



Humanitarian Law Center

Audit Report 2013

Fabel, Werner & Schnittke GmbH

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Abbreviations

CRD	Civil Rights Defenders
EU	European Union
GBP	British Pound
HR	Human Rights
IFRS	International Financial Reporting Standards
ISC	Institute for Sustainable Communities
RECOM	Regional Commission to determine and disclose the facts about war crimes and other serious human rights violations
RMFA	Royal Ministry of Foreign Affairs, Norway
RSD	Serbian Dinar
OSI	Foundation Open Society Institute
TRSD	Thousand Serbian Dinar
TJAR	Association Transitional Justice, Accountability and Remembrance in Bosnia-Herzegovina



To the Steering 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 2013 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 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 2013 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, 24 February 2014



Fabel, Werner & Schnittke GmbH

Thomas Werner
Certified Public Accountant

Petra Jakšić
Accountant



1. Identification

1.1 Audit Assignment

Client: Humanitarian Law Center
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Assignment: Audit of the consolidated financial statements as of
31 December 2013

Date of Assignment: 17 December 2013

1.2 Audit Team in Charge

Belgrade: 7 to 10 February 2014
Thomas Werner, Lead Auditor
Petra Jakšić, Auditor

Report: 11 to 12 February 2014
Thomas Werner, Lead Auditor



1.3 Persons Contacted

at the HLC: Ms. Sandra Orlović, Executive Director
Ms. Nataša Kandić, Board member and Project Coordinator
Mr. Budimir Ivanišević, Financial Director
Ms. Mia Deretić, Chief Accountant
Ms. Marina Kljaić, Administrative Manager and Lawyer



4. Conclusion

The internal control procedures of the Humanitarian Law Center are well established and consistently applied. The organisation was set up in the legal form of a foundation. It is controlled by a Steering Board, which is actively involved in major financial and strategic decisions. The employees have valid employment contracts and job descriptions. The personnel files are orderly kept. The working hours are controlled by a time and attendance system. The organisation applies transparent recruitment procedures. The Humanitarian Law Center carried out 23 projects in 2013. All projects are supported by written project agreements. The accounting software provides cost centers for the different projects and donors, and thus integrates the requirements of national accounting and project accounting. The financial manual regulates financial reporting, planning, budgeting and internal control. Quarterly financial project reports provide a comparison between expenses and the project budget. The documentation is orderly kept and consistently numbered. All expenses are duly authorised. Fixed assets are registered in detailed inventory lists. There was a stocktaking 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 organisation has a strategic plan and strategic budget for a three-year period. The strategic planning and budgeting is linked to the annual plan and budget.

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. 73.2 % of total expenses were directly connected to 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 2013.