



## Terms of References for External Auditors – OC 1 yearly audit

Concerning the performance of audit of accounts that includes activities funded by the Education at Loud project

1. The auditor shall be appointed by the administrator of the organisation following a strict procurement process assuring that competitive and independent quotations were obtained.
2. The auditor must be a chartered accountant or poses a similar education and title in the specific country and must be able to conduct the audit in accordance with national laws and the International Standards on Auditing (ISA).

### **OBJECTIVE OF THE AUDIT**

- a. The objective of the audit of the GRANTEE financial statements is to enable the auditors to express an independent professional opinion on the financial position of GRANTEE and to ensure that the funds utilized for EOL funded activities have been used for their intended purposes.
- b. The books of accounts of the GRANTEE provide the basis for preparation of the GRANTEE's Financial Statements. Proper books of accounts as required by law have been maintained by the GRANTEE, and the GRANTEE has also maintained adequate internal controls and supporting documentation for the transactions.

### **SCOPE OF AUDIT**

The scope of audit is the project audit of the *OC1 EOL grant agreement* for the 2022 calendar year. The organisation management must provide the auditor access to the grant agreement and all related documents (annexes, reports, and any other relevant documents that the auditor may deem important to the audit).

3. The audit of financial transactions will be based on spot check examinations of the quality of voucher material and its correct recording in the books, with a view, among other things, to assessing its significance and risk.

4. The auditor shall verify:
  - 4.1. that the accounts and reconciliations are correct and accurate and do not contain significant errors or omissions
  - 4.2. that the financial provisions (accounting policies) contained in agreements with local regulations and Oxfam have been complied with
  - 4.3. that the transactions comprised by the accounts are in conformity with the conditions and general objectives for the grants as agreed with Oxfam IBIS and the budget.
5. The following are examples of the performance areas that the organisation must practise satisfactorily, and that the auditor will inspect, most likely through random spot checks.
  - 5.1. The procedures and control mechanisms related to approval of vouchers are satisfactory. The approval of a voucher must ensure that the voucher is based on thrift.
  - 5.2. Payroll costs for individual staff are reasonable when compared with relevant comparable organisations, salary statistics, guidelines, or the like.
  - 5.3. If the organisation has multiple donors, its shared costs should be reasonably allocated to OC1 when compared with other grants.
  - 5.4. Competitive quotations are being obtained in relation to procurement of goods and services.
  - 5.5. Available assets are being kept in an appropriate manner and according to rules and regulations.
6. Additionally, the auditor will assess and comment on any exchange rate gain or loss generated at the end of the calendar year.
7. The organisation's management is required to provide the auditor with any information that may be considered material for assessment of the accounts and of the organisation's administration of the grant. Similarly, the organisation management should provide the auditor access to initiating any other examination that s/he considers necessary and ensure that the auditor receives the information and assistance needed for performing the audit. If possible, the auditor shall perform its audit physically at the organisation's premises.

### **Audit Duration**

The audit work shall be completed within 4 weeks of commencement date, and deliverables presented within 5 business days thereafter.

### **Audit Deliverables**

1. The Auditors on completion of the audit work will submit 2 (two) original copies of the Audit Report appended to the Financial Statements along with the reports
2. Management letter in accordance with the scope of work described here in the TOR.

The auditor's statement must be issued in accordance with the ISA 700 or 800 (revised).

## **SUBMISSION**

Applications must be submitted by e-mail to **recruitment@lcn.co.ls** by **30<sup>th</sup> December 2022**. Late applications will not be considered, and no correspondence will be entered into regarding the merits of the application.