

## Terms of Reference

### I. Introduction

GURT Resource Center (hereinafter - the Organization) wishes to engage the services of an audit firm for the purpose of auditing the Organization for the period from **01.01.2018 to 31.12.2018**. The audit shall be carried out in accordance with international audit standards issued by IAASB<sup>1</sup>. 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 as of **31.12.2018** and its change in net assets for the year then ended;
- The general purpose financial statements (see above) shall include a Note outlining flows of donors' funds during 2017 per each projects and in total (balances at the beginning of the period; total funds received; total expenditures incurred; balances at the end of the period).
- to **express an audit opinion** on the Report on the Receipt and Use of Funds for the period **01.01.2018 – 31.12.2018** under the Agreement with the Embassy of Sweden dated 01.11.2016. The Report shall present the following information (EUR): budgeted amount, amount of spent funds, unspent balance. The report shall also state the amount of received funds (in EUR) and unspent balance;
- 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 of the Organization with the terms of the Agreement signed with the Embassy of Sweden in Ukraine on 01.11.2016, prepared in accordance with the International Standard on Assurance Engagements 3000. The auditor shall receive a copy of the Agreement;
- to review the Special Purpose Statement of Receipts, Expenditures of Donors' Funds and Funds balance (the Special Purpose Statement) conducted in accordance with the International Standard on Review Engagements 2400.

The objective of the review is to provide a moderate level of assurance that the Special Purpose Statements, prepared on a cash basis, for 2018 are free from material misstatements.

The Special Purpose Statements shall provide the following information:

1. *Statements* on the flow of donor funds in the projects implemented by the Organization during 2018 (balance at the beginning of the period; total funds received; total expenditures incurred; balance at the end of the period);

2. *Note* to the Statements on the flow of donor funds (the template is provided in Annex A), outlining monthly expenditures incurred by the Organization during FY 2018 with a breakdown by type of agreement:

- 1) *Labor agreements (employed staff* based on the organization's staff schedule, indicating: first/last name/s, position held, full /part-time);

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<sup>1</sup> The International Auditing and Assurances Standards Board (IAASB)

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2) *Non-labor agreements:*

2.1 *Civil-law agreements on provision/performance of services/works concluded with physical persons (indicating first/last name/s, types of services rendered)*

2.2 *Agreements on provision/performance of services/works concluded with private entrepreneurs (indicating first/last name/s, types of services rendered)*

2.3 *Intellectual property rights agreement/ Copyright agreements*

2.4 *Legal entities*

2.5 *Other types of payments.*

- check whether the organization specifies in the payment order which project (donor) costs refer to;
- check whether the agreements with private entrepreneurs and / or its annexes include a detailed description of the assignment (topic, scope of work, rate etc), source of financing and whether a clear definition of the assignment (topic, scope of work, rate per hour) is indicated in each act of performed works / services;
- check whether the civil law agreements with physical persons and / or its annexes include a detailed description of the assignment (topic, scope of work, rate etc) and source of financing;
- 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 in March 2019.

## II. The Reporting of the Auditor

The Auditor should submit a **Management Letter** to the Organization 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 auditors must determine if the Organization has taken adequate corrective action on prior audits recommendations, review and briefly describe the status of actions taken on findings and recommendations reported in prior audits of the Organization.

The Report should contain a composition of the Board and Supervisory Board (including first / last name).

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 company.

The reporting shall be written in Ukrainian and English and be presented to the Organisation in three hard copies and one digital by **14 March 2019**.

## III. Participation

The auditor must be completely impartial and independent from all aspects of management or financial interests in the Organization. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial, family, close business relationships or any other connection or shared interest with any senior participant in the management of the Organization. In this aspect, the Organization asks the auditor to disclose any relationship that might possibly compromise his/her independence.

## ДОДАТОК 1. Технічне завдання та критерії оцінки заявок учасників тендеру

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. Understanding of the scope of audit work to be performed;
4. Commercial offer in UAH (hourly cost of services) and contact information of the person authorized to answer questions regarding the competition proposal.
5. 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 of "GURT Resource Center" [tenders@gurt.org.ua](mailto:tenders@gurt.org.ua). Please indicate the subject line as: Audit\_2018 and available short name of the organization that submits its proposal.

The deadline for submitting proposals for the completion is **25 January 2019, 18.00 (EET)**. Applications submitted later shall not be considered.

The decision of the competition commission of NGO "GURT Resource Center" will be announced no later than **08 February 2019**. All organizations that provided bids in the specified time, will be notified of the decision.

The audit should begin no later than **04 March 2019**. The audit results should be presented to NGO "GURT Resource Center" no later than **14 March 2019**.

Please submit your questions regarding the competition to e-mail: [tenders@gurt.org.ua](mailto:tenders@gurt.org.ua) before **17 January 2018**.

### IV. Criteria

- Valid registration of audit firm as a legal entity under legislation of Ukraine;
- The company's proven experience in auditing grants; purpose charitable donations/contributions;
- Qualification of the engagement team;
- Audit fee and readiness to negotiate a discount; disclosure of details behind the audit fee calculation. Rate per hour shall be indicated.

### V. List of documents to be submitted along with the Proposal

- Copy of Extract of the State Register of Legal Entities;
- Copy of valid Certificate on enrolment to the register of audit firms, issued by the Audit Chamber of Ukraine;
- General information about the audit company's experience in auditing the purpose usage of funds by non-profit organizations; including recommendations from 3 clients, issued not earlier than 2016.
- Data on the general number of qualified staff, seniors and managers to fulfill the set task, copies of auditors' certificates, as well as CVs of the engagement team and copies of professional education certificates (if any).

### VI. Time frame

Contracting of selected audit firm will be done by **22.02.2019**.

Contract implementation shall start not later than **04.03.2019**.

The report shall be presented by **14.03.2019**.

## ДОДАТОК 1. Технічне завдання та критерії оцінки заявок учасників тендеру

## Annex A: Template for the breakdown of expenditures in Note to the Statements on the flow of donor funds

<b>1. Payments to staff employees from 01.01.XX to 31.12.XX</b>				
	SIDA (55070100)	Donor name	Donor name	Subtotal (all donors), UAH
<b>Full Name – position, full / part-time</b>				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Subtotal, UAH</b>				
<b>Total for the category, UAH</b>				
<b>2. Payments to physical persons under civil law agreements from 01.01.XX to 31.12.XX</b>				
	SIDA (55070100)	Donor name	Donor name	Subtotal (all donors), UAH
<b>Full Name/Contractor's Title – type of services</b>				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Subtotal, UAH</b>				
<b>Total for the category, UAH</b>				
<b>3. Payments to private entrepreneurs from 01.01.XX to 31.12.XX</b>				
	SIDA (55070100)	Donor name	Donor name	Subtotal (all donors), UAH
<b>Full Name/Contractor's Title – type of services</b>				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Subtotal, UAH</b>				
<b>Total for the category, UAH</b>				

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<b>4. Payments under intellectual property agreements from 01.01.XX to 31.12.XX</b>				
	SIDA (55070100)	Donor name	Donor name	Subtotal (all donors), UAH
<b>Full Name/Contractor's Title – type of services</b>				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Subtotal, UAH</b>				
<b>Total for the category, UAH</b>				
<b>5. Payments to legal entities from 01.01.XX to 31.12.XX</b>				
	SIDA (55070100)	Donor name	Donor name	Subtotal (all donors), UAH
<b>Full Name/Contractor's Title – type of services</b>				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Subtotal, UAH</b>				
<b>Total for the category, UAH</b>				
<b>6. Other types of payments from 01.01.XX to 31.12.XX</b>				
	SIDA (55070100)	Donor name	Donor name	Subtotal (all donors), UAH
<b>Full Name/Contractor's Title – type of services</b>				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Subtotal, UAH</b>				
<b>Total for the category, UAH</b>				

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<b>Grand total, UAH</b>				
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