

**UNCAC Coalition – Association for the Implementation of the  
UN Convention against Corruption**

**Vienna**

**Audit Report**  
**on the Financial Statements as**  
**of December 31, 2020**  
**(Translation)**

**HHP**



Wirtschaftsprüfung  
Steuerberatung

*We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.*

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To the  
Members of Management Board of  
UNCAC Coalition – Association for the Implementation of the UN Convention against Corruption,  
Vienna,

We have completed the audit of the financial statements as of December 31, 2020 of

**UNCAC Coalition – Association for the Implementation of the UN Convention against Corruption,  
Vienna,**  
(referred to as "the Association")

and **report** on the result of our audit as follows:

## **1. Audit contract and Performance of the engagement**

At the ordinary general meeting of UNCAC Coalition – Association for the Implementation of the UN Convention against Corruption, Vienna, we were elected and appointed as auditor for the fiscal year 2020. The Association, represented by the the management board, concluded an **audit contract** with us to audit the financial statements as of December 31, 2020 including the accounting system.

The association is a small association. For small association the accounting principles pursuant to section 21 et. seq. Austrian law on associations ("Vereinsgesetz, VerG") are applicable together with the accounting principles of the Austrian Company Code ("Unternehmensgesetzbuch, UGB").

The audit is a **voluntary audit**.

The **audit included** assessing whether the statutory requirements were adhered to concerning the preparation of the financial statements.

The audit included assessing whether the generally accepted accounting principles in Austria are observed and funds were used in line with the Association's statutes. The assessment of the principles of economy, efficiency and expediency were not included in our scope of work.

We conducted our audit in accordance with section 269 et seq. Austrian Company Code ("Unternehmensgesetzbuch, UGB") and additional provisions of the Austrian law on associations (VerG). The audit included assessing whether the statutory requirements and additional provisions of the Association's statutes were adhered to concerning the preparation of the financial statements. Absolute assurance is not attainable due to the inherent limitations of any accounting and internal control system and due to the

sample-based test nature of an audit, there is an unavoidable risk that material misstatements in the financial statements remain undetected. Areas which are generally covered in special engagements were not included in our scope of work. We have to point out identified deficiencies on the financial conduct as well as substantial doubt about the Association's ability to continue as a going concern and unusual revenue and expenditures, especially self-dealing.

We conducted our audit in accordance with the **legal requirements and generally accepted standards on auditing** as applied in Austria and in accordance with the Austrian law on associations. These standards require that we comply with International Standards on Auditing. An auditor conducting an audit obtains reasonable assurance about whether the financial statements are free from material misstatement.

We performed the audit, with interruptions from March to June 2021 in our premises. The audit was substantially completed at the date of this report.

**Auditor responsible** for the proper performance of the engagement is Mr. Christian Rauter, Austrian Certified Public Accountant.

Our audit is based on the audit contract concluded with the Association. The "**General Conditions of Contract** for the Public Accounting Professions" by the Austrian Chamber of Tax Advisors and Auditors (refer to Appendix) form an integral part of the audit contract. These conditions of contract do not only apply to the Association and the auditor, but also to third parties. Section 275 Austrian Company Code (UGB) and Section 24 par. 4 Austrian law on associations (VerG) applied with regard to our responsibility and liability as auditor towards the Association and towards third parties.

## **2. Summary of audit findings**

### **2.1. Compliance of the accounting system and the financial statements**

During our audit, we obtained evidence that the statutory requirements as well as the regulations set forth in the Association's statutes and generally accepted **accounting principles** in Austria have been complied with.

In line with our risk and controls based audit approach and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub processes of the financial reporting process as part of our audit.

With regard to the compliance of the **financial statements** with all applicable statutory requirements we refer to the auditor's report.

## **2.2. Information provided**

The Association's Management provided all evidence and explanations requested by us. We obtained a representation letter signed by the legal representatives which we included in our working papers.

## **2.3. Reporting in accordance with Section 273 (2) and (3) Austrian Company Code (UGB)**

During our audit we did not note any facts which indicate there could be substantial doubt about the Association's ability to continue as a going concern, or which indicate a material deterioration of the Association's performance or a material offence of the Association's legal representatives or its employees against Austrian law or the Association's statutes. We did not note any material weaknesses in the internal controls over the financial reporting process.

## **2.4 Other information**

The following donor contributions were received in 2020

- Norwegian Agency for Development Cooperation (Norad): EUR 42.902,44
- Ministry of Foreign Affairs of Denmark (MFA/Danida): EUR 201.863,56
- Sigrid Rausing Trust: EUR 55.021,01
- NGOJobs.eu: EUR 600,00

### **3. Auditor's Report (Part 1)**

#### **Report on the Financial Statements**

##### **Audit Opinion**

We have audited the financial statements of

**UNCAC Coalition – Association for the Implementation of the UN Convention against Corruption,  
Vienna,**

These financial statements comprise the statement of financial position as of December 31, 2020 and the income statement for the fiscal year then ended.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Association as of December 31, 2020 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles pursuant to the legal regulations of Austrian law on associations (VerG).

##### **Basis for Opinion**

We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Association in accordance with the Austrian law on associations (VerG) and professional requirements and we have 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.

Our responsibility and liability as auditor is guided by Section 275 par. 2 Austrian Company Code (UGB) (liability regulations for the audit of small and medium-sized companies) and is limited to a total of 2 million Euros towards the Association and towards third parties.

### ***Responsibilities of Management Board for the Financial Statements***

Management Board is responsible for the preparation of the financial statements in accordance with Austrian law on associations (VerG) and Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Association and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise 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 taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, 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 Association's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management board.

- conclude on the appropriateness of management board's use of the 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Vienna, 17<sup>th</sup> of June 2021

HHP Wirtschaftsprüfung GmbH



Christian Rauter

Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid.  
Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statement are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.



#### **4. Auditor's Report (Part 2)**

We have performed the audit of the financial year for the period of 1 January to 31 December 2020 of

**UNCAC Coalition – Association for the Implementation of the UN Convention against Corruption,  
Vienna,**

##### ***Responsibilities of Management Board for the Financial Management***

Management Board is responsible for the financial management including the generally accepted accounting principles in Austria and that funds are used in line with the Association's statutes. Furthermore Management Board is responsible for the accounting system, including the financial position of the Association.

##### ***Auditor's Responsibilities***

Our objectives are to obtain reasonable assurance about whether the generally accepted accounting principles in Austria are observed and funds were used in line with the Association's statutes. We have to point out identified deficiencies on the financial conduct as well as substantial doubt about the Association's ability to continue as a going concern and unusual revenue and expenditures, especially self-dealing.

We conducted our audit in accordance with the legal requirements and in accordance with the Austrian law on associations (VerG). Our responsibilities under those regulations and standards are to comply with relevant ethical requirements regarding independence. We plan and perform our audit considering the concept of materiality to obtain reasonable assurance and to express a qualified opinion.

The selection of audit procedures is in our professional judgment considering the risk of misstatement due to fraud and error. We include our 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 Association's internal control. The use of funds is in line with the Association's statutes if the funds are used according to the purpose of the Association, in particular financing the activities set in the Association's statutes to serve the purpose. The assessment of the principles of economy, efficiency and expediency were not included in our scope of work.

The objectives of our engagement neither include an audit or a review nor, the detection and clearance of criminal acts, like embezzlements or other acts of misappropriation, nor other administrative offences made outside the framework of accounting.

Case Analysis

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Audit Opinion**

On basis of the knowledge gained during our audit of the financial year for the period of 1 January to 31 December 2020 in all material respects, the regularity of accounting is in accordance with Austrian generally accepted Accounting Principles and funds were used in line with the Association's statutes; unusual revenue and expenditures, especially self-dealing were not detected.

Vienna, 17<sup>th</sup> of June 2021

HHP Wirtschaftsprüfung GmbH



Christian Rauter

Austrian Certified Public Accountant

<b>ASSETS</b>	<b>2020-12-31</b>		<b>2019-12-31</b>	
	<b>EUR</b>	<b>%</b>	<b>EUR</b>	<b>%</b>
<b>A. FIXED ASSETS</b>				
I. Tangible Assets				
1. Fixtures and fittings				
600 Office equipment	<u>3,480.91</u>	0.9	<u>2,788.06</u>	0.8
<b>B. CURRENT ASSETS</b>				
I. Receivables and other Assets				
1. Other receivables and assets				
2300 Other receivables	3,043.17	0.8	10,564.65	3.0
II. Bank balances				
2800 Bank BA-CA 10001 876 092	66,039.46	17.6	335,530.42	96.2
2810 Bank BA-CA 10029553228	<u>301,022.91</u>	80.3	<u>0.00</u>	0.0
	<u>367,062.37</u>	97.9	<u>335,530.42</u>	96.2
	<u>370,105.54</u>	98.7	<u>346,095.07</u>	99.2
<b>C. PREPAID EXPENSES, DEFERRED CHARGES</b>				
2970 accrued income	<u>1,223.79</u>	0.3	<u>0.00</u>	0.0
<b>TOTAL ASSETS</b>	<u>374,810.24</u>	100.0	<u>348,883.13</u>	100.0

LIABILITIES AND OWNER'S EQUITY	2020-12-31 EUR	%	2019-12-31 EUR	%
<b>A. CAPITAL AND RESERVES</b>				
I. Associations's assets				
1. Net association capital				
9003 Net association funds	7,209.45	1.9	7,209.45	2.1
9310 Unrestricted reserves	60,540.11	16.2	68,852.79	19.7
	<b>67,749.56</b>	<b>18.1</b>	<b>76,062.24</b>	<b>21.8</b>
<b>B. ACCRUALS</b>				
1. Other accruals				
3045 Rst. für nicht konsum. Urlaube	6,943.94	1.9	706.03	0.2
3050 Rst. für Überstunden	3,929.62	1.1	185.74	0.1
3090 other accruals	11,418.00	3.1	7,318.00	2.1
	<b>22,291.56</b>	<b>6.0</b>	<b>8,209.77</b>	<b>2.4</b>
<b>C. LIABILITIES</b>				
1. Liabilities from funding agreements				
3891 NORAD liab.not yet used as design.	29,420.92	7.9	98,142.79	28.1
3892 SRT liab.not yet used as design.	64,327.46	17.2	46,735.78	13.4
3893 Danida liab.not yet used as design.	171,982.77	45.9	105,578.48	30.3
	265,731.15	70.9	250,457.05	71.8
2. Other liabilities				
3540 Verr.Lohnsteuer	1,575.91	0.4	0.00	0.0
3550 Verr.Dienstgeberbeitrag	408.74	0.1	16.01	0.0
3552 Verr.Kommunalsteuer	314.42	0.1	12.31	0.0
3557 Verr.Wr.Dienstgeberabg.	24.00	0.0	4.00	0.0
3600 Verr.Gebietskrankenkasse	4,273.97	1.1	156.36	0.0
3890 Other liabilities	12,440.93	3.3	13,965.39	4.0
	19,037.97	5.1	14,154.07	4.1
thereof taxes				
3540 Verr.Lohnsteuer	1,575.91	0.4	0.00	0.0
3550 Verr.Dienstgeberbeitrag	408.74	0.1	16.01	0.0
3552 Verr.Kommunalsteuer	314.42	0.1	12.31	0.0
3557 Verr.Wr.Dienstgeberabg.	24.00	0.0	4.00	0.0
	2,323.07	0.6	32.32	0.0
thereof social security				
3600 Verr.Gebietskrankenkasse	4,273.97	1.1	156.36	0.0
	<b>284,769.12</b>	<b>76.0</b>	<b>264,611.12</b>	<b>75.9</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>374,810.24</b>	<b>100.0</b>	<b>348,883.13</b>	<b>100.0</b>

# Profit and Loss Account

UNCAC Coalition - Association f. t.

2020-01-01 - 2020-12-31

	2020 EUR	%	2019 EUR	%
<b>1. Grants</b>				
4300 Income NORAD - Funds received	42,902.44	15.1	147,326.03	56.6
4301 Income NORAD - Funds yet to be used	-29,420.92	10.3	0.00	0.0
4302 Income NORAD - Funds f.previous year	98,142.79	34.4	-55,619.23	21.4
4310 Income DANIDA - Funds received	201,863.56	70.8	93,255.21	35.8
4311 Income DANIDA - Funds f.previous year	105,578.48	37.0	0.00	0.0
4312 Income DANIDA-Funds yet to be used	-171,982.77	60.3	0.00	0.0
4320 Income SRT - Funds received	55,021.01	19.3	10,573.29	4.1
4321 Income SRT - Funds f.previous year	46,735.78	16.4	24,639.62	9.5
4322 Income SRT - Funds yet to be used	-64,327.46	22.6	0.00	0.0
4330 Income UN	0.00	0.0	39,200.00	15.1
4390 Transparency	0.00	0.0	800.00	0.3
4875 Other Income	600.00	0.2	0.00	0.0
	<b>285,112.91</b>	<b>100.0</b>	<b>260,174.92</b>	<b>100.0</b>
<b>2. Project expenditure</b>				
<b>a. Material for projects</b>				
Raw material				
5400 Adv.Materials, Expert contributions	0.00	0.0	3,641.49	1.4
5410 Adv.Travel - COSP/IRG	0.00	0.0	24,567.48	9.4
5420 Adv.Side events	-5.38	0.0	6,027.96	2.3
5421 Conference Meeting	0.00	0.0	845.00	0.3
5430 Adv.Travel - other meetings	2,470.26	0.9	1,212.03	0.5
5500 Regional advocacy meeting	0.00	0.0	8,939.23	3.4
5700 CSO-IRM - Report	13,050.00	4.6	0.00	0.0
5702 CSO-IRM - Editing	824.00	0.3	0.00	0.0
5722 UNCAC-ProgressR - Translation	0.00	0.0	933.24	0.4
5731 UNODC Workshops - Travel	0.00	0.0	5,194.24	2.0
5732 UNODC Workshops - Honoraria	0.00	0.0	1,666.00	0.6
	<b>16,338.88</b>	<b>5.7</b>	<b>53,026.67</b>	<b>20.4</b>
<b>b. Expenditures for services received</b>				
5800 Consultants - General Support	15,647.89	5.5	97,512.50	37.5
5801 Consultants - Communication/Editing	0.00	0.0	8,921.48	3.4
5802 Consultants - Web Design	1,860.32	0.7	5,789.35	2.2
5810 Consultants - Expert Topics	0.00	0.0	6,555.12	2.5
5822	368.94	0.1	0.00	0.0
5823	216.58	0.1	0.00	0.0
5824	3,311.10	1.2	0.00	0.0
5825	515.71	0.2	0.00	0.0
5830 Translation	394.62	0.1	0.00	0.0
	<b>22,315.16</b>	<b>7.8</b>	<b>118,778.45</b>	<b>45.7</b>
	<b>38,654.04</b>	<b>13.6</b>	<b>171,805.12</b>	<b>66.0</b>
<b>3. Staff expenses</b>				
<b>a. Salaries</b>				
6200 Salary total	101,053.06	35.4	26,636.59	10.2
6201	37,228.50	13.1	0.00	0.0
6220 Non-productive wages	6,562.58	2.3	2,203.20	0.9
6230 Special payments to employees	18,471.84	6.5	5,016.11	1.9
6413 Dot.Rst.Urlaub	6,237.91	2.2	706.03	0.3
6415 Dot. Rst. Überstunden	3,743.88	1.3	185.74	0.1
6605 Gesetzl.Sozialaufw. Angest.	26,678.16	9.4	7,345.09	2.8
6606 MV-Beitrag Angestellte	1,755.05	0.6	406.25	0.2
6620 Wv. Dienstgeberabgabe	418.00	0.2	172.00	0.1
6691 Dienstgeberbeitrag	4,917.41	1.7	1,320.38	0.5

	2020 EUR	%	2019 EUR	%
6693 Kommunalsteuer	3,782.63	1.3	1,015.68	0.4
	<b>210,849.02</b>	<b>74.0</b>	<b>45,007.07</b>	<b>17.3</b>
<b>4. Amortization</b>				
a. Of fixed assets				
7081 Planmässige AfA f. Sachanlagen	2,154.66	0.8	1,109.00	0.4
7082 Computers/monitors & equipment	1,961.08	0.7	877.52	0.3
7083 Office furniture	2,332.27	0.8	1,938.37	0.8
	<b>6,448.01</b>	<b>2.3</b>	<b>3,924.89</b>	<b>1.5</b>
<b>5. Other operating expenses</b>				
Rent costs				
7400 Office rent	11,457.24	4.0	7,908.65	3.0
Office and administration expenses				
7206 Web-Hosting	84.79	0.0	110.10	0.0
7260 Software	3,913.30	1.4	1,108.93	0.4
7384 Email	0.00	0.0	32.59	0.0
7385 Postage	17.70	0.0	44.17	0.0
7387 Phone	504.79	0.2	181.27	0.1
7389 Video-Conferencing	352.10	0.1	10.00	0.0
7600 Office supplies	2,342.92	0.8	2,315.11	0.9
	7,215.60	2.5	3,802.17	1.5
Fees on monetary transactions				
7790 Bank and transaction fees	1,923.54	0.7	320.36	0.1
Legal and consulting costs				
7750 Legal- and other advisory fees	1,854.00	0.7	0.00	0.0
7755 Bookkeeping/accounting	5,421.28	1.9	2,956.32	1.1
7760 Audit	5,696.80	2.0	4,013.00	1.5
	12,972.08	4.6	6,969.32	2.7
Other operating expense				
7330 Hub team: travel regional	1,887.50	0.7	13.50	0.0
7331 Hub team: travel international	0.00	0.0	5,205.00	2.0
7332 Hub team: travel insurance	0.00	0.0	120.00	0.1
7840 Miscellaneous expenses	2,018.56	0.7	1,416.96	0.5
	3,906.06	1.4	6,755.46	2.6
	<b>37,474.52</b>	<b>13.1</b>	<b>25,755.96</b>	<b>9.9</b>
<b>6. OPERATING RESULT</b>	<b>-8,312.68</b>	<b>2.9</b>	<b>13,681.88</b>	<b>5.3</b>
<b>7. NET LOSS/INCOME</b>	<b>-8,312.68</b>	<b>2.9</b>	<b>13,681.88</b>	<b>5.3</b>
<b>8. Allocation to profit reserves</b>				
8911 Provision to reserves	-8,312.68	2.9	13,681.88	5.3
<b>9. PROFIT OF THE YEAR</b>	<b>0.00</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>

## **Budget Notes**

The UNCAC Coalition is a non-profit association ("Verein") registered in Vienna, Austria, under the association registry ID 450149560. Its office is located in Widerhofergasse 8/2/4, 1090 Vienna.

### **Accounting practices**

The annual accounts were prepared in line with Austrian accounting standards.  
(Note: The amounts below are rounded to the next digit.)

### **Sources of Funding**

The UNCAC Coalition received the following funds in the calendar year 2020:

#### **Norwegian Agency for Development Cooperation – Norad:**

€ 42,902 (NOK 462,218)

Part of a funding agreement of NOK 2,500,000 (approx. € 250,000) for 2018-2021.

#### **Ministry of Foreign Affairs of Denmark – Danida:**

€ 201,864 (DKK 1,490,000).

Part of a funding commitment of DKK 6,000,000 (approx. € 800,000) for 2019-2022.

#### **Sigrid Rausing Trust:**

€ 55,021 (GBP 50,000)

Part of a GBP 150,000 (approx. € 160,000) funding agreement (2019-2022).

#### **NGOJobs.eu:**

€ 600

These funds originate from the European Union's European Solidarity Corps project which supported two interns from EU member states who relocated to Vienna to work with the Coalition's Vienna Hub office.

### **Interest**

The UNCAC Coalition maintains two bank accounts with UniCredit Bank Austria. Both bank accounts pay 0,00% interest. Thus, in the financial year 2020, no income was generated from interest.

## **Assets**

Tangible assets include office equipment (incl. 6 laptops, office printer) and furniture.

In 2020, 3 new laptops and monitors for new staff members (€ 3,117), as well as related IT equipment and furniture was bought, as the office space was expanded.

Depreciation is calculated over the useful life of each item. On average, the useful lives of assets are estimated as follows:

Furniture: 8 years

Laptops, other IT hardware: 3 years

## **Expenses**

Staff: Salaries and salary-related expenses for the staff of the Vienna Hub office and consultants. At the end of 2020, the Coalition had five staff members (four full-time, one part-time).

The Coalition also had contracts with four freelance regional coordinators for Latin America, Asia-Pacific, Middle-East/Northern Africa and Sub-Saharan Africa, based in the respective region.

Rent: The UNCAC Coalition sub-lets space in a shared office in Vienna's 9th district from another non-governmental organization. From January to mid-April 2020, one room was rented (with the ability to use other parts of the office). Due to a growth in the team size, a second room was rented starting from April 2020, at a total monthly rent of € 1,215.

Project expenses: These expenses primarily consisted of funding provided to civil society organizations (CSOs), alongside technical and editing support, to produce parallel reports on the implementation of the UN Convention against Corruption in the respective country to inform the official review process and reform efforts (budget line CSO-IRM - Reports and Editing). A total of eight reports were supported financially – for three reports, all instalments were made; for five reports, a first instalment was paid.

## **Loss due to insolvency of travel agency**

In 2020, the UNCAC Coalition lost EUR 310 due to the bankruptcy of its travel agency, STA Travel GmbH, during the COVID-19 crisis. After a flight booking was cancelled, the travel agency had not returned funds to the Coalition by the time it became insolvent in August 2020.



# General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

## Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

## SECTION I

### 1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- examining the tax assessment notices for the tax returns mentioned under a).
- negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

### 2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

### 3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

#### 4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

#### 5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

#### 6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

#### 7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2<sup>nd</sup> Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

#### 8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

#### 9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

#### 10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

#### 11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

#### 12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1<sup>st</sup> and 2<sup>nd</sup> Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

### 13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

### 14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

## SECTION II

### 15. Supplementary Provisions for Consumer Transactions

- (1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).
- (2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.
- (3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.
- (4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.
- (5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,
2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or
3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,
2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

- (6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

- (7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

- (8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

- (9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.

Beilage D

Report on

QZA-18/0245

Civil Society participation in the  
UNCAC: Building momentum for change

**Independent audit certificate on costs claimed in the Financial Statements of UNCAC Coalition – Verein zur Umsetzung der UN-Konvention gegen Korruption under a Grant Agreement between The Norwegian Agency for Development Cooperation (Norad) and UNCAC Coalition – Verein zur Umsetzung der UN-Konvention gegen Korruption regarding QZA-18/0245 Civil Society participation in the UNCAC: Building momentum for change**

UNCAC Coalition - Verein zur Umsetzung der UN-Konvention gegen Korruption,  
Vienna

In accordance with our contract dated 17<sup>th</sup> April 2019 with UNCAC Coalition - Verein zur Umsetzung der UN-Konvention gegen Korruption ("the Beneficiary") and the terms of reference attached thereto (appended to the Audit Report), we provide our Independent Report of Factual Findings ("the Report"), as specific below.

**Objective**

We, HHP Wirtschaftsprüfung GmbH, established in Am Heumarkt 13, Vienna 1030, Austria, represented for signature of this audit certificate by Christian Rauter, senior partner and auditor, hereby certify that we have conducted the agreed-upon procedures relating to the costs declared in the Financial Statements of the UNCAC Coalition - Verein zur Umsetzung der UN-Konvention gegen Korruption, hereinafter referred to as Beneficiary, to which this certificate is attached to the audit report, and which is to be represented to the Norwegian Agency for Development Cooperation (Norad) under the grant agreement "QZA-18/0245 Civil Society participation in the UNCAC: Building momentum for change" for a period of 26 months from 01/11/2018 until 31/12/2020.

**Scope of work, Procedure**

We have undertaken the agreed-upon procedures in accordance with:

- The terms of reference for the certificate;
- The International Standard on Related Services ('ISRS') 4400 (Engagements to the perform Agreed-upon Procedures regarding Financial Information) as promulgated by the International Federation of Accountants ('IFAC');
- The Code of Ethics for Professional Accountants used by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedure engagements, the European Commission requires the Auditor to comply with the independence requirements of the Code of Ethics for Professional Accountants.

We performed the agreed-upon procedures from March to June 2021. The agreed-upon procedures were concluded by the date of this report. The audit involved the following people:

- Christian Rauter, auditor (Austrian CPA)
- Marie-Theres Michelitsch (Austrian CPA)
- Julia Czachor, assistant

### **Sources of documents and information**

In performing our duties as auditor, we were provided with the following documents:

- grant agreement QZA-18/0245 Civil Society participation in the UNCAC: Building momentum for change signed between the beneficiary and the Norwegian Agency for Development Cooperation (Norad), as well as it's annexes;
- financial statements (including a profit and loss account as well as a cost overview);
- accounting records;
- samples (documentary evidences, contracts, etc.).

These agreed-upon procedures took into account the above mentioned sources of information provided by the following people:

- Mathias Huter, UNCAC Coalition, Vienna Hub Coordinator
- Betina Pasteknik, UNCAC Coalition, Office Manager

### **Findings**

The total expenses and income (without consideration of the unused funds amounting to EUR 29.420,92) for the period of 01/01/2020 to 31/12/2020 for the accounting entity "NORAD" which is the subject of this expenditure verification amounts to EUR 111.624,31.



In the course of the agreed-upon procedures, we have made the following financial findings:

- Explanatory notes including a description of the accounting policies used:
  - o According to the grant agreement (general conditions) article 3.2 lit h the financial statements shall include explanatory notes including a description of the accounting policies used and any other. Pursant to Austrian law on associations (VerG) the financial statements of small and medium associations do not require explanatory notes. The statements of the beneficiary includes budget notes that includes some of the required information but doesn't meet all requirements according to Austrian law.  
*Statement by the beneficiary: "The association uses common Austrian accounting principles. As no investments or major purchases were made, and given that there is no legal requirement to include explanatory notes, even though we included the notes for the first time. We did not see the need to include all requirements in the explanatory notes."*

We confirm that the agreed-upon procedures were carried out in accordance with the above-mentioned auditing standards respecting ethical rules and on the basis of the relevant provisions of the above referred grant agreement and its annexes. The above mentioned financial statements were examined and all tests of the supporting documentation and accounting records deemed necessary were carried out in order to obtain reasonable assurance that, in our opinion, based on the agreed-upon procedures:

x	All the costs are based on the approved budget in Annex A of the grant agreement and include estimated income to the Project from all sources as well as planned expenditures for the upcoming reporting period; <i>Observations: none</i>
x	The financial statements are set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items. They include all contents required in article 2.2 of the grant agreement (general conditions) <i>Observations:</i> <ul style="list-style-type: none"> <li>- <i>the financial statements doesn't include complete explanatory notes. The missing information is not relevant.</i></li> </ul>
x	Deviations between the approved budget and the expenses charged/capitalised are highlighted with information on both nominal amounts and percentage of each deviation; <i>Observations: none</i>
x	The financial statements fairly reflect the financial position of the Project and they are prepared, in all material respects, in accordance with the applicable financial reporting framework pursuant to article 5.3 of the grant agreement (general conditions) and in accordance with the requirements of the Agreement; <i>Observations: none</i>

x	The Grant Recipient keep accurate accounts of the Project's income and expenditure using an appropriate accounting- and double-entry book-keeping system in accordance with the applicable accounting- and bookkeeping policies in the jurisdiction of the Grant Recipient; <i>Observations: none</i>
x	The accounts kept up to date at least on a monthly basis. Bank reconciliations and cash reconciliations are completed at least every month, and are documented by the Grant Recipient; <i>Observations: none</i>
x	Income and expenditures relating to the Project are easily identifiable and verifiable, (either by using separate accounts for the Project or by ensuring that Project expenditure can be easily identified and traced within the general accounting- and bookkeeping systems); <i>Observations: none</i>
x	The accounts provide details of bank interest accrued on the Grant; <i>Observations: none</i>
x	If the Grant is converted into another currency, the exchange are made through a national or commercial bank unless otherwise approved by Norad. <i>Observations: none</i>
x	There are no financial irregularities referred to in article 15.2 of the grant agreement (general conditions) within and related to the Project. <i>Observations: none</i>

## Use of this Report

This report is solely for the purpose set forth in the above objective and for the confidential use of the beneficiary and the Norwegian Agency for Development Cooperation (Norad).

HHP Wirtschaftsprüfung GmbH



Christian Rauter  
Auditor

Vienna, 17<sup>th</sup> June 2021