

## INDEPENDENT AUDITOR'S REPORT

International Visegrad Fund  
Hviezdoslavovo námestie 9  
81102 Bratislava  
Slovakia

### Opinion

We have audited the attached financial statement of the International Visegrad Fund (IVF) Grant Project *(state project number and name)* (Project) prepared by the beneficiary ABC (the Beneficiary), which comprise the Project expenditures for the period of the Project duration *from.....until...* (Project implementation period).

In our opinion, the accompanying Project financial statement (Financial Statement) prepared by the Beneficiary for the Project implementation period gives a true and fair view of the Project expenditures, in accordance with the grant contract (Contract) agreed between IVF and the Beneficiary.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and IVF requirements related to the audit of Project expenditures. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Beneficiary in accordance with the ethical requirements, including the Auditor's Code of Ethics that are relevant to our audit of the Financial Statement in *[include Auditor's jurisdiction]*, 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.

### Emphasis of Matter – Purpose of this Report and Restriction on Distribution

The financial statement is prepared to assist the Beneficiary's statutory body in meeting the conditions of the Contract and Grant Guidelines related to accounting and financial reporting of the Project expenditures. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the IVF and Beneficiary and should not be distributed to parties other than the IVF and Beneficiary. Our opinion is not modified in respect of this matter.

### Responsibilities of the Beneficiary's Statutory Body for the Financial Statement

The Beneficiary's statutory body is responsible for the preparation of the Financial Statement in accordance with the Contract and Grant Guidelines, and for such internal control as management determines is necessary to enable the preparation of Financial Statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the Financial Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Statement.

We declare that we meet criteria laid down on Auditors of IVF Grant Projects. As part of an audit in accordance with ISAs, we exercised professional judgment and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the Financial Statement, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.

- Obtained an understanding of internal controls relevant to the audit.
- Verified eligibility of the Project expenditures with the relevant national legislation, conditions of the grant contract and the Grant Guidelines.
- Tested all Project expenditures declared in the Financial Statement (no sample selection).
- Checked double financing – that the project expenditures were not financed from other projects implemented by the Beneficiary.
- Evaluated the appropriateness of the accounting policies used, compliance of the reported expenditures with national accounting rules and related disclosures made by the statutory body in the Financial Statement.

*[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction]*

*[Auditor address]*

*[Date]*

## ANNEX 1 - CHECKLIST TO BE PROVIDED TOGETHER WITH THE AUDITOR'S REPORT

### Checklist for the audit of projects supported by International Visegrad Fund

**1. Objective:** To test the Financial Statement and expenditures declared in the interim and final settlement whether they meet the criteria for eligibility set in the Grant Contract and the Grant Guidelines.

**2. Work Done:**

#	Audit step/Requirement	Performed? Y/N/NA <sup>1</sup>	Note
1	Test all expenditures (costs) covered by the grant and declared in the interim and final settlement (no sampling used)		
2	Verify conformity with the relevant national legislation of the -Beneficiary (eg. accounting law)		
3	Verify conformity with the contracted financial conditions stipulated in the Grant Contract (and the Grant Guidelines)		
4	Verify the status of the grantee as a registered VAT payer (or non-payer) and assess their eligibility for VAT compensation by the Fund		
5	Check double financing – that the project expenditures were not financed from other projects implemented by the Beneficiary		
6	Verify the following:		
	• declared expenditures are actual;		
	• they are incurred and paid during the duration of the implementation period as specified in the Grant Contract (with the exception of costs relating to the audit report) <sup>2</sup> ;		
	• they are connected with the subject of the Project and are indicated in the contracted budget;		
	• they are necessary for the implementation of the Project which is the subject of the grant;		
	• they are identifiable and verifiable and are recorded in the accounting records of the Beneficiary (at the latest by the date of the audit report – however, they have to relate to the Project Implementation Period) and determined according to the applicable accounting standards of the country where the Beneficiary is established and according to the usual accounting practices of the Beneficiary;		
	• they comply with the requirements of applicable tax and social legislation;		
	• they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;		
	• they are exclusive of any non-eligible costs stated in the Grant Contract.		

<sup>1</sup> Any answer No has to be explained further in the Note column.

<sup>2</sup> Audit costs have to be stated in the Final Settlement together with the note that it will be paid after the end of the Implementation Period (or date when it is expected to be paid) if not already paid before.

#	Audit step/Requirement	Performed? Y/N/NA	Note
7	Verify that there is sufficient Audit trail - Accounting procedures used in the recording of eligible costs must respect the accounting rules of the country in which the Beneficiary is established and must permit a direct reconciliation between the costs incurred during the Project implementation and declared in the Financial Statement and accounting records of the Beneficiary.		
8	Check that the declared costs belong to the eligible cost categories as stated in the approved budget		
9	Verify that contracted overhead costs were not exceeded		
10	Verify whether transfers between cost categories were not exceeded, and if yes, whether relevant approvals had been obtained. (Transfers between cost categories of up to EUR 1000 are allowed without prior IVF approval. For changes exceeding EUR 1000, a written approval of the Fund is required via e-mail.)		
11	Verify the following (applicable only for costs covered from IVF, and not for co-financed costs):		
	<ul style="list-style-type: none"> <li>The contracted grant limit was not exceeded</li> </ul>		
	<ul style="list-style-type: none"> <li>All bank transfers were realized from bank accounts owned by the Beneficiary</li> </ul>		
	<ul style="list-style-type: none"> <li>The cash operations were not realized</li> </ul>		
	<ul style="list-style-type: none"> <li>Limit for tangible/intangible assets was not exceeded (if they are allowed to be eligible in the Grant Contract),</li> </ul>		
	<ul style="list-style-type: none"> <li>The Financial Statement was prepared using the correct exchange rate. (Costs stated in the Financial Statement must be claimed in euro, using: <ul style="list-style-type: none"> <li>the exchange rate of the respective national bank on the date of conversion of IVF tranches into the local currency (unless the Beneficiary uses the euro),</li> <li>or the monthly average exchange rate of the respective national bank in the last month of the Project Implementation Period.</li> </ul> </li> </ul>		
12	Check the accuracy of the information provided in the summary table (reported in the Financial Statement).		
13	Assess the reasonableness of the list of expenditures financed from Beneficiary own/other sources stated in the Financial Statement (applicable only if project is co-financed – stated in the Grant Contract).		
14	Confirm the ratio of the IVF's contribution in the overall project budget stated in the summary table (reported in the Financial Statement).		
15	Prepare the Audit report in English and in accordance with ISA 800 (Revised) Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks and ISA 805 (Revised) Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement:		

**Legend: Y – Yes, N – No, NA – Not applicable**

**3. Findings:**

*(State all findings and errors identified)*

**4. Conclusion:**

Sufficient Audit evidence has been obtained. Declared expenditures meet the criteria for eligibility set in the Grant Contract and the Grant Guidelines. The Financial Statement has been prepared in accordance with the Grant Guidelines and is free from material misstatement.

*(or: The Financial Statement has not been prepared in accordance with the Grant Guidelines and is materially misstated. As a result, our Audit Report has been modified in this respect).*

**Auditor's name:**

**License number:**

**Date:**

**Auditor's signature:**

**Auditor's stamp:**

**FINANCIAL STATEMENT**

**The filled out Financial Statement is an official annex of the Audit Report. The editable version is available on the website of the Fund.**

**Please note that the Audit Report is incomplete without the signed and stamped Financial Statement.**

**The Financial Statement consists of the Summary Table and the Financial Settlement. Both sheets must be filled out and controlled by the auditor.**