

Ref. no. 16.01.cm

**Terms of Reference**

For

Caritas Torit 2015 and 2016 Annual Audits**07.03.2017****1 Introduction**

Caritas Torit implements development and humanitarian programmes in South Sudan. Caritas Torit has its head office in Torit Eastern Equatorial. Caritas Torit sources of funding comes from various donors and it implement its projects directly.

Our field of expertise include Health, Education, WASH, Food Security, Community Empowerment, child protection, peace and justice, veterinary, emergency and Communication departments through Radio Emmanuel 89 FM bringing the message of peace building and linking the people of Diocese with the rest of the country and the world through the Sudan Catholic Radio Network.

Through its programmes, Caritas Torit targets the most vulnerable and marginalised persons. The overall goal of Caritas Torit is to build a peaceful and reconciled society through integral human development. Caritas Torit Covers all the 8 (eight) counties of eastern Equatoria states with 16 (sixteen) health facilities which includes 2 (two) Hospitals, 7 (seven) PHCCs and 7 (PHCUs). The Diocese is among the biggest health providers in the state. In Education sector, Caritas Torit has 15 (Fifteen) Primary schools, 4 (four) Secondary Schools and 1(one) Vocational Training centre.

Caritas Torit has an annual budget of USD 2 Million per year. This is therefore to note that the budget under audit for 2015 and 2016 is **USD 4,000,000.00** respectively.

Caritas Torit was formerly created in March 2013 to take over the humanitarian and development wing of Catholic Diocese of Torit and since then no organisation audit was conducted apart from project specific audits which were conducted regularly as per donors 'contracts. The finance and administration department is responsible for the consolidation of annual financial statements.

2 Objectives of the Audit

The objective of this audit is to enable the auditor to express an opinion on whether:

- To ensure that all Caritas Torit internal financial policies and procedures including contract agreements with the applicable donors have been followed;
- To issue management letters, advising Caritas Torit on areas of improvement;

- The financial information and reports in all material respects, the actual expenditure incurred and the revenue received by Caritas Torit for the period audited is in conformity with the applicable contractual conditions set with donors and Caritas Torit procedures;
- The incomes and expenses, assets and liabilities are adequately supported by original documentation and have been properly accounted for;
- For assets declared as used, the inventory systems show proofs of existence at the date of the agreement;
- The method applied for the conversion of local and foreign currencies is consistent with standard accounting practices;
- The funds received for the projects and other incomes have been used efficiently and economically i.e. in accordance with sound management;

3 Audit Scope

- The review will cover the financial statements 01.01.2015.. 31.12. 2016 taking into consideration that there were no similar audits done in 2013 and 2014 respectively. The audit shall refer to the previous project specific audited reports within the period under review.
- The audit shall cover the adequacy of accounting and financial operations, reporting and management as well as accounting procedures (referring to the national law and the international accounting standards).
- A sample verification of arithmetical accuracy is expected, in order to ensure that the expenditures described in the financial statements are reconciled with the supporting documents and with the bank statements.
- The audit period is from 1st January 2015 to 31st December of 2016
- The audit will take place in Torit, Imatong State, Eastern Equatoria, South Sudan.

4 Outputs/Deliverables

Outputs/deliverables include:

- Two (2) separate Audit reports with management letters for the years 2015 and 2016.
- The final signed audit report to be finalised by 15th April 2017.

5 Methodology

- Conduct the audit in accordance with International Standards on Auditing.
- Conduct the audit in accordance with agreement signed with all the donors within the years: 2015 and 2016 respectively.
- Therefore, 2015 audit report should be separated from 2016.
- The audit will cover the financial transaction in South Sudan only.
- To obtain an understanding of the accounting and internal financial control systems to the extent necessary in order to consider their suitability as a basis for the preparation of financial statements and to establish whether adequate accounting records have been maintained.
- To obtain appropriate evidences as you would consider sufficient to draw reasonable conclusions to that effect.
- Conduct meetings with key staff, keeping in mind the aim of value addition. The reports will be discuss in strict confidence with authorize officers and in accordance with the terms of reference (ToR).

- Draw up own detailed audit program that will cover aspects of Caritas Torit operations and it shall conform to internationally acceptable auditing standards and donors' regulations as per project contracts to be provided.

6 Auditors' Competency Requirements

The Auditor must meet the following requirements:

- The Auditor or the firm is a member of a national accounting or auditing body. Although this organization is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these TOR.
- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country)
- Should have good knowledge and adequate work experience of Auditing similar National and International Non-Governmental Organizations;
- Fluent in English.

7 Duration & Period of Execution

..... days (Inclusive reporting period) to be discussed with the auditor.

Field work.....days 5 – 10 days (to be discussed if necessary).

Draft reports and Management letters are expected by 10th April 2017.

Final signed Report is expected by 15th April 2017.

8 Mode of Payment

The total fee shall be USD All travel and accommodation costs to and from Torit will be covered by Caritas Torit.

9 Communication

Caritas Torit designate Philip - Finance Manager as contact person responsible. This person shall pass on all necessary instructions. Unclear matters must be settled by mutual agreement. The auditors shall inform the contact person immediately if there are difficulties which may arise in connection with the implementation of these terms of reference. Audit firm..... are the auditors responsible for this assignment.

10 Liability, safety and security

The Consultant is first of all responsible for his/her own security. He/she has an obligation to learn and understand the security situation, the political, social and cultural features of the assigned project area. Inappropriate or offensive behaviour can put Caritas Torit in a difficult position, impair operations, and jeopardize staff safety and security. The Audit firm staff must adhere to all Caritas Torit policies concerning safety and security.

Caritas Torit accepts no liability for costs arising from sickness, injuries, disability or death. There is no form of any insurance for this assignment.

All applications should be forwarded to the following e-mail address:

admin.audits@caritastorit.org

Deadline for Submission of application: 12th March 2017



Disclosure Statement For Contractors And Service Providers

I herewith confirm that that I, **Audit firm**.....



I/We am/are not:

- subject to a bankruptcy or liquidation procedure; or
- involved in a court settlement with creditors;

I/We am/are - have not:

- been convicted of an offence that Caritas Torit is not aware of; or
- been proven guilty of serious misconduct in our professional capacity; or
- complied with our obligations to pay social security contributions and taxes in accordance with existing legislation; or
- been sentenced for fraud, corruption, involvement in a criminal association or for other action targeted against the financial interests of the communities; or
- committed a serious contractual infringement in connection with another Caritas Torit contract; or
- been found guilty of grave human rights violations or do not comply with minimum standards for local social and labour.

Furthermore we herewith confirm not being aware of any conflict of interest that would conflict or may be perceived to conflict with interests of the Caritas Torit when seeking appointment or during employment contract. In case of a potential conflict of interest arises during the contract period Caritas Torit will be immediately informed in writing.

For the service provider

Signature:

Name

**Fighting Corruption***Code of Conduct*

Every form of corruption is forbidden. In particular, the following types of conduct are prohibited:

Offering bribes (active bribery)

Whoever offers, promises or grants representatives of authorities, companies, and partner organizations etc. an improper advantage in return for an official action to be taken in a certain way makes him/herself guilty of active bribery. Classified as improper are all inducements – both material and immaterial – that exceed the socially acceptable norm, and are more than trivial.

Accepting bribes (passive bribery)

Whoever, as a representative of Caritas Torit or its Partner, demands, expects or accepts an improper advantage from others in return for an official action to be taken in a certain way makes him/herself guilty of passive bribery. Classified as improper are all inducements – both material and immaterial – that exceed the socially acceptable norm, and are more than trivial.

Unlawful Offering of Benefits

Whoever offers, promises or grants to representatives of authorities, companies, partner organizations etc. an improper advantage with a view to the future behaviour of such representatives, makes him/herself guilty of unlawful offering of a benefit. Classified as improper are all benefits - both material and immaterial - that exceed the socially acceptable norm, and are more than trivial.

Unlawful Acceptance of Benefits

Whoever, as a representative of Caritas Torit or its Partner, demands, expects or accepts an improper advantage from others with a view to his/her future behaviour as a representative, makes him/herself guilty of unlawful acceptance of a benefit. Classified as improper are all benefits - both material and immaterial - that exceed the socially acceptable norm, and are more than trivial.

Embezzlement

Whoever makes illicit use of, or misappropriates, the means or authority entrusted to them, in order illegitimately to enrich himself or a third party, makes himself guilty of embezzlement.

Theft

Whoever takes things away from someone, in order illegitimately to enrich himself or a third party, makes himself guilty of theft.

Fraud

Whoever - with the intention of enriching himself - maliciously deceives someone or causes them damages, makes himself guilty of fraud.

Breach of Trust

Whoever, as a representative of Caritas or its Partner – in violation of his/her duties and obligations – causes or permits Caritas or its Partner's property to suffer damage, commits a breach of trust.

Coercion

Whoever applies force or threats of severe disadvantages to compel someone to do, omit or tolerate something, makes himself guilty of coercion.

Sexual Coercion

Whoever applies force or threats of severe disadvantages to compel someone to commit acts of sex, makes himself guilty of sexual coercion.

For the service provider

Signature

Name

**Child Protection****Code of Conduct**

Staff involved in the project must be aware of the risk of child abuse and recognise particularly risky situations. They must do everything to protect children from abuse and shall plan and execute their tasks in a way that the chance of abuse is eliminated or at least minimised. Specifically, this refers to:

Sexual or physical contact

Sexual contact of any kind with children, i.e. persons under the age of 18, is prohibited regardless of local ordinances on legal age. This includes other inappropriate physical conduct – such as washing, undressing, or taking children to the toilet when they are able to go on their own. Sexual allusions in word, gesture or any other form are prohibited.

Physical punishment

Any type of physical punishment is prohibited.

Exploitation, extortion

Any form of exploitation or extortion is prohibited. In particular, it is forbidden to demand, expect or accept sexual or other illegitimate forms of service from children or adults in return for goods, assistance and the like.

Emotional mistreatment

Subjecting children or adults to belittling, humiliating, embarrassing or demeaning treatment or other forms of emotional mistreatment is prohibited.

Discrimination

Any form of discriminatory behaviour is prohibited, i.e. no child or adult may be treated differently on the basis of extraneous criteria such as race, religion, ethnical background, political views and the like.

Person-to-person contact

Whenever possible, personnel should not come into contact with children during their work without at least one other adult present. If this is not possible, at least one other adult is to be informed in advance about the contact with the child. Whenever possible, contact should take place in a location that can be easily monitored by other personnel. Personnel are prohibited in principle from harbouring children, inviting them to their homes, or spending the night in the same room with them unless they have the right of custody over the child.

Employment

Children must not be employed in any project co-funded by Caritas Torit and other Donors.

Offensive material and intoxicating substances

The consumption, possession, manufacturing and distribution of child pornography is prohibited. Personnel are prohibited from bringing children purposely or negligently into contact with pornographic materials, alcohol or other intoxicating substances.

Film and photography

Personnel must ensure that the dignity of the child is guaranteed when children are being filmed or photographed. In particular, they must ensure that graphic material cannot be misused for purposes of satisfying sexual or other illegitimate needs.

Information flow

Personnel are prohibited from making it difficult in any manner for children to contact persons in whom they wish to confide. Personnel have an obligation to report any reasonable suspicion of abuse to their superior.

For the service provider

Signature:

Name