auditors from all IPs included in the selected sample and that the reports are in line with requirements in the Agreements between parties;
 - d) to inquire and inspect whether the Partner Organization has documented its assessment of the submitted financial reports and reporting from the Auditors including Management responses and action plan from selected IPs;
 - e) to inquire and inspect whether the Partner Organization has documented its follow up actions based on the information provided in the financial reports and the reporting from the Auditor of the selected IPs and
 - f) to inquire and inspect whether the Partner organization has reported all observations from selected IPs audit reports in its communication with Palme Center and to list observations from Ips audit report which have been part of the sample

We report our findings below:

- With respect to item 1 we found that the financial report is structured in a way that allows direct comparison with the latest approved budget. No exception was found.
- With respect to item 2 we found that the financial report provides information regarding:
 - a) financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under the current Agreement. No exception found.;
 - b) we verify that the opening fund balance for the reporting period matches what was stated as closing fund balance in the previous reporting period. No exception was found.;
 - c) we confirm that the financial report includes the disclosure of the entire chain of currency exchange rate from the Palme Center's disbursement to the handling of the project withing the PO in local currency;
 - d) we found that financial report provides explanatory notes – such as, description of the applied modified cash basis method as accounting principle and possible effects on the accrual accounting within the project and
 - e) we found that the organization has not channeled funds to third parties.
- With respect to item 3 we inquire the Management and verified that:
 - a) we inspected salary costs and payments, and we found that these costs are debited monthly and recorded to the project through the reporting period in a systemized way. No exception found.;

- b) we examined the above sample of employees and found that all individuals have signed employment agreements and salary cost transactions are supported with sufficient supporting documentation. No exception found.;
 - c) we verify that all examined salary costs are supported with timesheets duly authorized by the respective manager(s) and there is monthly reconciliation between debited and actual time worked. No exception found.
 - d) we tested payroll for the period under audit and verified accuracy of calculation and timely payment of personal income taxes and social security fees to tax authorities. No exception found.
- With respect to item 4 we inspect and confirm that:
- a) the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account. No exception found.
 - b) the unspent fund balance in the financial report amounts to 47,367 SEK and must be repaid to Palme Center. The organization had no losses/gains from the exchange rate.
- With respect to item 5 we found that the Partner Organization has documented its follow-up actions based on the information provided in the financial reports and the reporting from the Auditor for previous audits. All transactions examined by us are supported with sufficient supporting documentation. For minor discrepancies please refer to the management letter.
- With respect to item 6, we identified that the Partner Organization has performed screening for IPs and/or suppliers and that such parties are not subject to the European Union's financial sanctions list of persons, groups and organizations (EU Sanctions list). No exception found.
- With respect to item 7, we note that the procedure is not applicable since there are no funds channeled to third parties.

The procedures have been determined solely by the Olof Palme International Center and procedures were performed solely to assist the Olof Palme International Center in evaluating whether the expenditure claimed by you in the accompanying Accumulated budget report and Expenditure specification report is eligible in accordance with the terms and conditions of the Cooperation Agreement. Because the procedures performed by us do not constitute either an audit 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 above-mentioned procedures.

Had we performed additional procedures, or had we performed an audit or review of the financial statements of the Partner organization in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Use of this report

This report is intended solely for the purpose stated in the first paragraph of this report and for your information and is not to be used for any other purpose or disclosed to parties other than Olof Palme International Center. The report only applies to the financial report specified above and does not include any of the cooperation partner's financial statements taken as a whole.

Skopje, North Macedonia
27 February 2026
Ljubica Joanidis, Statutory auditor
Baker Tilly Joanidis LLC



EXPENDITURE SPECIFICATION REPORT PO

Send to reporting@palmecenter.se



A. Information

Date (YYYY-MM-DD):	31.01.2026	Important notes: 1. All <u>white</u> and <u>blue</u> fields must be filled in. 2. All <u>X</u> should be replaced with the reporting year. 3. For further clarifications on how to fill in the templates, see the tab Instructions in this file.
Project number:	P101607	
Project country/area:	North Macedonia	
Partner Organisation (PO):	Association for protection of worker's rights Glasen Tekstilac - Shtip	
Local Currency (LC):	MKD	
Intermediary Currency (IC) (if applicable):	EUR	
Project Manager PO (name):	Kristina Ampeva	
Project Manager PO (e-mail):	kristinaampeva88@yahoo.com	
Financial Manager PO (name):	Blagojche Dinoski	
Financial Manager PO (e-mail):	blagojche.dinoski@glasentekstilac.mk	
Reporting year:	2025	

B. Income

Check your bank statements and enter dates and amounts accordingly.

	Date funds were received:	Amount in Intermediary Currency:	Amount in LC:	Amount in SEK:	Exchange rate (SEK/LC):
(B940) Incoming Balance:	01.01.2025	n/a	90,050	17,054	0.1894
Request for Funds #1	23.04.2025	24,657	1,855,252	300,000	0.1812
Request for Funds #2	01.09.2025	24,679	1,854,133	300,000	0.1814
Request for Funds #3		If applicable			#DIV/0!
Request for Funds #4		If applicable			#DIV/0!
Request for Funds #5		If applicable			#DIV/0!
Total funds:			3,399,435	617,054	0.181516634
Other Income					
(B030) Potential interest from PO's bank account:		If applicable			#DIV/0!
(B050) Other potential income:		If applicable			#DIV/0!
Total funds including Other income :		49,338	3,399,435	617,054	0.181516634

C. Financial report

Budget according to latest approved and signed PDF-budget:	Accounts in Local Currency (LC):			Expenditure specification in SEK:		
	Budget including incoming balance:	Actual costs:	Deviations:	Budget including incoming balance:	Actual costs:	Deviations:
(B410) International travel, tickets and related costs	16,527	-	16,527	3,000	-	3,000
(B450) Local/domestic travel	267,193	144,398	122,797	48,500	28,210	22,290
(B200) Catering & refreshments	542,446	383,576	158,870	98,463	60,625	28,838
(B100) Accommodation	110,183	69,080	41,103	20,000	12,539	7,461
(B280) Conference room expenses	242,402	174,840	67,562	44,000	31,738	12,264
(B680) Translation, interpreter (External)	86,380	35,000	1,380	6,600	6,353	247
(B360) Expert participation (External)	881,375	804,703	(113,328)	125,498	146,087	(20,571)
(B480) Materials	380,428	474,924	(94,496)	69,054	86,207	(17,153)
(B340) Equipment	-	-	-	-	-	-
(B400) Information expenses	38,564	12,546	26,018	7,000	2,277	4,723
(B800) Project management	886,359	888,402	7,957	162,704	161,260	1,444
(B570) Project administration	167,131	161,019	16,112	30,337	27,412	2,925
(B580) Project audit	-	-	-	-	-	-
(B590) Project evaluation	-	-	-	-	-	-
(B690) Other costs (fill in if there are additional budget lines)	10,467	-	10,467	1,900	-	1,900
(B330) Core Support (if applicable)	-	-	-	-	-	-
Total:	3,399,435	3,138,486	260,949	617,054	589,687	47,367
(B940) Total outgoing balance in SEK:	47,367					

Place and Date	Place and Date
Shtip, 31.01.2026	Skopje, 27.02.2026
Authorised signatory for the PO: Printed name of the authorised signatory for the PO: Kristina Ampeva	Auditor's signature: Printed name of the authorised Auditor: Ljubecka Jovanidis
	CPA: CA: Other: Note! Fill in authority of Auditor above

For more information, kindly view the tab for "Instructions" and "Olof Palmes Internationella Center's Financial Instructions" available at <https://www.palmecenter.se/palmecenter/14146>



ACCUMULATIVE BUDGET REPORT PO

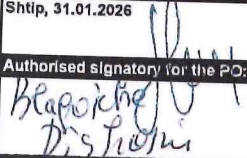


OLOF PALMES
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Send to reporting@palmecenter.se

Date (YYYY-MM-DD):	31.01.2026	Important notes: 1. All <i>white</i> fields must be filled in. 2. All X should be replaced with the reporting year. 3. For further clarifications on how to fill in the templates, see the tab Instructions in this file.
Project number:	P101507	
Project country/area:	North Macedonia	
Partner Organisation (PO):	Association for protection of workers rights Glasen Tekstilec - Shtip	
Project Manager PO (name):	Kristina Ampeva	
Project Manager PO (e-mail):	kristinaampeva88@yahoo.com	
Financial Manager PO (name):	Blagojche Disoski	
Financial Manager PO (e-mail):	blagojche.dshoski@glasontekstilec.mk	
Reporting year:	2023-2025	

Budget according to latest approved and signed PDF-budget:	All amounts in SEK		
	Accumulative budget 2023-2025	Accumulative costs 2023-2025	Deviations (SEK):
(B410) International travel, tickets and related costs	12,000	5094	6,906
(B450) Local/domestic travel	109,904	89,796	20,108
(B200) Catering & refreshments	165,963	151,683	14,280
(B100) Accommodation	44,000	29,024	14,976
(B280) Conference room expenses	93,600	76,259	17,341
(B680) Translation, interpreter (External)	7,600	6,353	1,247
(B360) Expert participation (External)	311,996	304,287	7,709
(B460) Materials	174,087	215,237	-41,150
(B340) Equipment	-	0	0
(B400) Information expenses	9,500	3984	5,516
(B600) Project management	787,775	786385	1,390
(B570) Project administration	81,675	84531	-2,856
(B580) Project audit	-	0	0
(B590) Project evaluation	-	0	0
(B690) Other costs (fill in if there are additional budget lines)	1,900	0	1,900
(B330) Core Support (if applicable)	-	0	0
(B030) Potential interest from PO's bank account	-	0	0
Other potential income	-	0	0
(B940) Total:	1,800,000	1,752,633	47,367

Place and Date Shtip, 31.01.2026	Place and Date Skopje, 27.02.2026
Authorised signatory for the PO:  Printed name of the authorised signatory for the PO: Kristina Ampeva	Auditor's signature:  Printed name of the authorised Auditor: Ljupica Joandis
	

For more information, kindly view the tab for "Instructions" and "Olof Palmes Internationella Center's Financial Instructions" available at <https://www.palmecenter.se/resourcecenter/forms/>

Version 2023-10-13



11.3.2026 09:33 | Shtip

Subject/Предмет: **Management Response**

MANAGEMENT RESPONSE

TO THE INDIPENDENT AUDITOR'S REPORT



11.3.2026 09:33 | Shtip

Type of document: **Management Response to the independent Auditor's report**

Organisation: **Association for protection of workers' rights Glasen Tekstilec – Shtip**

Project name: **Organized citizens for an organized future 2025**

Project reference number: **P101507**

Reporting period: **01.01.2025-31.12.2025**

Management Response

Association for protection of workers' rights Glasen Tekstilec – Shtip accept and agrees with the Audit report and Management Letter, provided by the audit firm Baker Tilly Joanidis, concerning the project Organized citizens for an organized future 2025, Project Reference number P101507, funded by the Olof Palme International Center and SIDA.

Digitally signed by Blagojche Dishoski
DN: c=MK,
2.5.4.97=VATMK-4029017519525,
o=ZZRP GLASEN TEKSTILEC Shtip,
ou=ZZRP GLASEN TEKSTILEC
Shtip:4029017519525, sn=Dishoski,
givenName=Blagojche,
serialNumber=CRT3737310,
cn=Blagojche Dishoski
Date: 2026.03.11 09:47:11 +01'00'
Adobe Acrobat version: 2025.001.20577

Signature/Потпис: **Blagojche Dishoski | Благојче Дишоски**

Financial Coordinator/Координатор на финансии

Reference number: N/A