Annex 4.2: Format Audited Statement of Accounts

Date:

TO THE NATIONAL DIRECTOR
SOS Children's Villages xxx,
address

We hereby certify that we have audited the Statement of Accounts of ***(insert name of organization and address)*** for the January 1st to December 31st, ***(insert year)***, in respect of the financing of its project ***(Project Name)*** as funded by SOS-Kinderdörfer weltweit, Hermann-Gmeiner-Fonds e.V. (hereafter referred to as CVW) and BMZ, Germany, on the basis of the terms of use made available to me. To this end, we have inspected the books and vouchers (*pls. refer to the complete list of all documents examined below*) and report that:

1. For a sample selected (please refer to xxx for details on sampling methodology), we have verified that the goods received, if any, were supported with the receipt vouchers.
2. We have verified that proof of receipts and payments of a sample selected have been properly furnished in the form of receipts and vouchers according to the requirements as described in the partnership agreement and related annexes.
3. Any deviation from the financial plan above 20 % per budget item is explicitly explained.
4. We have checked that SOS [pls insert name of National Association] paid to its employees salaries in accordance with the salary scale adopted and approved by SOS regional office.
5. We have verified that SOS [pls insert name of National Association] has in place controls and procedures to avoid duplication on salaries payment (i.e. maintaining timesheet for each staff allocated to the Project).
6. We have verified that the project staff have employment contracts with the project holder reflecting the duration of the employment, monthly compensation, the number of hours work for the project, job description and termination period.
7. We have verified that SOS [pls insert name of National Association] maintains a register for fixed assets (inventory list), that these assets are duly registered in the name of (project holder or CBO) and clear guidelines for its use are enforced.
8. We further explicitly confirm and certify that:
    - Accounts were substantiated by proper documentation;
    - All revenues and expenditures shown in the financial reports were properly documented by receipts;
    - Conformity with the Structural and Financial Plan was maintained;
    - Funds were managed efficiently and economically;
    - Compliance with contractual agreements and other requirements relating to the use of funds was maintained.
9. For project assets which have been handed over by SOS xxx to external partners, we have verified that written handover documentation exists, covering in particular terms of use and ownership of assets.

10. We have verified that in case of any additional income (e.g. VAT Refund, interest income, exchange rate fluctuation), CVW has been informed and/or these were added to the Project funds
11. We have obtained *SOS* [pls insert name of National Association] management explanation for any unspent amount after a period of three months after receipt of donor transfer, if any.

12. We have verified that revolving funds / matching loans have been utilized in accordance with the terms laid down in the project extracts *[especially referring to the loan purpose, the defined target groups and loan modalities, please also provide a short assessment on the development and sustainability of the revolving fund / matching loan]*

List of types of documents examined during the procedure

- Separate Cash books, ledger books, vouchers, and bills for foreign and Local Contributions
- Bank Passbook/Deposit slips/certificate of deposits
- Bank Reconciliation Statement
- Vouchers with supporting documents
- Trial Balance
- Payroll Sheets
- Inventory list
- Log Book(s)
- Contracts: PA with CVW (and if given amendments to PA), MoU with Beneficiaries on Revolving Fund, Staff Contracts, MoU Govermental Partners, MoU Community-Based Organizations, service contract with external service providers, MoU between beneficiaries and project holder e.g. housing schemes
- Internal fund management/flow and control policies
- Training Documents: e.g. agenda, list of participants
- In case of project funded constructions land title deeds and agreements between the project holder and the beneficiaries or land owner(s) about the long term utilization of the constructions
- Vehicle registration documents
- *Others – to be specified*

Annexes:

- Table (see below) with recommendations given by auditor, for systemic improvement and better financial discipline including project holder's response (please also express if NO findings/recommendation are given)
- Annual Financial Statement of Account (Project) – see Annex 4.3 Financial Statement template
- Inventory List
- Condensed Vouchers List
- Bank statements of received funds (EUR + LCY)
- Copy of Auditors Accreditation

Name of Auditor and Firm:

Certified Public Accountant
License No.:
Date of Audit:

No.	Finding/Observation	Recommendation	Response of Project Holder