

II INDEPENDENT AUDITORS OPINION

Management of Uduženje Centar za intradisciplinarna primijenjena društvena instraživanja (CISAR)

Introduction

We have audited the financial statements of the project: **“Social capital and migration – evidence from post-conflict environment” REG_BA_212** (hereinafter: the Project) for the period from **September 01st 2014 – September 30th 2016**. The Project is funded by the Swiss Agency for Development and Cooperation SDC (hereinafter: Donor) and implemented by Uduženje Centar za intradisciplinarna primijenjena društvena instraživanja (hereinafter: CISAR).

Management's Responsibility for Financial Statements

CISAR Management is responsible for the preparation and fair presentation of Project financial statements in conformity with the International accounting standards and local accounting regulations. Project management drew up the financial statements based on funds received from Donor. Management is also responsible for the preparation of a financial report in accordance with Donor instructions for financial reporting, and for the internal control, which Management deems necessary to prepare a financial report, free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements of the Project based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) and in accordance with Terms of references for the financial review defined by Donor. According to these standards the financial review should be planned and implemented in such a way as to make it reasonably certain that the financial statements contain no substantive errors. Our procedures are designed in a way to ensure us forming professional judgments on the following matters relating to the activities and organization of CISAR:

- Principles of orderliness (financial regularity),
- Existence, adequacy and effectiveness of the Internal Control System (ICS),
- Conformity with the project objectives and adherence to the contract conditions, and
- Economical conduct of business and effective use of financial resources.

Applied procedures also evaluate the principles of financial reporting used in drawing up the financial statements and any significant estimates made by the Project management.

Opinion

We believe that our financial review forms an adequate basis for our opinion.

In our view, the financial statement presents a true and fair view of the amount and composition of the balance of operating income and expenses for the Project “Social capital and migration – evidence from post-conflict environment”, funded by Swiss Agency for Development and Cooperation SDC.

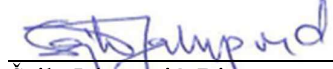
Based on our review, nothing has attracted our attention, which would cause to believe that:

- Internal Control System (ICS) is not adequately or effectively organized,

- The execution of the Project is not in line with project objectives and does not comply with the contract conditions,
 - The business does not lead to economic and financial resources being not used effectively.
- Our audit has not given any reasons for complaints and Auditor recommends that the report should be approved by **Donor**.

Sarajevo, October 27th 2016.

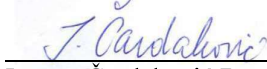
NGO and Business Audit d.o.o



Šejla Jakupović, Director



Authorized Auditor:



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