

# Auditors' Letter



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## Report of the auditors

### To the Board of Governors of International Water Management Institute

We have audited the accompanying statement of the financial position of International Water Management Institute as at 31<sup>st</sup> December 2006 and the related statement of activities, changes in net assets and cash flows for the year then ended, together with the accounting policies and notes as set out on pages 3 to 24

### Respective Responsibilities of the Institute's Management and Auditors

The Institute's management is responsible for preparing and presenting these financial statements in accordance with the recommendations made in the Consultative Group for International Agricultural Research (CGIAR) Financial Guidelines Series No.2-CGIAR Accounting Policies and Reporting Practices Manual (revised March 2004). Our responsibility is to express an opinion on these financial statements, based on our audit.

### Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the said financial statements, assessing the accounting principles used and significant estimates made by the Institute's management, evaluating the overall presentation of the financial statements, and determining whether the said financial statements are prepared and presented in accordance with the recommendations made in the CGIAR Guidelines. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

### Opinion

In our opinion, so far as appears from our examination, the Institute maintained proper books of account for the year ended 31<sup>st</sup> December 2006, and to the best of our information and according to the explanations given to us, the said financial position and related statements of activities, changes in net assets, cash flows and the accounting policies and notes thereto, which are in agreement with said books and have been prepared and presented in accordance with the recommendations made in the CGIAR Financial Guidelines Series No 2-CGIAR Accounting Policies and Reporting Practices Manual (revised March 2004) and give a true and fair view of the Institute's state of affairs as at 31<sup>st</sup> December 2006 and of its activities and cash flows for the year then ended. Supplementary information on pages 25 to 37 are not a required part of the financial statements and have not been subjected to audit procedures applied in the audit of the financial statements.

Colombo  
16<sup>th</sup> March 2006

■ Partners : A D B Talwatte FCA FCMA T K Bandaranayake FCA M P D Cooray FCA FCMA  
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