TERMS OF REFERENCE
FOR EXTERNAL AUDITOR/AUDITING COMPANY

Projects supported by the Swedish Government/Sweden under the Core Funding to AWEN Strategic Plan 2023-2027.

I. Introduction

The Albanian Women Empowerment Network (AWEN) works in the field of protection of human rights, in particular of the rights of women and girls. The main aim of the network is the social, economic, cultural and political empowerment of Albanian women. The network already functions on the basis of a well-defined mission, a board of directors and a strategic plan and budget.

The network consists of 10 organizations, which are located in all districts of Albania from north to south, specifically:

"Agritra Vision", Peshkopi

- "Gender Alliance for Development Centre", Tirana
- "Counseling Line for Girls and Women" (CLWG), Tirana
- "Jona", Sarande
- "Me, the Woman", Pogradec
- "Social Centre for Women and Girls", Durres
- "The Psycho - Social Centre "Vatra", Vlora
- "Woman's Forum", Elbasan,
- "Woman to Woman", Shkoder,
- "Center for Legal Civic Initiatives", Tirana

II. Background Information

AWEN's member organizations and the network itself have benefited during this year from the support of the *Swedish Government*. Sweden provides core funding to AWEN Strategic Plan 2023-2027 and AWEN in turn forwards funding to its members in line with the Strategic Plan and Annual Plan of Actions and budgets. Sweden requires auditing of all forwarded funds to implementing partners which in this case are 9 of AWEN members listed above (Gender Alliance for Development is not receiving Sweden funds).

Albanian Women Empowerment Network/AWEN wishes to engage the services of an audit firm for the purpose of auditing as stipulated in the agreement between AWEN and Sweden regarding *Financial Support of AWEN members for implementation of projects – in total 9 projects supported.*

The audit shall be carried out in accordance with international audit standards issued by IAASB[1].The audit shall be carried out by an external, independent and qualified auditor (Approved Public Accountant/Authorized Public Accountant or equivalent).

III. Period covered by the assignment

The audit should cover the annual period of 1st of May, 2023 to 31st of December, 2023 for nine organizations, members of AWEN network in Albania.

IV. Objectives of the Audit

The objective is to audit the Financial Reports for the period from 1st of May, 2023 to 31st of December, 2023 and to express an audit opinion according to ISA 800/805 and ISRS 4400 on whether the financial reports are in accordance with the agreement between the organization and AWEN and Sida's requirements for financial reporting as stipulated in the agreement including appendices between Sida and AWEN.

V. Scope of the audit

The audit of the organization project will be carried out in accordance with International Standards of Auditing (ISA) issued by IAASB. The auditors will comment on their accounting principles used for the preparation of the financial report and if they were consistently applied.

The Additional assignment according to agreed upon procedures ISRS 4400 (Revised) will include a review in the following areas in accordance with the Terms of Reference below.

Mandatory procedures:

1. The financial report is structured in a way that allows for direct comparison with the latest approved budget.
2. The financial report provides information regarding:

[1] The International Auditing and Assurances Standards Board (IAASB)

a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.

b) When applicable, compare if the opening fund balance for the reporting period matches with what was stated as closing fund balance in the previous reporting period.

c) A disclosure of exchange gains/losses. Inquire and confirm whether the disclosure includes the entire chain of currency exchange from Sida's disbursement to the handling of the project/programme within the organization in local currency/is, if applicable.

d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).

3. a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.

   Choose a sample of three individuals for three different months and:

   b) Inquire and inspect whether there are supporting documentation for debited salary costs.

   c) Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.

   d) Inspect whether the organization comply with applicable tax legislation with regard to personal income taxes (PAYE[2]) and social security fees.

   e) Review and confirm that the Cooperation partner screens IP's and/or suppliers to ensure that such parties are not subject to the European Union's financial sanctions list of persons, groups and organisations (EU Sanctions list).

4. a) Inspect and confirm that the unspent fund balance (according to the financial report) at the end of

   the financial year is in line with information provided in the accounting system and/or bank account.

   b) *Applicable the final year*: Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to Sida.

5. Inspect and confirm whether the organization have signed agreement with AWEN.

6. Inspect and confirm whether the organization, in the agreement with AWEN, implemented the requirements to carry out annual audits.

7. **Applicable the final year:** Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to Sida.

[2] Pay as You Earn

VI. Audit Report

The audit report will comprise of:

Reporting from the ISA assignment

- The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated. The financial report that has been the subject of the audit shall be attached to the audit report.

Reporting from the ISRS 4400 assignment

- The additional assignment according to agreed upon procedures ISRS 4400 under section II, shall be reported separately in an "Agreed-upon procedures report". Performed procedures should be described and the findings should be reported in accordance with the requirements in the International Standard on Related Services 4400.

  When applicable, the sample size shall be stated in the report.

VII. Management Letter

In addition to the audit report, the auditors will also include a Management Letter that discloses all audit findings, as well as weaknesses identified during the audit process. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order and with a risk classification.

Measures taken by the organizations and AWEN to address weaknesses identified in previous audits shall also be presented in the Management Letter.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

VIII. Timeline

The submission of the Final Audit Report and Management letter and will be on 24 May, 2024.

IX. General Information

9.1 The auditors will be given access to all legal documents, correspondence and any other information associated with the projects and consider necessary by them.

9.2 It is recommended that the auditors become familiar with the following documents:

- The Grant Agreement between Sida and AWEN including annexes
- The Grant Agreement between the organization and AWEN including annexes
- All other relevant documents as presented by the organization upon request of the audit.

X. Application Process

Interested candidates must include in their application the following documents:

1. Background information on the audit firm: details of firm's experience in providing auditing services to companies in the not-for-profit sector, especially international organizations
2. Firm's registration details with relevant regulatory authorities
3. Provide names and resumes of key personnel that will conduct the audit.
4. Include estimated time required on-site to complete the services.
5. Fee proposal to complete the services outlined in this request (including VAT).

The proposals should be submitted within February 27, 2024 to the following:

Email: rezarta.qerimi@awenetwork.org;

cc: info@awenetwork.org;

cc: ines.leskaj@awenetwork.org