



PARTNERS FOR WATER (PVW-IVWW)

ANNEX TO THE AUDIT PROTOCOL

ANNEX A – Audit report form

The text below applies to the auditor's report on financial statements.

INDEPENDENT AUDITOR'S REPORT

To: Appropriate addressee

Our opinion

We have audited the accompanying financial statements for the decision granting the Partners for Water subsidy (*project description and reference number*), dated, of (*name of entity/subsidy recipient*), (*place of registered office*) for (*period/year*).

In our opinion, the financial statements for the subsidy decision (*name subsidy recipient*) for the year 20...../ period (*date*) until (*date*) 20..... were prepared, in all material respects, following the requirements of the subsidy decision (*project description and reference number*) dated and in the Standards Framework (section 2.2).

The basis for our opinion

We conducted our audit following the law of the country of statutory residence of the subsidy recipient, the International Standards on Auditing (ISA) of the IAASB and the audit protocol of the Partners for Water programme, specifically sections 2 and 3. Our responsibilities under those standards are further described in the 'Our responsibilities for auditing the financial statements' section of our report.

We are independent of (*name of entity/ subsidy recipient*) following the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the country where (*name of subsidy recipient*) holds statutory residence, and we have fulfilled our other ethical responsibilities following these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Besides the financial statements, the (final) report comprises other information, consisting of:

- a narrative report;
- a letter of representation.

In this letter of representation, management has specifically confirmed explicitly that they have not offered to third parties or sought or accepted from or were promised by third parties, for itself or any other party, any gift, payment, compensation of any kind whatsoever, if this could be interpreted as an illegal or corrupt practice.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements .

By performing these procedures, we comply with the requirements of ISA 720. The scope of the procedures performed is substantially less than those performed in our audit of the financial statements.

Management¹ is responsible for the preparation of the other information.

Restriction on use and distribution

The financial statements are intended for (*name subsidy recipient*) and the Dutch Minister of Infrastructure and Water Management. They are prepared to assist (*name subsidy recipient*) to follow the reporting requirements of subsidy decision (*project description and reference number*) dated As a result, the financial statements may not be suitable for another purpose. Thus, our auditor’s report is intended solely for (*name subsidy recipient*) and the Minister of Infrastructure and Water Management of the Netherlands, and should not be distributed to or used by other parties. Our opinion on this matter has not changed.

Responsibilities of management and those charged with governance² for the financial statements

Management³ is responsible for the preparation and fair presentation of the financial statements in accordance with the conditions laid down in the subsidy decision (*description / reference number project*) dated

¹ Or another organisation such as 'the foundation's board' or 'the entity's executive board'.

² Amend where necessary or lacking: the terms management and those charged with governance may need to be replaced by another term that is appropriate in the context of the legal framework in the particular jurisdiction.

³ Or another body such as the foundation’s board or ‘the entity’s executive board’.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance⁴ are responsible for overseeing the entity's financial reporting process.

Our responsibilities for the financial statements audit

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with International Standards on Auditing (ISA), ethical requirements and independence requirements and the Audit protocol pertaining to the Reversing the Flow Programme, specifically Sections 2 and 3. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluating the appropriateness of accounting policies used and evaluating the reasonableness of accounting estimates and related disclosures made by management;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

⁴ Amend where necessary or lacking: the terms management and those charged with governance may need to be replaced by another term that is appropriate in the context of the legal framework in the particular jurisdiction

We communicate with those charged with governance⁵ regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

..... (Place and date)
..... (Name of the audit firm)
..... (Address of the audit firm)
..... (The personal name of the auditor)
..... (Signature in name of the audit firm)

⁵ Amend where necessary or lacking: the terms management and those charged with governance may need to be replaced by another term that is appropriate in the context of the legal framework in the particular jurisdiction.