# Terms of Reference

**I. Introduction**

Ukrainian Helsinki Human Rights Union (hereinafter - the Organization) wishes to engage the services of an audit firm for the purpose of auditing the Organization for the period from **01.01.2016 to 31.03.2017, including** auditing of sub-grantees within 8 sub-grant agreements. The audit shall be carried out in accordance with international audit standards issued by IAASB[[1]](#footnote-1). The audit shall be carried out by an external, independent and qualified auditor (Approved Public Accountant/Authorized Public Accountant or equivalent).

**II. Objectives and scope of audit**

* to **express an audit opinion** on whether the organisation’s financial statements, specifically, Balance Sheet, Statement of Expenditure, Statement of Cash Flows, present fairly in all material respects, the financial position of the Organization  **for the period from 01.01.2016 to 31.03.2017** and its change in net assets for that period ;
* to **express an audit opinion** on the Report on the Receipt and Use of Funds for the period **1.01**.**2016 – 31.03.2017** under the Agreement with the Embassy of Sweden dated 23.04.2013, and the amendment dated 19.06.2014; on the above basis to summarize the findings on the Organization’s internal control issues and assess control risk and identify significant deficiencies, including material weaknesses, to the extent of the auditing procedures necessary for expressing the opinion on the financial statements;
* to evaluate the compliance of the organization with national tax laws and regulations;
* to evaluate compliance with the obligations in the Agreement between the Embassy of Sweden and the Organization. For this purpose, the auditor should be provided with a copy of the Agreement;
* provide information on all expenditures incurred during **1 January 2016 – 31 March 2017** with a monthly breakdown by the following categories:
* Permanently employed staff (based on the organization’s roster): first/last name/s, position held;
* Service providers/contractors (first/last name/s, types of services rendered);
* Physical persons, registered as private entrepreneurs (first/last name/s, types of services rendered);
* to state which measures have been taken as a result of previous audits and whether measures taken have been adequate to deal with reported shortcomings.
* to **express an audit opinion** on the Report on the Receipt and Use of Funds under the 8 Agreements between the Organisation and  **sub-grantee** Organizations;
* on the above basis to summarize the findings on all sub-grantees internal control issues and assess control risk and identify significant deficiencies, including material weaknesses, to the extent of the auditing procedures necessary for expressing the opinion;
* to evaluate the compliance of sub-grantees with national tax laws and regulations;
* to evaluate compliance with the obligations in above mentioned Agreements. For this purpose the auditor should be provided with  copies of above mentioned Agreements;
* to verify whether the organization makes documented assessments of the audited financial reports submitted to the organization and whether these reports are followed-up by the organization;
* provide information on all expenditures incurred during **1 January 2016 – 31 March 2017** with a monthly breakdown by the following categories:
* Permanently employed staff (based on the organization’s roster): first/last name/s, position held;
* Service providers/contractors (first/last name/s, types of services rendered);
* Physical persons, registered as private entrepreneurs (first/last name/s, types of services rendered);
* to state which measures have been taken as a result of previous audits and whether measures taken have been adequate to deal with reported shortcomings.

The audit is planned to be carried out by two stages:

* Audit of sub-grants in January 2017 (total costs for auditing is 1,507,741.78 UAH)
* Audit of the Organization in April 2017 (total costs for auditing will be under 50,000,000.00 UAH).

**II. The Reporting of the Auditor**

The Auditor should submit **a Management Letter** to the Organisation upon completion of the audit, which contains the auditor’s opinion and findings. The list of findings is not limited by the scope of work and the auditor is free to address further issues. The reporting shall contain details regarding used audit methodology and the scope of the audit. The auditor shall make recommendations to address any weaknesses identified. The recommendations should be presented in priority.

The Report should contain a composition of the Board and Supervisory Board.

The reporting shall contain an assurance that the audit was performed in accordance with IAASB international audit standards and by a qualified auditor.

The reporting shall contain the responsible auditor’s signature, title and the name of the audit firm.

The reporting shall be written in Ukrainian and English and be presented to the Organisation in two hard copies and one digital by **30.04.2016.**

**IV. Participation**

To participate in the tender a commercial proposal for conducting audit (in UAH, with the calculation of rate per hour) and copy of the registration in the Register of audit firms and auditors must be submitted. In particular, tender proposal shall include:

1. Letter of interest, stating company name, address, contact information (telephone, fax, e-mail, website address), full name of the contact. The letter should be signed and stamped;

2. The certificate/registration of an audit the company; certificate providing the right for audit activities;

3. Commercial offer in UAH (hourly cost of services) and contact information of the person authorized to answer questions regarding the competition proposal.

4. Documents confirming the company's work experience with non-profit organizations and experience of audit according to the ToRs (including copies of certificates confirming the qualification of auditors), and the audit plan.

Please submit the documents to the email address tenders@helsinki.org.ua. Please indicate the subject line as: Audit\_2016-2017 and available short name of the organization that submits its proposal.

The deadline for submitting proposals for the completion is 10 January 2017, 11.59 p.m. (EET). Applications submitted later shall not be considered.

The decision of the competition commission of NGO “Ukrainian Helsinki Human Rights Union” will be announced on 13 January 2017. All organizations that provided bids in the specified time, will be notified of the decision.

The audit should begin no later than 20 January 2017. The audit results should be presented to NGO “Ukrainian Helsinki Human Rights Union” no later than 30 April 2017.

Please submit your questions regarding the competition to the email address of the Financial Director of NGO “Ukrainian Helsinki Human Rights Union” lyudmyla.yelcheva@helsinki.org.ua

**V. Criteria**

E.g.: - years in operation;

- number of conducted audits;

- number of qualified auditors;

- experience in auditing of Ukrainian non-profitable, non-governmental organizations;

- must be registered with the national, legally recognized institute of registered auditing companies.

**V. Time frame**

Contracting of selected audit firm will be done by **16.01.2017.**

Contract implementation shall start not later than **20.01.2017.**

The report shall be presented by **30.04.2017.**

1. The International Auditing and Assurances Standards Board (IAASB) [↑](#footnote-ref-1)