

[Contact person
Grant beneficiary
Address]

[Date]

[Funds for Local Cooperation: Agreed-upon Procedures for programme/project report]

1 Objectives and Background

[Recipient organization of the grant/local partner] has prepared an annual report on the [programme/project] to [the Finnish partner organization] dated [date] for the period of [1.1.-31.12.20xx].

[Recipient organization of the grant/local partner] has asked [audit company / authorized auditor] to perform agreed-upon procedures with regards to the annual report on the [programme/project] as a whole, its implementation and the use of funds. The purpose of our audit procedures is solely to assist [the Finnish partner organization] and Ministry for Foreign Affairs of Finland] in evaluating whether the annual report has been drawn up, and the funds has been used for intended purposes, in accordance with general conditions for the use of discretionary government transfers and additional conditions for programme/project support].

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services that we will provide.

This Engagement Letter sets out the Services that we have agreed to provide and the terms of our engagement.

2 Services to Be Provided

Our engagement will be conducted in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements taking into account the conditions set out in the discretionary government transfer decision and in the additional conditions for programme/project support and we will indicate so in our Report.

We have agreed to perform the procedures described in appendix 1 and report to you the factual findings resulting from our work.

The procedures that we will perform will not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements and, consequently, no assurance will be expressed.

In connection with the engagement, we will prepare a report where we will bring our observations based on the audit procedures performed.

The procedures that we will perform are intended solely for the purpose set forth in the Engagement Letter's first paragraph and the report may not be used for any other purpose. The report or part of it may not be copied, otherwise duplicated or be given to a third party. [According to the Finnish Act on the Openness of Government Activities (621/1999) the report is a public document, with the exception of business and professional secrets that the recipient has clearly labeled as commercial and professional secrets, ie. confidential information, in accordance with Section 24 para. 20 of the Act on the Openness of Government Activities. The obligation of professional secrecy does not apply to information that the Ministry for Foreign Affairs of Finland declares or gives to a third party on the basis of an authority or a law.] Our Report only applies to the annual report detailed above; it does not apply to the recipient's complete financial statements.

3 Timetable

We will be able to commence our work on [date] and we expect our Report to be completed by [date].

4 Resources

[Auditor's name] will be responsible for the engagement. [Other members of the team are NN, YY and ZZ.]

5 Your Responsibilities

[Recipient organization of the grant/local partner] is responsible for documentation and preparation of the annual report in accordance with the discretionary government transfer decision, general conditions for the use of discretionary government transfers and additional conditions for programme/project support. In addition, [Recipient organization of the grant/local partner] is responsible for providing all the necessary documentation and assistance needed for us to perform all the agreed-upon procedures.

6 Estimated Time Needed and Fees

[We estimate that the time needed for providing the Services will be [xx hours/xx days/xx weeks]. We estimate that our fee for this engagement is about [€ x.000.000,00] (excluding VAT). Our out-of-pocket expenses relating to the Engagements will be added to our fees.]

7 [Terms of Business]

[This Engagement Letter should be read in conjunction with the enclosed Terms of Business.]

8 Acknowledgement and Acceptance

This Engagement Letter (including its appendices) [and the enclosed Terms of Business together] form the Contract between us.

Please record your agreement to the terms of this Contract by signing the enclosed copy of this letter in the space provided and returning it to us.

Yours sincerely,

[Auditing Firm]

[The person responsible for the engagement]
[Authorised Public Accountant/Certified Auditor]

Appendix

1 Template of the Auditor's Report
[2 Terms of Business]

Confirmation of the Contract

I have read and accepted the Contract terms set out in the Engagement Letter (including its appendices) [and the Terms of Business]. I accept those Contract terms on behalf of [Recipient organization of the grant/local partner] and represent that I am authorised by [Recipient organization of the grant/local partner] to do so.

Date

On behalf of [Recipient organization of the grant/local partner]

Signed

[Name and position]

.....

[Where the text is in brackets [] it should be edited or removed.]