

Terms of Reference for Consultancy: Audit

Background

The “Strengthening Resilience of Disaster Affected Communities through Durable Solutions in Oromia and Somali Regions of Ethiopia” is a joint project being implemented by IOM, UNHABITAT and FAO. The project receives joint funding from SDC and SIDA with an implementation period spanning from November 2022 to October 2026.

The overall goal of the project is to contribute to durable solutions through improved conditions for sustainable socio-economic recovery and peaceful co-existence of the Displacement Affected Communities (DAC) with particular attention to most vulnerable groups while strengthening local government capacity in responding to the needs of internal displacement.

The implementation of the project envisions four results:

Outcome 1: Target communities are supported to voluntary return, relocation/resettlement, and (re)integrate through the implementation of community-based planning and multi-sectoral recovery interventions aimed at building community cohesion and resilience.

Outcome 2: Enhanced economic status of the vulnerable members in the displacement-affected communities through facilitated opportunities for livelihood diversification options through on- and off-farm interventions and increased access to finance.

Outcome 3: Strengthened area level spatial planning to ensure sustainable re-integration of DAC for improved access to HLP.

Outcome 4: The Government’s capacity in mainstreaming durable solutions in its programs is enhanced.

Object of the audit:

Based on the agreement with the project donors two audit exercises are expected to be conducted in the project period. The first audit report is expected to be submitted to the donors on May 31st, 2024, encompassing the time from the beginning of the project i.e. November 2023 to December 2023.

The audit will be conducted considering the progress of the project and financial documents related to it. The audit shall be carried out by an external, independent, and qualified auditor (Certified Public Accountant/Authorized Public Accountant).

I. Objectives and scope of the audit

- Audit the Financial report for period from November 1 2022] to December 31st 2023, as submitted to the donor and express an audit opinion whether the financial report of the

activity submitted to the donor is in accordance with IOM, UNH and FAO's accounting records and agreed budget.

- Examine, assess, and report on compliance with the terms and conditions of the agreement and applicable laws and regulations.
- The auditor shall examine on a test basis that there is supporting documentation related to reported expenditure. The size of the test shall be based on the auditor's risk analysis and that should be stated in the report. The auditor shall report the identified amount in case there is any missing supporting documentation.
- The auditor shall submit an audit management letter after review of the draft by IOM Country Office, which shall contain the audit findings made during the audit process.

I. Required Documents

As part of the bid document the firm needs to attach the following:

- Renewed professional license
- Renewed business license
- Tax identification number and value added tax certificate
- Organization profile including evidence of experience (i.e., past performance) in auditing of similar organizations for Authority for Civil Society Organizations requirement purpose.
- Registered Certified Chartered Accountants/Certificate of professional competence.
- Details of staff assigned to perform the audit activities including experience and qualification.
- A schedule or detailed audit plan that includes expected audit start and completion date

II. Outcome of the Audit

- An audit report that contains details regarding the audit methodology and the scope of the audit.
- The report shall contain an assurance that the audit was performed in accordance with international standards and by a qualified auditor.
- The report shall contain the responsible auditor's signature (not just the audit firm) and title.
- The auditor shall make recommendations to address any weaknesses identified. The recommendations should be presented in priority.