

## TERMS OF REFERENCE FOR LOCAL AUDITORS

Terre des hommes (Tdh), **Greece** Delegation is seeking the services of an audit company in **Greece** to conduct the audit of the project "Addressing Immediate Needs Refugee Families Athens"

**Duration** 01 – 30 November 2023

**Contract** Service Agreement

**Location** Athens

**Deadline for applications is 27.10.2023**

### BACKGROUND

Terre des hommes (Tdh) is the leading Swiss organisation for children's aid. Since 1960, Tdh has helped build a better future for deprived children and their communities, making an impact with innovative and sustainable solutions. Active in around 40 countries, Tdh works with local and international partners to develop and implement field projects which improve the daily lives of over 4 million children and members of their communities, in the domains of health, protection and emergency relief. This engagement is financed by individual and institutional support, with administrative costs kept to a minimum.

Tdh started in Greece in 2016 as a branch of Terre des hommes Foundation-Lausanne, and was officially registered as a national entity in February 2018 under the name **Terre des hommes Hellas-Gi ton Anthropon AMKE** which currently has 12 staff and is governed by a General Assembly with members from Tdh Lausanne. Tdh Hellas mainly targets children and families, as well as vulnerable groups: migrants, asylum seekers, beneficiaries of humanitarian protection, victims of trafficking, victims of torture, children in the streets, Roma, detainees, former prisoners, homeless, women, unemployed, people of different religions, sexual orientation and gender identities, abilities, people facing social and/or economic exclusion. We strive to improve their well-being and ensure the effective application of their rights as defined by the Convention on the Rights of the Child and other human rights instruments. We aim to empower children and youth through active participation and we advocate for the respect of their rights, supporting them in voicing their needs and interests through our programmatic and strategic priorities: children on the move, access to justice and cross-cutting child protection and safeguarding.

The project "Addressing Immediate Needs Refugee Families Athens" was funded by Swiss Solidarity (Foundation) of Switzerland through CHAÎNE DU BONHEUR (CDB) and implemented by Terre des hommes Hellas in Greece.

### Purpose of the service

In the framework of the project "Addressing Immediate Needs Refugee Families Athens" funded by Swiss Solidarity (Foundation) of Switzerland through CHAÎNE DU BONHEUR (CDB) and implemented by Terre des hommes Hellas, Tdh is seeking an audit company to perform the audit of this project. The Audit Report is required to be submitted in English and the auditor is required to work in the offices of Tdh Hellas.

### About the Project

Project title	“Addressing Immediate Needs Refugee Families Athens”
Grant agreement	Reference project number 313.035
Partner organisation	Tdh Hellas
Duration of the project	Feb 2022 – April 2023
Total cost of the project	571.092 CHF
Total donor contribution	465,334 CHF

### Modalities and Timeline

The audit is expected to be carried out within **November 2023**, and the final report to be submitted by 30 November 2023.

### Responsibilities of the parties to the engagement

- Tdh Hellas is responsible for providing a Financial Report for the project, which complies with the terms and conditions of the Donor's guidelines and for ensuring that this Financial Report can be reconciled to the Tdh Hellas accounting and bookkeeping system. Tdh is responsible for providing sufficient and adequate information, both financial and nonfinancial, in support of the Financial Report.
- Tdh Hellas accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Tdh, providing full and free access to its staff, accounting, and bookkeeping system.
- 'The Auditor' is responsible for performing the agreed-upon procedures as specified in these ToR, and for submitting a report of factual findings to Tdh Hellas. 'Auditor' refers to the audit firm contracted for this engagement and in particular to the partner or other person in the audit firm who is responsible for the engagement and for the report that is issued on behalf of the firm, and who has the appropriate authority from a professional, legal or regulatory body.

By agreeing with this ToR the Auditor confirms that he/she meets at least one of the following conditions:

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).
- The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR.
- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

### Engagement type and objective

This audit is an engagement to perform certain agreed-upon procedures with regards to the Financial Report for the Grant Agreement. The objective of this audit is for the Auditor to carry out the specific procedures in compliance with the requirements as per the Annex 1

"CdB\_SwS\_221201\_Audit\_Policy\_EN" and to submit to Tdh Hellas an audit report with opinion with regard to the specific verification procedures performed. The aim of the external auditing is to examine the accounts of the project to obtain a reasonable assurance that the accounts are free from material misstatement.

### **Audit Standards and ethics**

The Auditor shall undertake this engagement in accordance with:

- a) ISA 805 – "Special considerations audit of single financial statements and specific elements/accounts or items of a financial statement"
- b) ISRS 4400 - International standard on related services, "Engagements to perform Agreed-upon Procedures regarding Financial Information",
- c) ISA 800 - International Standards of Auditing, "Special considerations audit of financial statements prepared in accordance with special purpose frameworks",

In addition, the relevant standards of the local accounting profession as well as the local legislation on accounting and reporting in force in Greece need to be taken into consideration by the auditor.

### **Audit report**

#### **Audit opinion on the financial report (Standard/ ISA 800/805)**

The audit opinion must in any event include the aim and scope of the audit, the audit criteria applied, where relevant, and the audit opinion according to the International standards.

#### **Report of findings**

The report of findings must be drawn up in accordance with auditing Standards and describes the activities and findings according to these ToR.

### **Application procedure**

The application should contain the following information:

- o Business Registration Certificate; fiscal number; VAT certificate;
- o Auditor License
- o Letter of Interest
- o History of the Audit Company (at least 4 years of experience in the required field) and CV of its legal representative.
- o At least 3 references for similar services. Companies that have experience in auditing EU grant and NGOs will be preferred.
- o Audit methodology, plan including working hours and timeline
- o CV of the members of the working group.
- o Financial Offer (VAT included)

All documents shall be submitted electronically within **27.10.2023** to the following email address: [grc.logistics@tdh.org](mailto:grc.logistics@tdh.org)

### **Ethical considerations**

The audit company must sign the Terre des hommes Child Safeguarding Policy and Code of Conduct and be willing to adhere to its principles and expected practices. If a breach of the

policy or code of conduct takes place the consultancy will be terminated immediately without any financial burden on Tdh.

## **ANNEX 1 – “CdB\_SwS\_221201\_Audit\_Policy\_EN”**

### **AUDIT POLICY FOR PROJECTS FINANCED BY CDB**

#### **1. Introduction**

This document defines the audit policy of Swiss Solidarity (Foundation) for international relief and social aid in Switzerland.

The Foundation's mission states that it is a responsible donor, ensuring that the donations it collects are committed to high-quality humanitarian and social projects implemented by its partners to meet the needs of people affected by disasters and humanitarian crises both abroad and in Switzerland.

Swiss Solidarity is accountable to its donors and to the people with and for whom the projects are carried out. As the Foundation allocates and entrusts the implementation of the projects to its partner NGOs, it is necessary to monitor their management and financial conduct in the implementation of the projects.

The audit policy is one of the measures that the Foundation has put in place to fulfil this mission. It is part of its risk control strategy, which also includes control measures for analysing funding applications, monitoring projects and examining reports.

#### **2. Contractual and regulatory basis**

Swiss Solidarity's auditing activities are based in particular on :

- The Criteria for Accreditation as well as paragraph 1.2 of the General Provisions for International Aid, which states that "the Partner Organisation undertakes to maintain its compliance with the Criteria for Accreditation and to improve such compliance in areas where it is deficient. At the Foundation's request, the Partner Organisation shall provide it with any information on its operations and its financial and administrative procedures that may be useful in verifying its continued compliance with the Accreditation Criteria".
- Paragraph 5.2 of the General Provisions on International Aid, which stipulates that "the Foundation is entitled to check the progress of the project at any time and to audit the accounts and the implementation of appropriate administrative, logistical and financial procedures". Paragraph 4.4 of the General Provisions on International Aid, which stipulates that an external audit that verifies the validity and reliability of financial information in accordance with the ISA 805 standard - or similar - must be commissioned by the partner organisation for all projects for which the total contribution of the CDB amounts to more than CHF 300,000, unless the parties agree otherwise. The audit report and the auditors' management letter must be submitted to the Foundation no later than 12 months after the end of the project. Any delay must be justified in writing to the Foundation's Fund Manager.
- The administrative and financial regulations and guidelines of the partner organizations for their field projects, as submitted to Swiss Solidarity at the time of accreditation, or revised and updated by the partner organization since then.

- Paragraph 5.1 of the General Provisions on Social Assistance in Switzerland, which stipulates that "The CDB is authorised to check the progress of the project and control its accounts at any time. The CDB reserves the right to carry out, or have carried out by experts, evaluations or audits relating to the progress or financing of the project".

### 3. Audit objectives

Financial audits aim to ensure that the funds entrusted to the partner have been used in accordance with the funding agreement for the purpose for which they were intended.

If the auditors identify expenses that are not adequately documented, they must notify the Foundation as being subject to possible reimbursement. Taking into account the particular circumstances, the Foundation may demand reimbursement of the disputed amounts.

If an audit reveals weaknesses or shortcomings in the system, systems or procedures used by partner organisations to manage projects, these weaknesses or shortcomings will be the subject of recommendations addressed to the partner, which is obliged to respond with a statement of position and to remedy them if necessary. Serious, systematic or persistent shortcomings may result in the partner's accreditation being terminated.

### 4. Strategy and procedures for international aid

As stipulated in the General Provisions on International Aid (point 4), partner organisations are obliged to provide the Foundation with financial reports and external audit reports for completed projects, in accordance with the following conditions

#### 1. Types of audit

In principle, Swiss Solidarity requires an audit in accordance with ISA 805 (or similar), which verifies the validity and reliability of the financial information.

If the partner organisation has commissioned a broader institutional audit, which also covers other areas, the Foundation accepts this provided that the controls and assurances in accordance with ISA 805 are included.

#### 2. Choice of auditors

Auditors must be approved and registered as such by the competent authorities, be members of a local or international fiduciary board, be independent and free of any actual or potential conflicts of interest with the partner organisation and its beneficiaries, have demonstrable experience in examining not-for-profit organisations, and must work in accordance with international standards.

#### 3. Documentation required

Project audit reports must be accompanied by the auditor's management letter and, if a deficiency is identified, the partner organisation's response to the auditor's findings.

#### 4. Financing

Costs relating to project audits commissioned by partner organisations are eligible as project expenditure and may be included in the project budget.

#### 5. Swiss Solidarity checks

The project audits will be checked by Swiss Solidarity according to the following criteria. All or part of these checks can be delegated to an auditor or consultant:

- Existence of audits for all projects in accordance with the conditions defined above
- Compliance of local auditors with the conditions defined above
- If a letter of recommendation contains a statement of deficiencies, the partner organisation's response must be appropriate.

The files will be made available to the Swiss Solidarity auditor during his annual visit.

## 5. Strategy and procedure for social assistance in Switzerland

Social aid in Switzerland is provided by associations and foundations governed by Swiss private law. Before any funding is granted, the Foundation uses a questionnaire to check in particular that the organisation is recognised as being in the public interest, that it complies with the accounting standards in force and that its accounts are audited annually.

An external audit which checks the validity and reliability of the financial information must be commissioned by the financed organisation for all projects where the total Swiss Solidarity contribution amounts to more than CHF 300'000, unless the parties agree otherwise. The audit report must be submitted to the Foundation no later than 12 months after the end of the project. Any delay must be justified in writing to the Foundation's project manager.

### 1. Types of audit

In principle, the Foundation requires an audit in accordance with ISA 805 (or similar standards), which verifies the validity and reliability of the financial information.

### 2. Choice of auditor

The auditor (or chartered accountant) must be approved and registered as such by the relevant authorities, be independent and free of any actual or potential conflicts of interest with the organisation, partner and its beneficiaries, have demonstrable experience in reviewing not-for-profit organisations.

### 3. Documentation required

The project audit report must be accompanied by the auditor's management letter and, if a deficiency is identified, the partner organisation's response to the auditor's findings.