

Tender for the procurement of external independent financial audit services in Ukraine

Due to new information stated below, the deadline of the tender has been extended until 15 May 22.00 Kyiv time.

Scope of audit: it's expected to audit approximately 70% of the project expenses of 2 million EUR.

All other terms and conditions of the tender retain their validity.

Hoffnungszeichen | Sign of Hope e.V. is announcing **an open tender procedure for external independent financial audit services in Ukraine.**

About the organisation

Hoffnungszeichen | Sign of Hope e.V. is a Christian motivated organisation for Human Rights, Humanitarian Assistance and Development Cooperation. Based in Constance, Germany, Sign of Hope is dedicated to helping those in distress and exploited people worldwide. In Ukraine, Sign of Hope (SoH) supports people in need through shelter, cash assistance, psycho-social support and other activities. More information about our activities can be found here: <https://www.hoffnungszeichen.de/english>

Purpose of the tender

Selection of independent subject to perform the audit of SoH's project in Ukraine in 2022.

The purpose of the audit is to provide SoH with a sound basis for its accountability, transparency and accuracy in the financial disclosure towards the funding agency, the German Federal Foreign Office (GFFO).

The audit will verify the compliance with standards of the funding agency GFFO, SoH, national regulations and the international accounting standards by reviewing the project's financial documents, receipts, records of transactions, all vouchers and receipts disbursed, and other relevant project documents. The selected auditor will present a professional, independent assessment of the financial accounting of the "Emergency Response Project for IDP's in Ukraine and Ukrainian Refugees in Slovakia" for all funds received and expended by selected partners from June 2022 – April 2023.

The audit must be conducted in accordance with the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB), by an external auditor (audit firm) which has experience in conducting audits of the projects implemented by non-government organisations in Ukraine, is independent and qualified.

Period of service delivery

The audit should start in June 2023. The audit report must be submitted to SoH no later than July 2023 (the exact timeframe will be discussed with the winner of the tender).

Application deadline: 10 May 2023, 22.00 EET (Kyiv time)

Information for Auditing

- **Project name:** Emergency Response Project for IDPs in Ukraine and Ukrainian Refugees in Slovakia
- **Project Donor:** German Federal Foreign Office (GFFO)
- **Budget subjected to auditing in Ukraine:** app. 2 million EUR
- **Project location:** Ukraine (Kyiv, Ivano-Frankivsk)
- **Project implementation period:** June/2022 – March/2023

Language of the proposal and audit

The Proposal and all correspondence and documents relating to the Proposal exchanged by the bidders and Sign of Hope shall be written in English.

Proposal currency

All prices shall be quoted in both UAH and EUR.

Period of Validity of Proposals

Proposals shall remain valid for 90 days after the date of Proposal submission indicated in above.

TERMS OF REFERENCE

The technical proposal to be submitted shall include the below information:

1. The requirements for the auditor:

- The audit firm is familiar with International Auditing Standards (ISA 800/805 & ISAE 3000 / ISRS 4400)
- Experience in auditing INGO projects/public funds in Ukraine
- Experience in auditing projects funded by the German public donors is an asset
- To be a member of the Audit Chamber of Ukraine
- Understanding of the audit requirements
- Understanding the deliverable of the requirements
- Human resources arrangements (meet requirements capacity-wise and fit with the timeline plan)
- Team leader / Team member hold CPA, or ACCA, CFA of MBA qualification and experience with audit of NGO projects/public funds.

2. Expected outcome of works and services:

- Upon completion of the audit, the auditor must provide a Management Letter containing the auditor's conclusion and all the results of the audit. The Letter should contain details about the audit, the methodology used and the scope of the audit, as well as a list of all identified inconsistencies and shortcomings. The auditor should provide recommendations to address any identified deficiencies. Recommendations should be presented in order of priority.
- Upon completion of the audit, the auditor must provide an Audit Report, which will indicate the auditor's opinion on the use of funds according to the requirements above.

The audit should include, but should not be limited to, the following audit and control measures:

- Checking the accounting records for regularity, correctness and completeness, they must show all income and expenditure relating to the project activities and confirm that supporting documents exist and are correct for all income and expenditure.
- Checking the financial reports, showing all project related income and expenditure structured by budget lines.
- Checking the management of the funds made available, which includes the transfer of project funds, all interest earned from the project funds during the reporting period and further income generated by the project.
- Verification of the extent to which the financial resources are in line with the planned project objectives and measures.
- Verification of the economic efficiency of expenditure (to be used sparingly and financial resources to be used as effectively as possible).
- Checking personnel costs with regard to the law in Ukraine, in particular compliance with the contracts, legal payment of the corresponding funds and local comparability.
- Control of economical use of the project equipment and assets.
- Control of the procured inventory, its whereabouts and its appropriate use.
- Verification and confirmation of the completeness & correctness of project-relevant documents.
- Verification of compliance with all agreements (contracts, financial SOPs of SoH, Partnership Agreement, Procurement Regulations of the GFFO).

As a minimum requirement, the final report shall contain the following:

“We hereby confirm that we have audited the accounts of the [name of the project partner] for the financing of the project [name] on the basis of the following conditions of use: [List of the relevant orders and documents]. We have inspected the books and documents for this purpose. Our audit led to the following result: ...”.

The auditor will plan, develop and perform all necessary audit procedures independently, assess identified risks and deficiencies, based on their own experience and the International Standards on Auditing. The list of results is not limited to the list of works defined above, and the auditor may also highlight other issues.

Project partners in Ukraine oblige to provide the auditor with access to all the information and documents relevant to their activities and financial reporting and to provide all the necessary explanations, including those in writing.

Application process

This is an open tender procedure. All interested bidders are requested to submit their Proposal in electronic form only, to the email address ukraine@sign-of-hope.org with the subject line ‘**GFFO PROJECT AUDIT UKRAINE**’ on or before **10 May 2023, 22.00 EET (Kyiv time)**. Bids received after deadline will not be considered. If offers are incomplete, bidders may be able to hand in missing documents within a deadline upon request by SoH.

The Proposal should include the following documents:

- Technical Proposal (as per Terms of Reference above), including approach and methodology to be used
- Financial proposal, including professional fee (including tax) and payment terms (in EUR and UAH).
- Certificate of experience in conducting external independent financial audit.
- Other documents confirming the right to carry out the relevant activity (e.g. company registration).
- A reference list of three previous clients (not older than 5 years).
- Timeframe of the planned auditing with finishing date no later than early July.

Additional information

- The provided document scans must be legible and of high quality.
- The bidder is responsible for the accuracy of the information provided in their proposal.
- The auditor will be responsible to set up a schedule in agreement with the local project partners. Expenses for traveling, postal and other expenses shall be included in the auditor's proposal.
- All payments of the contract will be made directly by Hoffnungszeichen | Sign of Hope e.V.

The period for selection of the winner: within 10 business days from the application deadline, with the possibility of extending this period if necessary to clarify the information contained in the proposals in writing.

Tender results: will be communicated to all participants no later than 5 business days from the date of the decision on the winner by sending an email to the bidders. The winner of the tender will be sent a corresponding email within 5 business days from the moment when such a winner is selected. In case two or more bidders achieve the same number of points, lots will be drawn.

SoH reserves the right to request additional materials or information from bidders confirming compliance with certain provisions of the proposal. Bidders agree that SoH does not return materials submitted at any stage of the tender.

The audit agreement will be set up by Hoffnungszeichen | Sign of Hope e.V. The agreement set by auditors won't be accepted.

In case of any clarifications write to ukraine@sign-of-hope.org

Criteria and weighting for the evaluation of the submitted proposals:

1. Financial Proposal (fee): 50%
2. Experience in conducting external independent financial audit for international non-government organisations in Ukraine: 40%
3. Experience in conducting external independent financial audit for international non-government organisations having a GFFO donor: 5%
4. Capacities to carry out the audit and finalize the reporting within the set timeframe, by July 2023 at the latest: 5%