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**MANAGEMENT LETTER**  
**REGARDING THE AUDIT OF THE FINANCIAL STATEMENTS**  
**Audited period: 01 January 2024 – 31 December 2024**

To the Management Team of  
**AO Nord Press Club**

Dear Management Team,

Following the audit of the financial statements of AO Nord Press Club (hereinafter “the Association”) for the period 1 January – 31 December 2024, conducted in accordance with the International Standards on Auditing (ISA), we hereby present this Management Letter, prepared in the spirit of sound financial governance and institutional transparency.

This letter serves a consultative purpose and is based on the information gathered throughout the audit engagement, with the aim of supporting the Association in strengthening its internal controls, improving administrative processes, and ensuring compliance with donor requirements.

**1. General Audit Context**

The audit covered the following areas:

- the financial statements prepared in accordance with the National Accounting Standards (NAS);
- the accounting policies applied during the reporting period;
- the internal control processes;
- the management of externally funded projects;
- the accuracy of revenues and expenditures related to restricted funds;
- the existence of assets and the performance of the physical inventory count; compliance with relevant legal provisions.

The auditor’s opinion is unqualified, as the financial statements fairly present the financial position of the entity as at 31 December 2024.

**2. Summary of AO Nord Press Club’s Financial Position (2024)**

The table below summarizes the key elements of the entity’s financial position at the end of the 2024 financial year:

**2.1. Assets and Liabilities**

<b>Indicator</b>	<b>2023 (MDL)</b>	<b>2024 (MDL)</b>
Fixed assets	384,993	422,523
Current assets	979,310	1,211,303

<b>Total assets</b>	<b>1,364,303</b>	<b>1,633,826</b>
Equity	592,895	874,031
Current liabilities	771,408	759,795
<b>Total liabilities</b>	<b>1,364,303</b>	<b>1,633,826</b>

According to the annexes to the financial statements.

#### Auditors' Observations

- The increase in equity is primarily attributable to the creation of the self-financing fund generated from the Association's economic activity. In this context, we recommend considering the use of these resources to establish a reserve fund for the Association, which would strengthen its long-term financial stability.
- The higher bank balances indicate prudent financial management of the budgets related to the implemented projects.
- The structure of assets shows a significant level of current assets (over 70%), characteristic of organizations with ongoing and active project portfolios.

### 3. Financial Results for the Period (2024)

Indicator	2024 (MDL)
Revenues from restricted funds	6,083,462
Expenditures from restricted funds	5,980,278
Surplus related to restricted funds	103,184
Profit from economic activity	334,971
Net surplus for the period	<b>438,155</b>

According to the Statement of Revenues and Expenditures.

### 4. Projects Implemented and Funding Received in 2024

In 2024, AO Nord Press Club implemented **11 projects**, financed by international organizations such as UNDP, USAID, Internews, IWPR, MSI, ERIM, People in Need, ProElect, the CONTACT Center, and others.

#### 4.1. List of Projects (Summary)

No.	Project Title	Period	Amount	Donor
1	<i>Media Supporting Democracy, Inclusion and Accountability in Moldova (MEDIA-M) (SUSPENDED)</i>	08.04.2024 – 31.03.2025	USD 79,664	USAID & UK / Internews Moldova
2	<i>Financial Resilience in the Digital Age (SUSPENDED)</i>	23.07.2024 – 22.07.2025	MDL 713,302	MISRA, USAID
3	<i>Democracy in Motion: Elections and Political Change</i>	05.09.2024 – 31.10.2025	EUR 29,982	ERIM & ProElect
4	<i>Empowerment for Good Governance</i>	15.03.2024 – 30.06.2024	EUR 5,140	European Partnership for Democracy (EPD)
5	<i>Moldova Towards Europe: Education and Information for Democratic Integration</i>	15.05.2024 – 14.10.2024	MDL 497,715.30	MSI (MRI) / USAID
6	<i>TV Nord for Greater Transparency in Local Decision-Making</i>	15.07.2024 – 15.03.2025	EUR 10,000	ERIM & "Cu sens" Media Project

7	<i>Strengthening Youth Resilience to Disinformation (II)</i>	01.07.2024 – 28.03.2025	GBP 31,582	Institute for War and Peace Reporting
8	<i>Information and Education for Sustainable Energy in the Republic of Moldova</i>	02.01.2024 – 30.04.2024	USD 20,000	United Nations Development Programme (UNDP)
9	<i>Transparency and Integrity through Effective Information (SUSPENDED)</i>	08.08.2024 – 16.02.2026	USD 149,918.44	USAID / JARA
10	<i>Promoting EU Investments through Information</i>	01.09.2024 – 28.02.2025	EUR 8,000	People in Need
11	<i>Together We Change the Future of the Media</i>	07.10.2024 – 31.12.2024	EUR 5,000	CONTACT Center
12	<i>TV Nord in the Northern Region 2.0</i>	01.07.2023 – 31.12.2024	MDL 1,871,578	U.S. Embassy

Data consolidated according to *Annex 2 – General Table of Projects*.

### **Auditors' Observations on the Projects**

- All funding was recorded in the currency received and converted in accordance with the exchange rate regulations of the National Bank of Moldova.
- No deviations from the approved project budgets were identified, a fact also confirmed by project closure letters issued by donors.
- Expenditures were found to be compliant with the eligible activities established by the respective funding partners.

## **5. Findings on Internal Control and Administrative Practices**

### **5.1. Accounting Policies and Procedures**

#### **Findings:**

- The accounting policies are compliant with the National Accounting Standards (NAS); however, annual adjustments are recommended to ensure alignment with the organization's operational principles and current legislative changes.

#### **Recommendations:**

- Annual revision and update of the accounting policies.
- Updating operational procedures, including procurement, payments, advance justification, and payroll processes.
- For long-term projects exceeding 12 months, provisions for employee leave should be established.
- The method of recording foreign exchange differences should be reviewed.

### **5.2. Fixed Assets and Inventory**

#### **Findings:**

- The inventory count performed on 31 December 2024 confirmed the physical existence of assets based on the inventory documentation.

#### **Recommendations:**

- Developing an investment plan for upgrading equipment, in line with the operational needs of the editorial and production teams.

- Procuring an updated and more advanced version of the accounting software, specialized for non-profit organizations.

### 5.3. Cash Management and Bank Accounts

#### Findings:

- Appropriate segregation of duties exists between the accountant and the administrator.
- E-banking transactions are properly authorized.
- The closing balance accurately matches the opening balance of the following year, as confirmed by bank statements.

### 5.4. Payroll Expenses and Contributions

#### Findings:

- Salary calculations are fully automated within the 1C accounting system.
- Social and health insurance contributions are calculated and reported correctly.
- No discrepancies were identified between payroll records and tax declarations.

### 6. Identified Risks

Risk Type	Description	Impact	Recommendation
Risk of dependency on external funding	External funding represents the primary source of income	High	Diversification of economic services
Operational risk – IT assets	Continuous need for equipment renewal or repair	Low	Equipment upgrade and replacement
Procedural risk – operational policies	Operational policies require ongoing adjustment with the involvement of field specialists	Medium	Annual review and update

### 7. General Conclusions of the Auditors

Based on the procedures performed in accordance with the International Standards on Auditing (ISA):

- The financial statements of AO Nord Press Club fairly present the entity’s financial position for the year 2024.
- All project-related revenues and expenditures are accurately recorded and properly documented.
- Expenditures are eligible and comply with donor requirements.
- The internal control system is functional but can be further strengthened through updated procedures and improved asset management practices.

This Management Letter is intended solely for the use of the management and donors of AO Nord Press Club and may not be used for any other purpose without the auditor’s prior consent.

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Stela DARII

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