

HLIndex/N: REVIZN-4122-1  
Beograd, 10. 06. 2011.



Humanitarian Law Center

**Audit Report 2010**

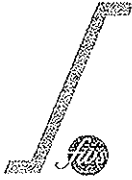
Humanitarian Law Center

**Fabel, Werner & Schmittke GmbH**

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[www.fws-audit.com](http://www.fws-audit.com) · Directors: Frank Fabel, Thomas Werner · München HRB 11 87 17

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To the Governing Board of the Humanitarian Law Center

### **Independent Auditor's Report**

We have audited the accompanying statement of financial position of the Humanitarian Law Center as of 31 December 2010 and the related statements of activities and cash flow. The financial statements were prepared by management of the Humanitarian Law Center based on the Accounting Regulations of the Republic of Serbia and the International Financial Reporting Standards (IFRS).

#### *Management's Responsibility for Financial Statements*

Management is responsible for the preparation of these financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on this financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

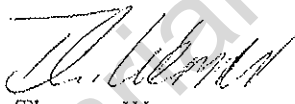
*Opinion*

In our opinion, the financial statements of the Humanitarian Law Center as of 31 December 2010 are prepared, in all material respects, in accordance with the Accounting Regulations of the Republic of Serbia and the International Financial Reporting Standards.

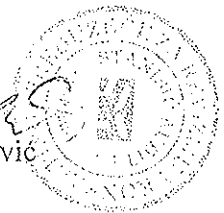
Belgrade - München, 26 May 2011



Fabel, Werner & Schnittke GmbH

  
Thomas Werner  
Executive Director

  
Gordana Todorović  
Auditor





## 1. Identification

### 1.1 Audit Assignment

Client: Humanitarian Law Center  
Ms. Nataša Kandić, Executive Director  
Dečanska 12  
11000 Belgrade, Serbia  
Phone: +381/ 11/ 33 49 600  
Fax: +381/ 11/ 32 32 460  
E-mail: office@hlc-rdc.org

Contractor: Fabel, Werner & Schnittke GmbH  
Thomas Werner, Executive Director  
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82110 Germering, Germany  
Phone: + 49/ 89/ 84 05 98 07  
Fax: + 49/ 89/ 84 00 23 17  
E-mail: werner@fws-audit.com

Assignment: Audit of the consolidated financial statements as of  
31 December 2010

Date of Assignment: 29 October 2010

### 1.2 Audit Team in Charge

Belgrade: 11 to 15 April, 23 to 25 May 2011  
Thomas Werner, Lead Auditor  
Gordana Todorović, Auditor  
Milica Dobrilović, Audit Assistant

Report: 26 to 27 May 2011  
Thomas Werner



#### 4. Conclusion

The examination of the financial management and internal control system of the Humanitarian Law Center showed transparent and well-established accounting procedures. The organisation is steered and controlled by a Governing Board, which is actively involved in major financial and strategic decisions. All employees have valid employment contracts and job descriptions. The working hours are controlled by a time and attendance system. The recruitment procedures are transparent and strictly adhered to. The accounting software provides cost centers for the different projects and thus integrates the requirements of national accounting and project accounting. Quarterly financial project reports provide a comparison between expenses and the project budget. The documentation is orderly kept and consistently numbered. It was easy to trace the bookings to the original documents and vice versa. The expenditures are regularly authorized by the Financial Director. Fixed assets are registered in detailed inventory lists. There was a stock-taking of fixed assets by a commission of three employees at year-end. The trips with the organisation's vehicle are recorded in log books.

The financial statements prepared at year-end consist of a statement of financial position (balance sheet), a statement of activities (income statement) and a cash flow statement. The financial position and the cash flows of the Humanitarian Law Center are correctly recorded in the financial statements. The income and expenses are completely supported by original source documents such as receipts, invoices, delivery notes, contracts, bank statements and cash books.

As result of our audit we issue an unqualified (positive) audit certificate for the financial statements of the Humanitarian Law Center as of 31 December 2010.