

8. AUDIT GUIDELINES

FOR STUNED TAILOR MADE TRAINING

I Introduction

As part of the grant from Nuffic-Neso Indonesia for a tailor -made training financed from the StuNed, a statement of expenditures must be prepared. This statement of expenditures should be accompanied by an auditor's report. Only for projects more than EURO 25,000, an audit report is requested.

Unless specified otherwise, the following guidelines apply to all audits that take place within the context of a StuNed programme.

II Audit objectives

1. The audit should be carried out in accordance with generally accepted auditing standards (ISA).
2. The auditor is asked to do the following:

To give an opinion on the statement of expenditures, in particular to assess its accuracy and the legitimacy of the expenditure in all material respects. Expenditures will be regarded as legitimate if:

- they comply with the conditions of the grant letter;
- they comply with the financial Rules and Regulations which are attached as an annex to the grant letter;
- they comply with the StuNed financial guidelines which are attached as an annex to the grant letter;
- they have been recorded properly in the statement of expenditures under the headings that are the same as those in the approved budget;
- they are in accordance with the approved budget which is attached as an annex to the grant;
- they are not in breach of legal regulations.

III Scope of the audit

The auditor should review the following documents to become familiar with the training:

- the grant letter including annexes;
- the approved training proposal;
- the approved budget;
- relevant correspondence with Nuffic-Neso Indonesia regarding the training.

The auditor should audit the statement of expenditures and then write an auditor's report. The auditor should ensure that the findings recorded in the audit report are accompanied by sufficient relevant evidence.

IV Auditor's report

The auditor's report should state clearly the auditor's opinion of the statement of expenditures. The following text should be used:

Introduction

We have audited and certified the enclosed statement of expenditures to the amount of € [euro's], which have been submitted by [name of the organization] as the costs of the training entitled [name of the training], with grant number [grant number] and training number [training number]. The expenditures took place in the period from [date] to [date].

The statement of expenditures is the responsibility of the organization's management. Our responsibility is to express an opinion on the financial statement based on our audit.

Scope

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statement, accounting for expenditure of a total sum of € [euro's], complies with the requirements for this purpose (except for the findings indicated below).

Findings regarding how the statement of expenditures fails to comply with the requirements

If there are no such findings, this item can be ignored.

The auditor should certify the statement of expenditures and attach the auditor's report to it.

V Review

Nuffic-Neso Indonesia reserves the right to have the audit reviewed. The auditor concerned will fully cooperate with this review, supplying the reviewer with all relevant documentation related to the audit.

VI Audit files

The audit firm must keep an orderly and accessible audit file for the StuNed tailor made training. This file should be kept for ten years from the date the audit was completed. All working papers and reports should be in the English language.

VII Other conditions

Choice of audit firm

The audit can be conducted by the organization's usual auditor: that is to say, an independent external auditor commissioned by the organization to audit the annual accounts. The audit may not be conducted, however, by the organization's own internal audit department.