

EXTERNAL AUDIT TERMS OF REFERENCE

INTRODUCTION

The organisations GTUC, Friedrich Ebert Stiftung and weltumspannend arbeiten requests you to conduct a Special Purpose Audit concerning the Project “***Towards the Regions! – trade union education program on labour rights for workers in Georgia***” executed by weltumspannend arbeiten, Weingartshofstr. 2, 4040 Linz, Austria with GTUC as implementing partner in Tbilisi, Georgia.

The audit will be carried out by name/company, address. Some lines description of the company:

Some of the chosen auditors NGOs clients include:

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OBJECTIVES OF THE AUDIT

- verify financial management and accuracy of book keeping on the basis of original vouchers
- stamping of original vouchers
- verify plausibility of expense items
- verify compliance of expenses with budget items
- verify that the financial statements provide a true picture of the project's finances

BACKGROUND OF THE PROJECT

The all over goal is to support the process of empowerment of Georgian workers and employees and to strengthen trade union work with educational programs in a long-term perspective in Tbilisi and the regions of Adjara and Imeretien.

Goal: To strengthen the Georgian trade unions through Organizing and Trade Union Schools in Tbilisi and the regions of Adjara and Imeretien.

The aim of the project is: the implementation of three trade union schools in Georgia (Tbilisi, Batumi, Kutaisi) and two courses of Organizing in Tbilisi.

As it is not possible to bring original vouchers out of Georgia, it is necessary to carry out an audit of the implementing partners' bookkeeping with reference to the financial statement and allocated budget for the project.

The project duration is 3 years. The cofinancing agreement with Austrian Development Agency (representing the Ministry) was signed by Gottfried W. Sommer and Peter Schissler (members of board of weltumspannend arbeiten) on 6th of November 2018. The project started on 01.09.2018. Additionally to the project contract of Austrian Development Agency, a Memorandum of Understanding/Contract between weltumspannend arbeiten and GTUC as implementing partner was signed in 02-2019.

ISSUES TO BE STUDIED

The audit should be conducted for the entire project period (01.08.2018 – 31.08.2021), in which a total number of approx. 500 vouchers will have been registered for the project. The project sum is 300.000 Euros to be audited amounts ca. Euro 268.000 (or other local currency). So we ask you to:

- check that the expenses are recorded in the NGO's accounts and are backed by originals of supporting evidence.
- check if financial transfers (bank, cash) are understandable and in line with reported expenditures

WORK PLAN

The audit shall be carried out in the implementing partners' offices in Tbilisi, Georgia and comprises the investigation of bank statements, accounts and invoices. The first part of the audit must be carried out in October 2019 (Austrian part of documents available on 13.09. 2017). The first audit interimreport has to be written in english and sent to weltumspannend arbeiten to Sandra Hochholzer, Christlgasse 3, 4050 Traun, Austria stamped and signed in original until mid of October 2019.

The second audit interimreport has to be provided in October 2020: new address will be announced; original report signed and stamped until mid of October 2020.

The final audit has to be carried out and the reporting has to be finalised until mid of November 2021.

REQUIRED EXPERTISE

- the expert auditor must not have been involved in the operation's accounting
- the expert auditor must not personally be connected in any way with the organisation being audited
- the expert auditor must be an audit company registered in Georgia or Austria

REPORTING

The expert auditor shall produce an audit report that clearly states:

- Project number and name
- Implementing organisation
- Reporting period and currency
- Exchange rates used in the Financial Project Report
- Total amount of budgeted income and expenditures
- Total amount of actual income and expenditures
- Comments on not-accepted vouchers
- Closing balance (including cash, bank and other assets, e.g. advance payments and outstanding checks)
- Auditor's name, position, address, phone, fax and e-mail
- Date, auditor's signature and authorization

The Auditor's Report should offer an opinion on the following areas:

- Is the Financial Project Report in accordance with bookkeeping?
- Do the received funds match the bookkeeping?
- Does the bookkeeping match the vouchers?
- Are there proper vouchers for all transactions?
- Does the bookkeeping match the Official Bank Account Statements and Cash Book?

MANDATE

The NGO will provide the external auditor with the following material and sources:

- Project contract of Austrian Development Agency and MoU/contract between weltumspannend arbeiten and GTUC (local partner).
- Final project reports with financial reports (including financial statements and list of bills)

The project managers, the accountants and the staff working on the project will be open to collaboration with the expert auditor.

- Find attached the general conditions of EZA as frame of the audit work and part of the contract.

Contracting and Payment:

weltumspannend arbeiten
Weingartshofstr. 2, 4020 Linz, Austria

Please send your offer until 15th of August via Email to:

Sopo Shelegia (project manager in Tbilisi), E-mail: soposhelegia@yahoo.co.uk
Tel: +995 579 32 68 68

AND

Sandra Hochholzer (project manager in Austria); E-mail: sandra.hochholzer@oegb.at