
Information Sheet

Chartered Accountant (when export of vouchers is prohibited)

Last updated: February 2021

- If original vouchers cannot be exported from the country (i.e. if the export of vouchers is prohibited), certified copies must be produced which can be submitted for audit. We recommend that you obtain these from project partners during project implementation, so that you can quickly supply the information in case of audit later on.
- Alternatively, a chartered accountant may be commissioned to perform a preliminary audit. This does not, however, exclude the possibility of vouchers being submitted (in the form of certified copies), should any anomalies come to light for instance during the audit.
- The costs incurred in connection with the chartered accountant are eligible under operating expenses in the financing plan (pursuant to the onward funding agreement), provided that they are listed in the financing plan.
- The municipality must exert appropriate influence over the choice of the chartered accountant. The credentials of the recognised independent chartered accountant must be verified by the German Embassy or another recognised institution (e.g. Chamber of Commerce).
- The recognised chartered accountant shall structure his or her certificates in line with the financial statement that forms part of the final statement. Here he or she must explain what his or her audit remit was and what documents formed the basis for auditing the use of funds in accordance with their designated purpose and compliance with the funding requirements. The core statements (above all the audit findings) and the final audit certificate must be translated into German (uncertified translation).

Quality and content of the audit certificate:

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- The chartered accountant must audit more than just the arithmetical side of the project. He or she must also audit compliance with all the BMZ's conditions and stipulations. To guarantee the quality of the certificate, please ensure that the minimum requirements are reflected in the audit reports not merely on a pro forma basis.
 - Since the certificates replace the vouchers as proof that the funds have been used for the designated purpose, the auditing individual is obliged to also discuss the particularities (of the project in question) in the certificate. They must make specific statements on the audit performed in the project in question (indicating what income and expenditure was audited, whether planned project measures were implemented) and on the individual audit findings. If no findings were obtained, this must also be mentioned explicitly in the report.
 - Any discrepancies between the targets and actual figures for particular cost items of more or less than 20% must be explained separately.
 - The certificate and the report of the independent chartered accountant shall be evaluated, and the result of that evaluation shall be documented in the narrative report (e.g. audit objections, numerical discrepancies, caveats, recommendations and how these will be dealt with in the future).

The final audit certificate must contain the following (minimum requirement):

'We hereby certify that we have audited the accounts of (name of project executing agency in the municipality in the South) for funding of the project (name) based on the *following* requirements for the use of funds: (list of relevant instructions and documents). To this end we inspected the books and vouchers. Our audit led to the following findings.

1. Proper proof of income and expenditure was presented in the form of vouchers.
2. The expenditure for which proof was furnished was incurred in accordance with the project proposal and the grant, and for the purpose designated in the project proposal and the financing plan. Any discrepancies in relation to the financing plan are shown and explained separately.

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3. The income amounts for which proof was furnished and that are shown in the accounts as contributions by the project executing agency, the target group and/or other agencies in the project country, are correct, and are explained in accordance with the requirements.
 4. The donor's requirements listed in the project agreement were met – with the exception of the following points (including explanation of reasons why).
 5. Positive or negative particularities of the project, plus recommendations in case of any complaints.

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