



# FINANCIAL AUDIT REPORT





State Audit Office of Georgia

„Approved by“

Head of Economic Activities Audit Department  
Tornike Shermadini

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30 January 2024 Year

N 4/36

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Financial audit of the Activity - Plant Safety  
Systems Initiative Implemented by LEPL National  
Food Agency

Independent Financial Audit Report for the period  
from April 1, 2022, to April 1, 2023

The State Audit Office of Georgia (SAOG) has conducted an independent Financial Audit of the Activity - Plant Safety Systems Initiative funded by the Government of Georgia and the United States Agency for International Development (USAID) and implemented by the LEPL National Food Agency (NFA).

The audit was conducted based on the Memorandum between USAID and the SAOG, covering the period from April 1, 2022, to April 1, 2023.

The objectives for the financial audit were to:

- Express an opinion on whether the Schedule of Expenditure for the USAID-funded Activity fairly presents, in all material respects, in accordance with Generally Accepted Accounting Principles (GAAP);
- Evaluate the National Food Agency's (NFA) internal control system pertaining to the Activity. Assess control risks and identify significant deficiencies, including material weaknesses;
- Review cost-sharing/matching contributions to determine whether cost-sharing/matching contributions were provided and accounted for by the recipient in accordance with the terms of the agreements;
- Conduct audit procedures to verify NFA's compliance, in all material respects, with the Agreement terms and relevant laws and regulations associated with the Activity.

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## List of Acronyms and Abbreviations

**Activity** - Plant Safety System Initiative (PSSI)  
**CFR part 200** - U.S. Code of Federal Regulations part 200  
**GAGAS** - Generally Accepted Government Auditing Standards  
**Grant recipient** - LEPL National Food Agency  
**Implementation Letter** - Implementation Letter N14 dated 2 February 2021 year, which defines the procedures for the implementation of the "Plant Safety System Initiative Activity" of the USAID and the LEPL National Food Agency.  
**NFA or Agency**- LEPL National Food Agency  
**SAOG** - The State Audit Office of Georgia  
**Schedule of Expenditures** - Schedule of expenditures of USAID Awards  
**TOR** - Terms of Reference  
**USAID** - United States Agency for International Development

## Introduction

The National Food Agency is a legal entity of public law operating under the state supervision of the Ministry of Environmental Protection and Agriculture of Georgia. It was established in accordance with the Food/Feed Safety, Veterinary, and Plant Protection Code.

The primary functions of the agency in the field of plant protection include:

- Implementing controls to ensure plant protection;
- Developing and executing programs for the prevention and detection of spreading pests;
- Organizing plant quarantine measures;
- Monitoring the spreading and development of pests. Detecting pests and providing their diagnosis;
- Compiling a list of quarantine pests;
- Predicting the mass spread and development of pests, etc.

The Agency collaborates with the US Agency for International Development to implement and develop systemic changes in the phytosanitary direction. To achieve the set goals, the agency receives technical and financial assistance from USAID.

Based on the Grant Agreement<sup>1</sup> dated December 22, 2015, between the Government of Georgia and the USA, the Implementation Letter<sup>2</sup> was signed between the Agency and USAID, the purpose of which was the implementation of the plant protection system initiative, with a total budget of 1,846,250 USD, of which USAID-funding is 1,200,000 USD, and the Government of Georgia Funding is USD 646,250.

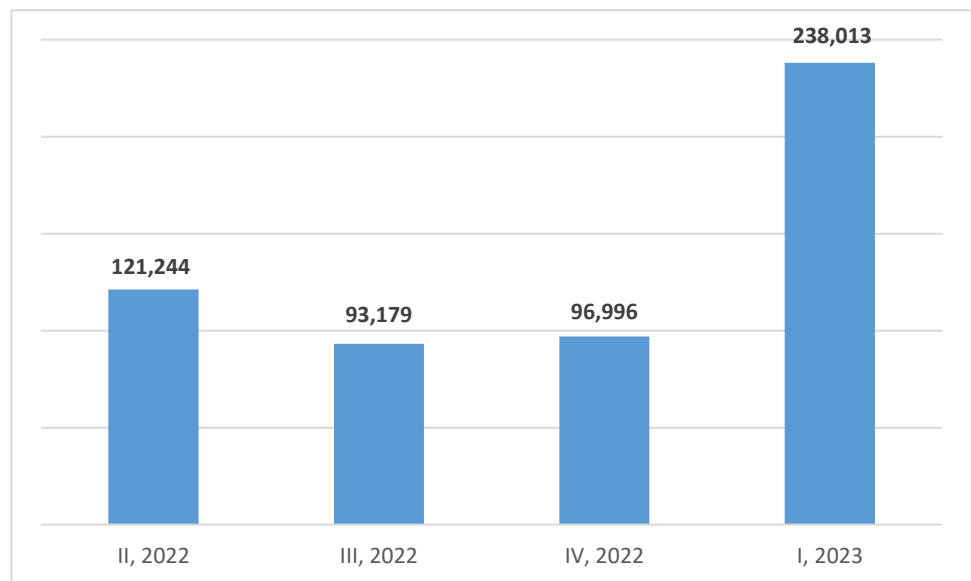
The purpose of the USAID-NFA Plant Safety System Initiative (PSSI) is to enhance Georgia's plant phytosanitary system by ensuring the further development of administrative, organizational, and technical skills of the Agency and its supporting government agencies.

As a result of the implementation of the Activity, the Agency's ability to identify existing and potential risks related to pests in the agricultural sector will be improved. This will enable the Agency to respond more promptly in managing pest control.

The audit covers the period from April 1, 2022, to April 1, 2023. During the mentioned period, the sum of expenses financed by USAID amounted to 549,431 USD, and the expenses financed by the Government of Georgia amounted to 406,710 USD. From February 2, 2021, to April 1, 2023, within the entire project duration, expenses funded by USAID totaled 1,105,761 USD, while expenses financed by the Government of Georgia amounted to 1,005,812 USD.

Information on quarterly expenditures funded by USAID during the audit period is presented in Figure N1:<sup>3</sup>

**Figure N1:** Quarterly actual costs for the period from April 1, 2022, to April 1, 2023 in USD



Information on actual expenditures funded by USAID during the audit period by classification is presented in Table N1.

**Table N1:** Actual expenditures for the period from April 1, 2022 to April 1, 2023 by classification in USD.

Classification of expenditures	01.04.2022-01.04.2023
Salaries	166,191
Surveillance and pest risk analysis (PRA) software	118,333
Pest surveillance consumables (Pheromones)	92,978
Organising training/workshops	71,630
Sampling consumables for pest identification	58,160
Public Relations, Communication/Outreach	42,139
<b>Total expenditures</b>	<b>549,431</b>

<sup>1</sup> Grant Agreement N: AAG-114-G-16-00002.

<sup>2</sup> Implementation Letter No. 14

<sup>3</sup> According to the information provided by the NFA.

## Audit Methodology

The State Audit Office of Georgia has conducted the audit according to the International Standards of Supreme Audit Institutions (ISSAIs) and the Financial Audit Manual developed based on them.

The Financial audit consists of the following stages:

- Preliminary audit procedures;
- Strategic planning;
- Detailed planning;
- Fieldwork;
- Concluding and Reporting.

At the stage of the preliminary audit procedures, the audit team assessed the basis for the preparation of the Schedule of Expenditures of USAID awards, as well as held the opening meeting with the relevant responsible persons of the auditee. Implementation of the audit procedures were started based on the engagement letter;

At the strategic planning stage, the audit group identified and assessed risks. Additionally, an audit strategy was developed, that includes information on the scope, timing, and direction of the audit.

At the detailed planning stage, the audit team assessed the internal control environment, determined the relevant main audit procedures and specified their nature, timing, and scope;

At the fieldwork stage, the audit team obtained sufficient appropriate audit evidence by performing documentary checks, inspections, inquiries, confirmations, and audit procedures such as:

- Basic analytical procedures;
- Test of details.

At the concluding and reporting stage, we evaluated misstatements and prepared the audit report.

The State Audit Office of Georgia’s Report  
To LEPL National Food Agency and United States Agency for International Development  
Independent Auditor’s Report

<b>Opinion</b>	<b>Unqualified Opinion on the Schedule of Expenditures</b> <p>The State Audit Office of Georgia has audited the Schedule of Expenditures of the USAID awards of LEPL National Food Agency for the period from April 1, 2022, to April 1, 2023. Preparation of the Schedule of Expenditures of USAID awards is the responsibility of The National Food Agency’s management. Our responsibility is to express an opinion on the Schedule of Expenditures of the USAID awards based on our audit.</p> <p>We conducted our audit of the Schedule of Expenditures of USAID awards in accordance with The International Standards of Supreme Audit Institutions (ISSAIs) developed by the International Organization of Supreme Audit Institutions (INTOSAI) in conjunction with US Internationally Recognized Public Auditing Standards (GAGAS). The responsibilities that these standards impose on us are described in detail in the section of our report titled – “Management’s and Auditor’s Responsibility”.</p> <p>We are independent of the auditee in accordance with the requirements of the INTOSAI’s and have fulfilled other ethical obligations imposed by INTOSAI. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion.</p> <p>In our opinion, the Schedule of Expenditures of the USAID awards referred to above presents fairly, in all material respects, in accordance with the terms of the agreement, program revenues, costs incurred and reimbursed, acquisitions, and technical assistance.</p> <p>We also evaluated the internal control system of the Agency related to the Activity and the compliance of the activities carried out with the terms of the agreement and applicable laws and regulations related to the Activity. The results are presented in the form of separate subsections and are an integral part of this report.</p>
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## 1. The Emphasis of Matter

### 1.1 Immaterial misstatements related to salaries

Without modifying our opinion we draw attention to the salary expenses indicated in the Schedule of Expenditures statement.

The Implementation Letter outlines the quantity, positions, and salaries of individuals employed within the Activity. During the audit, we requested the employment contracts of all individuals involved in the Activity and compared them with the terms of the Implementation Letter. Also, in accordance with the established rules for issuing labor compensation, we recalculated the corresponding salary expenses for the period and compared them with the data presented in the Schedule of Expenditures. Also, to ensure the completeness and accuracy of accounts reflected in the Schedule of Expenditures, we compared every transaction from the treasury statements of the relevant period of the Activity implementation with the corresponding data outlined in the Schedule of Expenditures.

As a result of the audit procedures conducted, an inaccuracy concerning salary has been identified.

According to the signed contract, the resident advisor, employed within the project, had a monthly salary set at 7,616 USD for October. The study revealed that the resident advisor was paid 8,964 USD<sup>4</sup> for October, instead of the contracted 7,616 USD.

**The resident advisor's contract amendment wasn't appropriately considered, resulting in a reimbursement of 1,348 USD without a valid basis.**

**It should be noted that, as of the audit report date, the overpaid amount has been returned by the resident advisor to the agency's treasury account.**

<sup>4</sup> The wages outlined in the contract for the preceding month (September) have been disbursed.

## 2. Other Matter

### 2.1 Internal Control System

The State Audit Office of Georgia has audited the Schedule of Expenditures of the USAID awards of the Plant Protection System Initiative implemented by the LEPL National Food Agency and funded by USAID for the period from April 2, 2022 to April 1, 2023.

We conducted our audit in accordance with the International Standards of Supreme Auditing Institutions (ISSAIs) in conjunction with US Internationally Recognized Public Auditing Standards (GAGAS). In planning and performing our audit, we considered the entity's internal control over financial reporting (internal control) as a basis for designing our auditing procedures to express an opinion on the Schedule of Expenditures of the USAID awards, but not to express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Schedule of Expenditures will not be prevented or detected and corrected on a timely basis.

**We assessed the internal control system for the above-mentioned limited purpose and were not intended to detect all control deficiencies as described in the second paragraph. As a result, based on the mentioned objectives, no significant deficiencies of internal control were detected.**

### 2.2 Compliance with the terms of the agreement and the legal requirements, without significant deficiencies

The State Audit Office of Georgia has audited the Schedule of Expenditure of the USAID awards of the Plant Protection System Initiative implemented by the LEPL National Food Agency and funded by USAID for the period from April 1, 2022, to April 1, 2023. We also reviewed the separate cost/sharing matching contributions schedule.

We conducted our audit in accordance with the International Standards of Supreme Auditing Institutions (ISSAIs) and in accordance with the requirements of the US Internationally Recognized Public Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Expenditure of the USAID awards is free from material misstatement resulting from violations of agreement terms and laws, and regulations that have a direct and material effect on the determination of the Schedule of Expenditure of the USAID awards amounts.

Compliance with the terms of the agreement, laws, and regulations is the responsibility of the National Food Agency's management. To obtain reasonable assurance, procedures have been performed to confirm compliance with the terms of the agreement, laws, and regulations that have an impact on the Schedule of Expenditure. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

#### 2.2.1 Compliance with the terms of the agreement, without significant deficiencies

The audit team analyzed all the responsibilities outlined in the Implementation letter that the agency was required to fulfil. Additionally, all submitted documents, forms, and correspondences were reviewed to verify compliance with the terms specified in the Implementation letter.

This section below outlines the immaterial noncompliance revealed during the audit with regards to the requirements stipulated in the project implementation letter.

### Quarterly Performance Reports

According to the Implementation Letter, quarterly performance reports must be submitted by the grantee within 30 days after the end of the reporting period.

The grantee submitted the sixth-quarter<sup>5</sup> performance report 31 days overdue, and the seventh-quarter<sup>6</sup> performance report was submitted 12 days past the deadline.

**Accordingly, the dates of submission of the above-mentioned quarterly performance reports do not correspond to the deadlines set by the project implementation letter.**

### Advance Request Forms

According to the Implementation Letter, at the grantee's request, USAID may issue an advance within the next 30 days. To request an advance for the following month, the request for advance form must be submitted by the 10th of the current month.

According to the information provided by NFA, the dates for submitting advance request forms from April 2022 to March 2023 do not align with the deadlines outlined in the implementation letter. Information on violations of deadlines for submitting advance request forms is presented on Table N2.

**Table N2.** Information on violations of deadlines for submitting advance request forms.

Period	Deadline	Submission Date	Delay (days)
2022 April	10.03.2022	21.03.2022	11
2022 August	10.07.2022	08.08.2022	29
2022 December	10.11.2022	17.11.2022	7
2023 March	10.02.2023	28.02.2022	18

**Accordingly, the dates of submission of the above-mentioned advance request forms from April 2022 to March 2023 do not correspond to the deadlines set by the project implementation letter.**

### Advance Liquidation Forms

According to the Implementation Letter, At the end of each quarter, the Grantee submits Advance Liquidation Forms to liquidate the advances provided during the previous three months. Advance Liquidation Forms<sup>7</sup> must be submitted by the 15th of the month after each quarter.

Due to the information provided by the NFA, Advance Liquidation forms for January and April 2023 were submitted late. In particular, the advance payment form for the October-December period was submitted 8 days late, and for the January-March period - 10 days late.

**Accordingly, the dates of submission of the above-mentioned advance liquidation forms for January and April 2023 do not correspond to the deadlines set by the project implementation letter.**

<sup>5</sup> May-August, 2022.

<sup>6</sup> August-November, 2022.

<sup>7</sup> Advance Liquidation Form 1034.

### 2.2.2 Compliance with the laws, without significant deficiencies

#### Non-compliance with the Law on State Procurement

During the audit period, the Agency signed a total of 32 state procurement contracts. Of these, 14 contracts - with electronic tender, within which 183,203 USD were paid,<sup>8</sup> and 18 contracts - with the simplified procurement procedure, within which 139,602 USD were paid.<sup>9</sup>

The state procurement-related legislation of Georgia determines the general legal, organizational, and economic principles of the state procurement process.

**As a result of the independent audit, non-compliance with the requirements of the Law on State Procurement was revealed in several procurement cases, which is described in detail below:**

#### Ignoring the requirements established by the tender documentation

**Criteria:** If the technical documentation does not comply with the tender conditions, the bidder is subject to disqualification. The tender commission does not disqualify the bidder if his technical documentation does not contain such data or contains such inaccuracy, the submission or clarification of which will not lead to a substantial change in the technical documentation or will not increase the bid price. The tender commission addresses the bidder with a request to clarify the technical documentation.<sup>10</sup>

**Factual circumstance:** In the tenders<sup>11</sup> announced in April and May 2023 for purchasing pheromone traps aimed at controlling harmful insects, the official website address provided by the bidder<sup>12</sup> representing the manufacturing company did not contain the necessary technical specifications as required in the tender documentation.<sup>13</sup>

**Despite this omission, the Tender Commission deemed the provided website address relevant and did not request further detailed documentation.**

### 2.3 The status of implementation of the recommendation issued in the previous period

The following recommendation was issued within the financial audit of the project "Plant Safety Systems Initiative" funded by USAID and implemented by the National Food Agency from February 2, 2021 to April 1, 2022: **"To effectively use the purchased materials, the National Food Agency needs to determine the actual expiration dates of the purchased pheromones and" use them before the appropriate dates. At the same time, NFA should implement proper control mechanisms for the determination and control of expiration dates of purchased materials."**

During the ongoing audit, we examined the implementation status of the previous recommendation. Upon reviewing the agency's documentation, it was confirmed that the stock balances have been utilized within their designated validity periods. Consequently, the agency has fulfilled the recommendation.

<sup>8</sup> The total value of the contracts is 537,488 GEL.

<sup>9</sup> The total value of the contracts is 367,358 GEL.

<sup>10</sup> Clauses 2, 3, and 5 of Article 27 of the "Rules for Conducting Electronic Tenders" were approved by the order of the Chairman of the State Procurement Agency N12 on June 14, 2017.

<sup>11</sup> NAT220009223; NAT220007339; NAT220009490.

<sup>12</sup> LLC Novagro - is considered the winner in all three tenders and a state procurement contract were signed with it.

<sup>13</sup> The electronic address of the official website of the manufacturing company must be submitted, where the buyer will be able to verify the technical characteristics of the goods offered by the bidder, in order to determine compliance with the requirements of the technical assignment (NAT220007339 - Clause 2.7.1.3.; NAT220009223, NAT220009490 - Clause 2.7.1.2).



Management’s and Auditor’s Responsibility

<b>Management’s Responsibility for the Schedule of Expenditure of USAID awards</b>	Management is responsible for the preparation of the Schedule of Expenditures of USAID Awards for the program and notes that describe the significant accounting policies used in preparing the Schedule of Expenditures <sup>14</sup> and for such internal control as management determines is necessary to enable the preparation of the Schedule of Expenditures of USAID Awards that is free from material misstatement, whether due to fraud or error.
<b>Auditor’s Responsibility for the Schedule of Expenditures of USAID awards</b>	<p>It is our responsibility to express an opinion on the Schedule of Expenditures of USAID Awards based on our audit. We conducted our audit in accordance with The International Standards of Supreme Audit Institutions in conjunction with GAGAS. Those standards require that we comply with ethical requirements.</p> <p>Our objective is to obtain reasonable assurance about whether the Schedule of Expenditure contains a material misstatement, whether due to fraud or error and to issue an audit report that includes an audit opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISSAIs in conjunction with GAGAS will always detect a material misstatement. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of the cost statements. As part of an audit conducted in accordance with ISSAI and GAGAS requirements, we use professional judgment and maintain professional skepticism during the audit. In addition:</p> <p>We identify and assess the risks of material misstatement of the Schedule of Expenditures, whether due to fraud or error, determine and perform appropriate audit procedures for those risks, and obtain sufficient appropriate audit evidence to support our opinion. The risk that a material misstatement caused by fraud will not be detected is higher than that caused by error because fraud may involve collusion, forgery, intentional omission, misrepresentation, or disregard of established internal controls;</p> <p>We study the functioning of internal control to develop such audit procedures that are appropriate to the existing circumstances, and not to express an opinion on the effective operation of internal control;</p> <p>We evaluate the appropriateness of the accounting policy and the reasonableness of the accounting estimates and explanations provided by the management;</p> <p>We conclude, based on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained - whether there is material uncertainty related to these events and conditions that would cast significant doubt on the Agency's ability to continue operating. Our conclusions are based on the audit evidence obtained as of the date of the audit report;</p> <p>We evaluate the presentation of the Schedule of Expenditures as a whole, its structure and content, as well as whether the Schedule of Expenditures provides the criteria for the fair presentation of operations and events;</p> <p>Obtain sufficient appropriate audit evidence about the NFA's financial information to be able to express an opinion on the Schedule of Expenditure. We are responsible for</p>

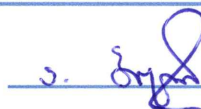
<sup>14</sup> CFR 200.504 – Point 2.

leading, supervising, and implementing the audit process. We are also fully responsible for our audit report;

Among other things, we provide the management with information about the scope and terms of the audit, as well as important results raised during the audit process, including important deficiencies identified in the internal control system.

**Auditors****Signatures****Ana Burdiashvili**

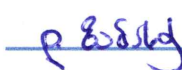
Leading Auditor

**Lisi Tsivadze**

Auditor

**Davit Zabakhidze**

Senior Auditor-Assistant



## Schedule of Expenditures of USAID Awards and Notes

The Schedule of Expenditures of USAID Awards for the Activity - Plant Safety Systems Initiative in USD.

Elements	Agreement Budget	Actual Revenues and	Cumulative Revenues and Expenditures	Questioned Costs		Notes
	02/02/2021 - 01/04/2023	01/04/2022 - 01/04/2023	02/02/2021 - 1/04/2023	Ineligible	Unsupported	
Opening Cash Balance		207,379	-			
Revenues						
USAID Contribution	1,200,000	398,340	1,162,049			N2
Program Income		-	-			
Interest Income		-	-			
<b>Total Revenues</b>		<b>398,340</b>	<b>1,162,049</b>			
Costs						
Salaries	395,542	166,190	395,390		1,348	N4
Program activities	262,745	113,770	226,693			
Procurement	541,713	269,471	483,678			
<b>Total costs</b>	<b>1,200,000</b>	<b>549,431</b>	<b>1,105,761</b>			N3
<b>Cash Closing Balance</b>	<b>-</b>	<b>56,288</b>	<b>56,288</b>		<b>1,348</b>	<b>N4</b>

### Notes to the Schedule of Expenditures of USAID Awards

#### Note 1: Accounting Policies

The following are the principal accounting policies applied by the NFA.

##### a. Basis of Preparation of the Schedule of Expenditures of USAID Awards

National Food Agency has a treasury account held by registration of revenues and costs. The accumulation of the revenue and cost generates the schedule of expenditures of USAID awards, which is audited for the period closed as of 01/04/2023.

##### b. Basis of Preparation of Budget

Budget of the project presented at the schedule of expenditures of USAID awards has been prepared in accordance with the budget approved by USAID. This budget is expressed in USD.

##### c. Conversion to USD

The schedule of expenditures of USAID awards provided to the auditor by the recipient is stated in USD. The USD/GEL exchange rate used for the calculations corresponds to the official exchange rate set by the National Bank of Georgia for the date when funds by the NFA are received from USAID.

**Note 2: Revenues Received from USAID**

From 02.02.2021 to 01.04.2023 the recipient (NFA) received from USAID a total amount of 1,162,049 USD which in local currency amounts to 3,459,248 GEL. Refer to the table below for the detailed information about fund receipts:

Date	Revenues Received from USAID	GEL	USD
24.03.2021	Advance of March 2021	118,013	35,000
13.05.2021	Advance of May 2021	50,969	15,000
09.06.2021	Advance of June 2021	298,355	93,120
27.07.2021	Advance of July 2021	219,190	70,588
09.09.2021	Advance of September 2021	311,400	100,000
04.11.2021	Advance of November 2021	316,220	100,000
16.12.2021	Advance of December 2021	309,140	100,000
25.01.2022	Advance of January 2022	153,480	50,000
31.03.2022	Advance of March 2022	617,920	200,000
18.08.2022	Advance of August 2022	187,717	66,329
05.12.2022	Advance of December 2022	457,932	169,964
10.03.2023	Advance of March 2023	418,912	162,048
<b>Total received from USAID</b>		<b>3,459,248</b>	<b>1,162,049</b>

**Note 3: Expenses Incurred and Liquidated**

From 02.02.2021 to 01.04.2023 the recipient (NFA) incurred and liquidated a total amount of 1,105,761 USD which equates to 3,296,821 GEL.

**Note 4: Accounting Balances Reconciliation and Fund Balance Reconciliation**

The Schedule of Expenditure of USAID awards does not reflect the overpayment of 1,348 USD for the resident advisor employed by the project. Payment corresponds to the October salary expense. The overpaid amount, 1,384 USD, was omitted from the calculation of the closing cash balance, which is presented in the annual financial report and Schedule of Expenditures submitted to USAID. Therefore, cash balance shown in the annual financial report and Schedule of Expenditures is overstated by 1,384 USD.



## Cost-Sharing/Matching Table and Notes

### Cost-Sharing/Matching Table From February 2, 2021 to April 1, 2023 in USD.

Description	Budget Contributions	Contributions 02/02/2021 to 01/04/2022	Contributions 01/04/2022 to 01/04/2023	Cumulative Contributions as of 01/04/23	Ineligible	Unsupported	Notes
Pest control <sup>15</sup>	522,855	878,956	-	<b>878,956</b>			
Salary	47,800	65,422	829	<b>66,251</b>			
Laboratory analysis	60,575	-	39,299	<b>39,299</b>			
Other Costs	15,020	18,848	2,458	<b>21,306</b>			
<b>Total</b>	<b>646,250</b>	<b>963,226</b>	<b>42,586</b>	<b>1,005,812</b>			

### Notes to the Cost-Sharing Schedule

#### Note 1:

##### a. Exchange Rate

The cost-sharing schedule is stated in USD. The USD/GEL exchange rate used for the calculations corresponds to the official exchange rate set by the National Bank of Georgia for the date when funds by the NFA are received from USAID.

##### b. In-Kind Contributions

The contributions of the Recipient were in-kind contributions as required per the agreement.

#### Note 2: Shortfall/Surplus of Contributions

NFA contributed more than what was required in the Agreement. As of April 1, 2023, in-kind contributions of the recipient exceeded the planned budget by 56%. The table below shows the achievements announced by the NFA in relation to the budget:

Description	Budget Contributions	Cumulative Contributions 02/02/2021 - 01/04/2023	%
Pest control	522,855	878,956	68%
Salary	47,800	66,251	39%
Laboratory analysis	60,575	39,299	-35%
Other Costs	15,020	21,306	42%
<b>Total</b>	<b>646,250</b>	<b>1,005,812</b>	<b>56%</b>

<sup>15</sup> Pesticides, Inventory, transport, contractors at the field.

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**Note 3: In-Kind Contribution Valuation**

We reviewed the information submitted about the in-kind contributions made by the agency and the relevant supporting documentation to confirm the accuracy of the amounts. As a result of the procedure, no facts were revealed that indicated the existence of inaccuracies in the submitted information.

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**Contact Information**

<b>Web Page and Social Media</b>	<a href="https://www.sao.ge/">https://www.sao.ge/</a> <a href="https://www.budgetmonitor.ge/ka">https://www.budgetmonitor.ge/ka</a> <a href="http://www.blog.sao.ge/">http://www.blog.sao.ge/</a> <a href="http://www.sai.ge/main/">http://www.sai.ge/main/</a> <a href="https://www.linkedin.com/company/stateauditoffice/">https://www.linkedin.com/company/stateauditoffice/</a> <a href="https://www.youtube.com/user/saogeorgia">https://www.youtube.com/user/saogeorgia</a> <a href="https://www.facebook.com/www.sao.ge">https://www.facebook.com/www.sao.ge</a>
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