

INSTRUCTION FOR REPORTING

- The management of the project/programme is responsible for the financial report.
- The financial report shall compare actual activity for the current reporting period with the agreed budget for the same period. If applicable, cumulative activity from inception of the programme should be compared with cumulative agreed budget. (DAC GOOD PRACTICE)
- The notes to the financial reports shall contain additional explanatory information: specify the basis of accounting used (cash or accrual). X-land shall specify the principle for the allocation of payroll expenses in the notes to the financial report. (DAC GOOD PRACTICE)
- Reported costs should be derived from X-land's accounting records.
- Management's signature

Additional requirements when X-land channels funds:

- Account for how much that has been paid to other partners.
- Ensure in the report that all funds are subject to annual audit and that X-land has acted on the information in the audit reports . Important deviations should be highlighted in the reports to Sida.
- Ensure in the report that Sida's requirements regarding audit is included in all agreements. Important deviations should be highlighted in the reports to Sida .

OTHER REQUIREMENTS

X-land's accounting records should be prepared in accordance with national acceptable accounting standards. X-land shall follow national laws regarding taxes.

X-land is obliged to keep full supporting documentation to justify the costs claimed on file.

Advances should be avoided as far as possible. If there are any advances, they should be accounted for within one month.

The working time to be charged to the programme/project must be recorded throughout the duration of the programme/project by any reasonable but reliable means. The person in charge of the work designated by the X-land should certify the records. A simple estimation of hours worked is not sufficient. There must be a system that allows the time anyone working on the project to be followed and audited. Good practice suggests that the link between the programme/project and the time record is clearly established and that the type of work performed is indicated. Payroll expenses should be charged to the programme/project current in order to enable good follow-up routines.

Additional requirements when X-land channels funds

If X-land channel funds to a receiving organisation/consultant, X-land is responsible for ensuring that the funds are audited annually in accordance with Sida's audit rule

in the next step. (Sida's name should be replaced by the intermediary organisation's name in the underlying agreements.)

X-LAND'S RESPONSIBILITY REGARDING AUDIT IN THE NEXT STEP

1. Approve the selection of auditor (independent, external and qualified)
2. Approve the ToR for the audit or agree on ToR during the appraisal phase (international standard, audit opinion etc, see appendix B.)
3. Ensure in the financial report that all funds are subject to annual audit.
4. Check that the auditor's reporting and ORG's management response are submitted in time with agreed content.
5. Document your position to received reports.
6. Act on the information that is received in the reports.
7. Ensure in the financial report that Sida's requirements regarding audit is included in all agreements.
8. Any deviations should be highlighted in the reports to Sida.