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Humanitarian Law Center

Audit Report 2011

Fabel, Werner & Schnittke GmbH

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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 2011 and the related statements of activities, cash flow, changes in the accumulated funds and movements of restricted funds. 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 2011 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, 22 May 2012



Fabel, Werner & Schnittke GmbH

Thomas Werner, CPA
Executive Director



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 controlled by a Steering 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 Humanitarian Law Center carried out 23 projects in 2011. All projects are supported by written project agreements. 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, a statement of activities, a cash flow statement, a statement of changes in the accumulated funds and a statement of movements of restricted funds. 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. The Humanitarian Law Center spent 85.0 % of its overall expenses on programme services.

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 2011.