**Terms of Reference for recruitment of an accounting and financial audit firm**

**Introduction**

The Association for the Promotion of the Right to Be Different (ADD), with support from Hivos, is facilitating the Free to Be Me program in Tunisia. Free to Be Me is a multi-year program that aim to bring together organizations and individuals who will help advance LGBTQI+ leadership in social and economic advocacy and create an alliance of experienced organizations with a strong commitment to improving the lives of LGBTQI+ people in Tunisia through a community of action (CoA). As part of this project ADD will appoint an accounting office.

**Objectives and scope of the consultancy**

The overall objective of the financial and accounting audit is to give a true and professional external impression of the project's financial situation, and to ensure that the funds made available to the project are being properly used to achieve its development objectives. In addition, particular emphasis should be placed on the following points:

- The net position resulting from project financing.

- The resources made available to the project and their use for the activities for which they were granted, with a view to achieving the project's development objectives.

- Compliance of the project's financial execution with the recommendations of the financing agreement.

- Financial statements prepared and prepared in such a way as to account for the project's financial transactions.

**Specific objectives**

The firm to be selected is invited to submit a financial and accounting audit report containing the following elements:

- Assessment of financial achievements in relation to the project's financial objectives.

- Assessment of financial statements reflecting the project's financial transactions.

- Assessment of the project's internal financial and accounting system.

- Establishment of a global statement of resources (by account, by activity, etc.).

- Preparation of notes on the financial statements,

**Qualifications and skills**

The consultant must be an independent firm of auditors and chartered accountants, specializing in auditing, and regularly registered with the internationally recognized Ordre des Experts-Comptables. In addition, it must demonstrate knowledge of International Standards on Related Services (ISRS) 4400, as well as ISA 800 and 805. In addition, the consultant must demonstrate experience of at least three similar assignments in the last five years.

Key personnel must include at least:

- A Head of Mission, a Chartered Accountant with at least five (05) years' experience in financial auditing and a good knowledge of fiduciary management procedures and audits of development projects financed by international donors. He/she must have completed at least three (03) similar assignments.

- A Senior Auditor with at least a Bac+4 degree in auditing, management, finance, or accounting, and at least three (03) years' experience in financial and accounting auditing of development projects.

**Deliverables**

The firm will submit to the DDA:

a) A preliminary report in English and French: will be delivered in digital format within thirty (30) days from the start date of the services. This report will be submitted for validation. The revised report must be submitted to the DDA within fifteen (15) days.

b) A final report in English and French: will be submitted in digital format and in 5 hard copies within seven (7) days of the date of notification of comments from the RDA and the Lessor (HIVOS).

In addition to the audit report on the financial statements, the auditor will prepare an internal control letter which will include:

a) Comments and observations on the accounting records, systems and controls examined during the audit.

b) Deficiencies in the internal control system and recommendations for improvement.

c) The degree of compliance with each financial commitment contained in the funding agreement and comments if necessary on external and internal problems affecting this compliance;

d) Any communication problems identified during the audit that are likely to have a significant impact on project implementation.

e) Comments on the resolution of anomalies and reservations.

f) Comments on outstanding recommendations from previous audit reports.

g) Comments on any other anomalies that the auditor considers relevant, including ineligible expenditure.

h) The minimum reliability level for audit purposes is 95%. The auditor will plan and conduct the audit to obtain reasonable assurance that the accounts contain no material misstatements or uncertainties.

Because of this level of reliability, the type of audit opinion will be determined by the following materiality levels, based on the amount funded.

Ideally, the internal control letter should include the implementing entities' responses to the deficiencies identified by the auditor.

**How to apply?**

Consultants wishing to submit a bid are invited to send the following documents:

* A brief presentation of their company together with supporting references.
* The company's specific experience in the field related to the subject of these Terms of Reference.
* CVs and supporting documents for the team of consultants.
* Financial proposal for the audit, covering two distinct periods:
* Period from 01/09/2022 to 31/08/2023:

Full audit for a period of one year.

Proposed amount: 200,000 dinars.

Period from 01/09/2022 to 31/12/2022:

Partial audit for a period of four months.

Proposed amount: 40,000 dinars.

Total expenditure for the two audits amounts to 240,000 dinars. This proposal takes into account all the services required to ensure a complete and accurate assessment of the specified period. We remain at your disposal for any clarification or possible adjustment. The appendix below, which must be completed.

Please submit before December 25, 2023, to the following email addresses: droit.difference@gmail.com

financeadd123@gmail.com

# DETAILS OF AUDIT FIRM

The organization declares that audit of the financial report(s) under this contract shall be carried out by the following external, independent and qualified auditor (an Approved Public Accountant, Authorized Public Accountant or equivalent). To be approved by Hivos.

Name of audit firm :

Address :

Place :

Country :

The firm / auditor is registered as:

* Approved Public Accountant
* Authorized Public Accountant
* Other, namely:

Name Partner organisation :

Contract Reference :

Name :

Date :

Signature :

*Please return this completed and signed form to Hivos.*

*Please also report a change in auditor during the contract period in the same way.*

Approval by Hivos:

Name:

Date:

Signature: