

Instructions for auditors of 90-account organisations

Introduction

The term auditor refers to an authorised auditor who has been approved by the Swedish Fundraising Control to act as an auditor for a 90-account holder (AH). Before an auditor is approved for the assignment, the Swedish Fundraising Control always checks with the Supervisory Board of Public Accountants that the auditor is registered and that the auditor has not had any complaints.

According to § 13 of the Swedish Fundraising Control's standards for 90-accounts, the AH must, without being requested and as soon as possible, although at the latest five months after the end of each financial year, submit to the Swedish Fundraising Control

- Copy of the signed annual report and, if the AH is a parent company, the consolidated accounts,
- Copy of the auditor's report,
- Copy of the auditor's memos regarding observations during the audit for the financial year,
- Original of the special forms for reporting income statement and balance sheet, filled in according to the Swedish Fundraising Control's instructions,
- Original of the auditor's verification report regarding the special forms for reporting the income statement and balance sheet,
- Recipient organisation form.

For a newly trained AH, it is evident from each individual decision whether the Swedish Fundraising Control's Interim report form is to be prepared. The Swedish Fundraising Control may request that the AH, in other cases as well, must prepare and submit an interim report, action plan and/or budget.

According to § 11 of the standards for 90-accounts, the AH must prepare annual accounts in accordance with the provisions of the Annual Accounts Act (1995:1554), as well as applying regulation K3. This obligation applies to all 90-account holders, irrespective of what is specified in the Swedish Bookkeeping Act (1999:1078). The main differences are more stringent requirements for the directors' report and additional information. The directors' report must state how the project has been promoted during the year, as well as the results and impact of the operation.

Instructions regarding the Swedish Fundraising Control's report package and instructions regarding interim reporting can be found on our website under the tab Accounting.

Auditor's undertaking

The auditor's undertaking is shown in § 15 of the Swedish Fundraising Control's standards.

The AH's accounting and administration must continually be monitored by the auditor. The auditor must submit the required information regarding the AH's affairs to the Swedish Fundraising Control. The AH is obliged to notify the auditor of any communications etc. from the Swedish Fundraising Control.

The auditor must examine how the AH promotes its project and, in the manner indicated in the instructions for auditors, how the Swedish Fundraising Control's standards and instructions are followed. In the auditor's report, the auditor will, where applicable and with regard to generally accepted accounting standards, comment on whether the AH has used its assets in contravention of the project. The auditor must always prepare a memo regarding such observations during the audit that the auditor considers to be of importance for the Swedish Fundraising Control's assessment of the AH's operations. In addition, the auditor must examine, and in a separate confirmation report express its opinion on, whether the Swedish Fundraising Control's forms for reporting the income statement and balance sheet have been filled in according to the instructions for the financial year.

The comments to § 15 in the standards indicate the following.

The auditor must not, for its own benefit or to the detriment or benefit of another party, use information that the auditor has received in the execution of its professional duties: The auditor may also not disclose such information without authorisation (cf. § 26 of the Auditors Act). This obligation to observe confidentiality does not prevent the auditor from submitting such information to the Swedish Fundraising Control as detailed in § 15 of the Swedish Fundraising Control's standards for 90-accounts. The Swedish Fundraising Control is not subject to the principle of public access to official records, and so such information will not be passed on.

The auditor must, to the extent that follows from good auditing practice, investigate the annual accounts and bookkeeping and the administration by the management [Auditing Act (1999:1079)]. For foundations, chapter 4 of the Foundations Act (1994:1220) also applies. The term 'management' refers to the Board of Directors and, in those cases where the Board has delegated the task of handling the ongoing administration to another person(s), also to these individuals.

The Swedish Fundraising Control's standards regarding 90-accounts stipulate stringent demands regarding the AH's internal monitoring and regarding the AH's operation being in agreement with its aim paragraph. For example, these demands entail that it is incumbent upon the AH to ensure that relevant parts of the internal inspection are documented in writing, and that procedures are in place to ensure compliance with established instructions.

The auditor must have good knowledge of the standards for 90-accounts and when investigating must particularly take into account the provisions in § 5, § 6 and § 11. The auditor must also have good knowledge of the Swedish Fundraising Control's instructions for the report pack for the financial year in question. When, in its reporting on the Swedish Fundraising Control's forms for reporting income statements and balance sheets (with notes), the AH has used a standard formula for division between project, fundraising and administration costs, the auditor must investigate whether this division is reasonable and documented.

In the Swedish Fundraising Control's judgement, the audit of the administration of the AH, as a result of the agreement with the Swedish Fundraising Control, can be more in-depth than would be the case with an audit according to the Auditing Act. The Swedish Fundraising Control also judges that the requirement for the auditor's continual monitoring of the AH's finances and administration may be more extensive than that stated by the Auditing Act.

In addition to the auditor's report, the auditor must report his significant observations during the audit to the Board of Directors and the management, in writing, in the form of memos regarding observations during the audit. If the auditor has submitted memos (or equivalent) to the board regarding the audit, the AH must send copies to the Swedish Fundraising Control.

In addition to the above examination of the annual report, accounts and administration, the auditor must examine and express an opinion regarding the Swedish Fundraising Control's forms for income statements and balance sheets (including notes), which must be filled in by the AH in accordance with the Swedish Fundraising Control's instructions regarding the report package for the financial year in question. The result of the investigation must be sent in a verification report in which the auditor states the circumstances that arose during the investigation that the auditor considers to be of significance for the Swedish Fundraising Control's assessment. In the verification report, the auditor must specify whether he or she, in addition to the auditor's report, has prepared any other written report and handed it to the AH. If no other such reporting has occurred, the auditor must state this in the verification report. When investigating the interim report form, the same standard as stated in the paragraph above must be applied.

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