**Terms of Reference**

**Stronger Together - Cooperative Action to Respond to Cross-border Emergencies**

**Tender for Project Financial Audit**

**Arbeiter-Samariter-Bund (ASB)** is one of the biggest and oldest German aid and welfare organization with more than one million members. Currently, ASB has 11 foreign offices and is implementing programs in more than 20 countries. ASB, through its officially registered country office in Georgia, implemented several EU, German, and US government-funded projects related to: inclusive disaster risk reduction, provision of social services, improvement of economic and livelihood conditions, resocialization of persons in conflict with the law, confidence building, as well as humanitarian assistance to IDPs, conflict-affected population and other vulnerable groups, etc.

ASB Georgia is pleased to announce a tender to select an audit company that will deliver the services outlined in the Terms of Reference below:

'Stronger together - cooperative action to respond to cross-border emergencies

## Background

The GEO2005 project is financed by the **European Union through the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO)** and implemented under the **Framework Partnership Agreement (FPA)**.

In accordance with **Council Regulation (EC) No 1257/96 on humanitarian aid**, the applicable **Grant Agreement**, and **Article 23 of the FPA General Conditions**, DG ECHO reserves the right to carry out audits during project implementation and up to four years after the final payment.

This external audit shall be conducted in line with the principles, scope, and methodology described in **DG ECHO “Audit Information to FPA Partners” (External Audit Sector, February 2017)**.

The purpose of the audit is to provide reasonable assurance that EU funds have been used **legally, regularly, and for their intended purpose**, and in full compliance with DG ECHO contractual and regulatory requirements.

**Project Number: GEO2005**

**Project Title: 'Stronger together - cooperative action to respond to cross-border emergencies**

**Donor: DG ECHO**

**Project period:** 01/02/2021 – 28/02/2026

## Subject of the Engagement

The subject of this engagement is the Final Financial Audit of the GEO2005 **-** 'Stronger together - cooperative action to respond to cross-border emergencies (01/02/2021 – 28/02/2026).

Number of the project transaction – 2251 Transactions.

## Main objectives of the Audit

The objectives of the audit are to:

* Verify that project expenditures comply with:
  + the Grant Agreement
  + the Framework Partnership Agreement (FPA)
  + applicable EU financial regulations and DG ECHO rules
* Confirm the legality, regularity, and eligibility of reported costs
* Assess the adequacy and effective functioning of internal control and financial management systems, as required under Article 7 of Council Regulation (EC) No 1257/96
* Identify weaknesses, risks, and potential non-compliance, and formulate relevant recommendations

**Scope of the Audit**

The audit scope shall include, but not be limited to, the following areas:

**Financial Verification**

* Sample-based testing of project expenditures
* Verification of supporting documentation (invoices, contracts, payroll records, timesheets, bank statements, etc.)
* Reconciliation of reported expenditures with accounting records and bank statements

**Compliance**

* Compliance of procurement procedures with DG ECHO and contractual requirements
* Eligibility and legality of personnel and consultant costs
* Compliance with contractual provisions, including documentation, reporting, and retention requirements

**Internal Control Systems**

* Financial management and accounting systems
* Budgeting, monitoring, and reporting procedures
* Fraud prevention and anti-corruption measures
* Document management and archiving practices

**Audit Methodology**

The audit shall be conducted:

* In accordance with International Standards on Auditing (ISA), as applicable
* Using a risk-based audit approach, as defined by DG ECHO
* Through sample-based substantive testing
* Supported by an Internal Control Questionnaire (ICQ), as required for DG ECHO audits

**Period to Be Audited**

The audit shall cover the entire implementation period of the GEO2005 project, including:

* All expenditures incurred during the project duration
* Relevant payments made after the end of the implementation period, where applicable (e.g. final audit costs)

**Expected Deliverables**

The auditor shall submit the following deliverables in English:

1. Draft Audit Report for review and comments by the Partner
2. Final Audit Report, including:
   * Audit opinion
   * Description of systems and controls
   * Findings and observations
   * Recommendations
   * Identification of any ineligible or potentially ineligible costs (if applicable)
3. Management Letter, where relevant

**Audit Timeline**

The indicative audit timeline shall be as follows:

* Submission of requested documentation and completed ICQ: within 30 calendar days from the initial request
* Audit fieldwork (on-site and/or remote), as agreed
* Draft Audit Report: approximately 6–7 weeks after completion of fieldwork
* Final Audit Report: within 2–3 weeks after receipt of Partner comments

**Auditor Qualifications**

The auditor must:

* Be independent and free from any conflict of interest
* Have proven experience in auditing DG ECHO–funded projects
* Apply International Standards on Auditing
* Not provide consultancy, advisory, or other professional services to the audited organization during the audit period, in line with DG ECHO conflict-of-interest rules

**Cooperation and Access to Information**

The Partner shall:

* Provide full cooperation throughout the audit process
* Grant unrestricted access to all financial records, supporting documents, and relevant staff
* Submit requested documentation within the contractual deadline of 30 calendar days
* Ensure availability of key documents in English or provide summary translations, where required

Failure to provide documentation in accordance with DG ECHO requirements may result in proposed disallowances.

**Confidentiality**

The auditor shall treat all information obtained during the audit as strictly confidential and shall not disclose such information to third parties without prior written authorisation, except where required by DG ECHO or applicable EU regulations.

## Standards and Ethics

The Auditor shall undertake this engagement in accordance with:

* The submitting MOs demonstrate that the selected auditor is a recognised auditor in terms of generally accepted auditing standards (GAAS) and is a member of a recognised international organisation in the audit field (e.g. International Federation of Accountants IFAC) and has knowledge of audit procedures in the non-profit sector.
* the International Standard on Related Services (‘ISRS’) 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
* the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC’s International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the Auditor is independent from the Beneficiary(ies) and complies with the independence requirements of the IFAC Code of Ethics for Professional Accountants.
* the audit methods and techniques to be applied must comply with international auditing
* standards (ISA) or IDW auditing standards (IDW PS, IDW AuS)
* Final report must be presented in English

## Procedures, Evidence and Documentation

The Auditor plans the work so that an effective expenditure verification can be performed. The Auditor uses the evidence obtained from these procedures as the basis for the report of factual findings. The Auditor documents matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISRS 4400 and these ToR.

**Application Process**

Interested candidates are kindly requested to submit the offers containing the following:

* Company details
* Conducted audits (experience with details)
* Final price with 0 VAT in Euro. Please note that the maximum available budget is EUR 15000
* Time plan for Audit

During the tendering process, questions can be sent for clarification to the email provided as per below:

[s.charkhalashvili@asb.ge](mailto:s.charkhalashvili@asb.ge)

Phone: +995 551 709 990

Attn: Shota Charkhalashvili

Candidates are kindly requested to apply only via post or by courier service, with a closed envelope the following address: 2 Viktor Dolidze Street (26 May Square) II Floor, Tbilisi 0171, Georgia, claiming “**GEO2005 project Audit service**” Attn: Finance Department, not later than **February 23, 2026.**

Electronic applications will not be accepted, and only short-listed applicants will be contacted.