

Call for Quotation

Annual audit service for

Magyarországi Terre des hommes Alapítvány « Lausanne »

Location: Budapest, Hungary

Requested services: annual audit

Contract: Service contract

Contact: hun.financeadmin@tdh.ch

Application deadline: 2021.11.25.

WHAT WE DO

Terre des hommes (Tdh) is the leading Swiss child relief agency. Founded in 1960, we are committed to improving the lives of millions of the world's most vulnerable children. Through our innovative protection and health projects, we provide assistance to over four million children and their families in over forty countries each year.

Magyarországi Terre des hommes Alapítvány "Lausanne" (Tdh Hungary) was established in 2006. As Regional Office we have close collaboration with European countries like Albania, Greece, Kosovo, Moldova, Romania and Ukraine.

We conduct research and create opportunities for professional development in the field of child protection. Our Child Protection Hub empowers thousands of child protection specialists to collaborate, learn and advocate together, with a common aim to positively impact the lives of children in Southeast Europe. We are also setting up a FabLab in Hungary, where disadvantaged groups will have access to tailor-made services. By using this innovative environment of creation and skill-building, various actors will interact and work together with disadvantaged children and youth to enable their integration and development.

Through research, training of professionals, raising awareness and advocacy, we promote child-friendly practices for children in contact with the justice system. Together with our partners, we encourage states to use non-custodial measures for children in conflict with the law and advocate for the development of services and implementation of programmes to prevent delinquency and re-offending. We focus on restorative justice and diversion for arrested or suspected children.

Terms of Reference

1) Term of reference for local auditors

Main demands to the local auditors:

The audit financial report should be based on the Tdh accounting system (Saga) audit report and by currency in used. In accordance with the standards of accounting practices, only the transactions made by the Delegation and Projects run by Tdh in the country where the audit is taking place, should be taken into consideration for audit purpose, including the transactions made for donors.

If the country auditor wants to get a reconciled/consolidated financial report in the country currency, it should be prepared and finalised by them.

Audit for Government or any other institutions, if they are necessary, should be a totally separated document from the Tdh audit report.

A Recommendation/Management letter should be part of the report to be delivered.

If there are any specific instructions coming from Terre des hommes Head quarter auditor, those should be dealt specifically and sent directly to the Head quarter auditor. In any case, the main requests from Terre des hommes should be met separately and sent to the Terre des hommes Delegation country office. (Financial audit report, financial statements certified, audit questionnaire, Recommendation/Management letter and letter of integrity.)

The local auditor should send the list of specific audit tasks and demands that should be performed during the physical audit control to the Terre des hommes delegation country office at least 1 month prior to the start of the physical audit control.

The auditor should prepare at minima the following auditor reports

1. **A Financial Statements and Auditor's Report.** The auditor report must include the audit opinion. The Financial statements must show, currency by currency used in the country organization accounts, a clear picture of the country organization financial position. If the auditor wants to add in the country currency a reconciled/consolidated financial statement, this one should come in parallel.
2. **The Tdh Questionnaire including a risk assessment part:** the auditor should fill the Tdh's format at disposal.
3. **An audit Management letter report:** Answers to the points raised in the Management letter from the Tdh's country management must be part of the report.
4. **The Saga Tdh accounting system audit reports:** to be certified currency by currency by the auditor.
5. **Debriefing:** At the end of the audit process, an audit debriefing is done between the client senior team and the auditor senior team. The goal is to discuss the points of importance and to share the best way to improve the quality of the work. A client HQ representative should as much as possible be present.
6. **The following annexes must at minima be included with the auditor reports:**
 - a. A Management representation letter of Terre des hommes: signed by
 - b. An annexed list of all donations in kind received in-country by the organisation: valued as per the standard rules used in the country

- c. An annexed list of all the fix assets purchased by the organisation in the country: valued and depreciated as per the standard rules used in the country

1.1) General controls: Control by random sampling

1. Verification of the existence of the signed and written contractual agreements with partner organisations.
2. Verification of the Tdh HQ and local donors' funds received for the project.
3. Verification that goods purchased with allocated funds are utilised within the foreseen objectives and are still available or have been ceded/sold in conformity with the methods defined in the respective procedures defined by head office and/or by the donors' pre-requirements.
4. For all "self-implemented projects": verification of expenditures through examination of supporting documents, or confirmation or combination of those procedures.
5. For other projects: verification and review of the audited financial statement of the implementing partner organisation. If there are no audited financial statements, verify the project expense reports from the implementing partner per project.
6. Verification of the office expenditures (salaries, office rent, travel expenses, allowances, social security benefits, etc.) through the examination of supporting documents, or with confirmation or a combination of those procedures.
7. Verification that local contracts (employment contracts, renting contracts and consultant contracts) are in conformity with the local legislation currently in force.
8. Identification and evaluation of risks, litigation and provision. Please disclose your findings on the final yearly audit report.
9. Verification of the management procedures relative to the various transactions and the application thereof. In particular, verification of the repartition of competences and responsibilities (commitments, posting of expenditures, reconciliation of cash, etc.), judging their efficiency, signaling discovered weaknesses. Prepared check list, showing each actor in the activities.
10. Follow-up of unverified expenditure and/or with no correct validation.

1.2) Verification of project transactions under the following aspects:

1. Conformity of expenditure authorisations and validity of the supporting documents.
2. Arithmetic correctness of the accounts, supporting documents and financial statements.
3. Exactness of the bookkeeping entries.
4. Allocation of expenditures in conformity with the budgets.
5. Control of the local contracts, to make sure they are in accordance with the local legislation in force.
6. Control of advances, accrued/provisions, payables/receivables, and project terminations
7. Allocation of expenditures in conformity with donor contracts
8. After discussion and approval with the Tdh local authorities, any other verification that the auditor may consider useful in the execution of his mandate.

1.3) Economical conduct business – assessment of the following areas/measures:

1. Procurement Process: verification of the existence and respect of the purchasing procedures.
2. Collaboration with local experts (legal, tax, etc.)
3. Verification that local contracts are in conformity with local legislation currently in force

1.4) Specific audit work with local partnerships – Liaison office – related to:

1. Verification of the existence and respect of the Tdh head office instructions. How his process works? Controls functioning?
2. Selection process of the partner whether the partner is compatible and likely to be trustworthy for Tdh (program management, performance framework, procurement & financials and additional conditions, reporting) etc.
3. In relation with the agreement(s): The general terms and conditions on which the funds are made available, including how and when they are disbursed, procurement requirements that are applicable and the program / financial reporting that the partner must fulfil, etc.
4. Disbursements and control processes. The reviews of the progress update and disbursement request. Who reviews the budget (expenditure and cash balance), indicators (monitoring & evaluation and procurement) and performs a contextual review. The controls done by the Country team and the controls done by the controllers in the Lausanne team.

1.5) Final controls:

1. Verification that all corrections required from any previous audit has been carried out.
2. Verification of the vehicle logbook and verification that possible private use of vehicles has been invoiced and paid.
3. Reconciliation of bank + Cash and accounting balances
4. Verification of the Saga audit report by currency and to certify each.
5. The Tdh HQ questionnaire should be filled by the auditor and signed by both parties.
6. The Recommendation/Management letter should include the answer of the management of the Delegation for each point raise.

1.6) Specific request for the group auditor :

1. Provide a description of audit work regarding cash.
2. Provide a description of audit work regarding charges.
3. Provide a description of audit work regarding cut-off testing including the method of sampling used and the number of items tested.

1.7) Deadlines for the audit :

1. 2022.01.27: Start of audit procedure
2. 2022.02.21: Reception of the draft audit report
3. 2022.02.28: Reception of the final audit report

1.8) How to apply:

All qualified companies are strongly encouraged to apply and to submit the following documents to **hun.financeadmin@tdh.ch**:

- Certificate of Registration
- Certificate of Fiscal Number
- Certificate of VAT
- Curriculum Vitae's
- Certification of the Auditing
- References on Audit Services
- Financial offer for the Annual Audit of Terre des hommes with all taxes included
- Timeline

1.9) Place of auditing process to be carried out:

The Audit will be carried out in the office of Tdh Delegation in Hungary, Bem rakpart 50., T/1, Budapest, 1027.

The auditor shall adequately plan the audit well in advance of the work and ensure the execution of the audit process of highest professional quality in an economical and efficient manner and within the agreed timetable.

For planning purpose, the auditor should consider the amount of expenses between 700.000.000 HUF to 850.000.000 HUF incurred during the year 2021.

Application for this service will be open from 11th of November 2021 until 25th of November 2021. Please include **“Call for Quotation - Annual Audit of Terre des hommes”** in the subject line.

Please note that applications received after the deadline will not be considered.

Please note that only short-listed applications will be contacted.