**EXPRESSION OF INTEREST TO PRE-QUALIFY AN AUDIT FIRM**

**Background:**

**ADRA Ukraine** was founded in 1993 (the current legal entity is registered in 2015). It is an agency that exists for one primary reason: to meet the needs of the less fortunate persons in the society, also referred to as the needy The **ADRA** Worldwide Network justifies its existence by seeking to identify needs and resources to meet those needs. Through her mission statement of serving Humanity so all May Live as God intended, ADRA Ukraine reaches out to the needy to show them compassion, love and connectedness, which are the core values that drive ADRA’s operations and Programs. The major focus of ADRA’s programs is in the areas of Emergency humanitarian help and early development after the crisis situations. Including humanitarian aid transports, distribution of food and non-food items, evacuations, water supply, accommodation, basic shelter reconstruction, winterization with heat and energy supply, psychosocial support and mental health, protection for women and children, essential medical check-ups for the refugees and internally displaced people, support for children education, medical equipment for hospitals and refugee centers in Ukraine.

ADRA Ukraine operates throughout Ukraine with its main activity in the regions bordering the front line of the current military conflict with the Russian Federation: Donetsk and Luhansk regions, Kharkiv region, Kherson and Zaporozhye regions, Mykolaiv and Odessa regions.

In an effort to fulfill its mission, ADRA has created relationships with individuals, organizations, and national agencies with similar goals and purposes for resource mobilization, collaborations and partnerships. ADRA Ukraine has partnered with GFFO, ECHO, OCHA, IHA and ADRA International to ensure sufficient resources are available to support the sustainability and continuity of all programs.

ADRA Ukraine is therefore looking to engage an audit firm with experience in the humanitarian sector to conduct the Financial Verification for GFFO funded project.

**Objectives of the Financial verification** :

1. The objective of the Financial verification of ADRA Ukraine's financial statements is to enable the auditors to express an independent professional opinion on the financial position of ADRA Ukraine and to ensure that the funds utilized on activities have been used for their intended purposes and created value to the beneficiaries and the organization at large. The Financial verification will be performed in accordance with the International Financial Reporting Standards (“IFRS”), International Standards of Auditing (“ISA”) and according to Humanitarian standards.
2. The books of accounts of ADRA Ukraine provide the basis for the preparation of ADRA’s Financial Statements. Proper books of accounts as required by Country Law, Donor Regulation, and According to the Organization Policies have been maintained by ADRA and also maintain adequate internal controls and supporting documentation for the transactions.

**Scope of the Financial Verification**

The Financial Verification shall cover all activities of the projects from **15th March 2022 to 30th October 2023**.

The Financial verification shall cover all the geographical locations where the projects are being implemented in Ukraine.

The Financial verification will be carried out in accordance with the International Auditing Standards and cover the overall management of the project’s implementation, monitoring and supervision. The Financial verification work should include reviewing work plans, progress reports, project resources, project budgets, project expenses, project delivery, recruitment, operational and financial closing of projects and disposal or transfer of assets.

1. Verify that all funds have been used in accordance with the established rules and regulations of ADRA Ukraine, Donor requirements and only for the purposes for which the funds were provided.
2. Control of the procured inventory, its whereabouts and its proper use
3. Goods, works, and services financed have been procured in accordance with the GFFO and ADRA’s established procurement rules and procedures.
4. Verification of the cost-effectiveness of expenditure in terms of financial resources.
5. Verification of personnel costs and social security contributions with regard to local customs, the laws in the respective project country, in particular compliance with the contracts and the lawful payment of the corresponding funds.
6. Checking accounting records for correctness and completeness: Appropriate supporting documents, records and books of accounts relating to all activities have been kept. There are Clear linkages between the books of accounts and the financial statements presented.
7. The financial statements have been prepared by ADRA Ukraine management in accordance with applicable accounting standards and give a true and fair view of the financial position of ADRA and of its receipts and expenditures for the period under the Financial Verification.
8. Auditors must confirm that all documents and vouchers related to the project are available.
9. Verification of observance with all agreements that are basic to the project (contracts, guidelines of the German private executing agency, funding guidelines of the German Federal Foreign Office (GFFO), the BNBest-P/German Humanitarian Assistance and the GFFO procurement guidelines).
10. Review of the management of the project funds:
11. all interest earned during the financial year or project duration on the project funds transferred to the project executing agency
12. other revenue arising from project activities.
13. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
14. Express an opinion as to the reasonableness of the financial statements in all material respects.
15. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
16. In addition to the Financial Verification report, the auditors will prepare a Management Letter on the following:
    1. Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the Financial Verification.
    2. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
    3. Communicate matters that have come to their attention during the Financial Verification, which might have a significant impact on the sustainability and continuity of the organization.
    4. Bring to the Management committee’s attention any other matters the auditors consider pertinent.

**Financial verification Duration:**

The audit work shall be completed within an agreed time frame between the audit firm and ADRA Ukraine from the date of commencement of the Financial verification and will not exceed more than 30 calendar days.

Deliverables:

1. The Auditors on completion of the audit exercise will submit 3 (Three) original and signed copies of the Audit Report appended to the Financial Statements along with the reports to the Management's attention.
2. Management letter in accordance with the scope of work described here before.

**Qualification of the Audit Firm:**

1. Audit firms based in Ukraine having affiliation/membership with internationally reputed audit firms will be eligible to apply.
2. The auditor should be experienced in applying ISA. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA, including experience in auditing the accounts of organizations comparable in size and complexity to the entity being audited.

Qualified firms meeting the following requirements are invited to submit an expression of interest:

1. Compliance with legal requirements of registration.
2. Minimum of 5 years of relevant experience in providing audit services to International development organizations. References for similar audits performed within the last 3 years (at least from 2019).
3. Provide audit methodology, proposed work-plan, and curriculum vitae for the partner, audit manager and key staff proposed for the audit team.
4. Audit firm and staff must be independent of ADRA and affirm their independence in the engagement letter.
5. Any actual or potential conflict of interest in taking up this role should be highlighted.
6. Experience auditing Humanitarian Sector funded projects is desirable.

**Note**: *A detailed evaluation criteria is presented in the attached document.*

**Audit Fees and Payment Terms**

The audit fees and payment terms will be fixed through a competitive bidding process.

Successful firm will be contact directly regarding the procurement process.

All applications should be marked “Financial Verification of GFFO project” and must be sent to the email [tender@adra.ua](mailto:tender@adra.ua)

Deadline for receiving applications is 21.09.2023