# Audit instructions for project accounts during the Nordic Youth Pool for Climate and Biodiversity

This audit instruction applies to grants with project costs exceeding DKK 100.000.

## Determination of materiality

Overall materiality shall be a maximum of 3% of the project report’s actual costs.

## Audit of project accounts

**§ 1.** The audit is to be performed by a state authorized or certified public accountant.

Stk. 2. In case of change of auditor during the project period, the incoming auditor shall inquire the retiring auditor, who is obliged to inform the reason for retiring.

**§ 2.** The audit in Denmark is to be carried out in accordance with ISA and the standards for public accounting (Standarderne for offentlig revision (SOR)) including the provided audit instructions. Abroad, financial audits and management audits are carried out in accordance with recognized international standards (issued by IFAC and/or INTOSAI). The grant recipient must inform foreign auditors about relevant text of these audit instructions.

Stk. 2. During the audit, it is checked whether the project accounts are fair and whether the dispositions covered by the accounting are in accordance with the grant project agreement with the Danish Youth Council as well as laws and other regulations in the area of grant administration. The auditor must also make an assessment of whether proper financial considerations (skyldige økonomiske hensyn) have been taken into account in the management of the grant covered by the project accounts.

**§ 3.** The Scope of the audit depends on the grant recipient’s administrative structure and business procedures, including the internal control and other matters of importance for the accounting and financial report. In addition, the size of the grant is important for the scope of the audit.

**§ 4.** During the audit, the auditor must verify,

1) whether the project accounts are true and fair, i.e. without significant error,

2) whether the grant conditions have been fulfilled including the Guidelines for the Nordic Youth Pool for Climate and Biodiversity,

3) whether the grant has been used in accordance with the stated purpose and grant basis,

4) whether the grant recipient has shown thrift,

5) whether the grant recipient has announced and provided correct and sufficient information regarding the fulfilling of the result requirements to the Danish Youth Council,

6) whether the grant recipient has submitted a general report, where the Danish Youth Council has required such, and that the data for the basis for the report, are trustworthy.

Stk. 2. The audit is to be conducted by a random sample review

Stk. 3. In case the auditor becomes aware of any weaknesses regarding the project’s control environment and business procedures, the auditor must report these in accordance with § 7.

**§ 5.** The grant recipient is required to provide information considered to be of importance in relation to the assessment of the accounts, as well as for the auditor’s assessment of the administration, including objectives and achieved results. The grant recipient is required to allow the auditor to perform the necessary investigations and ensure that the auditor is provided with the relevant information and support needed in order to fulfill an audit.

**§ 6.** If the auditor becomes aware of any violations or significant deviations from regulations in connection with the management of the funds, it is the auditor's duty to immediately notify the grant recipient in writing, and to ensure that the grant recipient informs Danish Youth Council within 3 weeks. If not, the auditor is obliged to inform Danish Youth Council. The auditor's written comments are submitted together with the notification.

Stk. 2. The same procedure applies if the auditor, during their audit or in any other way, is made aware that the running of the project is doubtful / unstable due to financial or other reasons.

**§ 7.** The audited project accounts are provided with an auditor’s report in accordance with the audit instructions for projects under the Nordic Youth Pool for Climate and Biodiversity. Any reservations are required to appear in the audit report.

Stk. 2 – The auditor is required to submit a long-form audit report with the auditor's assessment and conclusion regarding the performed audit, cf. § 4, including matters concerning weaknesses in the internal controls and business procedures. The long-form audit report can be submitted in conjunction with the certification.

Stk. 3. The long-form audit report is submitted by the grant recipient to the Danish Youth Council with the audited project accounts.