

DIPD CHECK LIST FOR THE PREPARATION OF AUDIT

POLITICAL PARTY COOPERATION

ANNEX 11: 3RD EDITION – NOVEMBER 2015

At the end of the preparatory activities and before the project is started up, an external auditor shall audit the preparatory activities. DIPD' s secretariat facilitates the contact to an auditor, but the financial controller and the project coordinator of the party shall be jointly responsible for the dialogue with the auditor during the audit. The costs of this specific audit shall be borne by DIPD. After the completion of the main project, the party must bear all costs of an external audit of the final project accounts. The party must furthermore ensure that the partner also has an external auditor for its part of the final accounts.

Below is a check list that the party should review and ensure that all elements are in place:

- The party has set up a separate bank account for the grant and is in possession of documentation of this;
- The partner of the party has set up a separate bank account for the funds transferred and is in possession of documentation of this;
- An agreement shall be drawn up with the bank (formulated by the bank's lawyer), which confirms that the bank does not intend to make outlays for other receivables that the party may have in the account specifically set up for the grant from DIPD;
- The party is to ensure that interest accrued on DIPD funds is paid back to DIPD;
- The party should also document that interest accrued from grant period is recorded separately and that it must not be used for any project activity;
- The party (and its partner) must have a written agreement with an independent external state authorised public accountant, who shall make the final audit of all accounts related to the project;
- Both the party (and its partner) must have a final report containing final accounts approved by an auditor at their disposal. The final report for the partner should be in English;
- The final accounts must include DIPD's grant and the realised costs per year;
- The party (and its partner) shall provide access to an external audit carried out on the initiative of DIPD, the Danish Ministry of Foreign Affairs or the Danish Auditor General. The auditors must have access to all relevant project documents, bookkeeping/accounts, inventory, etc. in order to be able to assess the correctness of the implementation of the project, management and the use of the allocated funds.