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Terms Of Reference (ToR)

Introduction

CARE South Sudan is implementing, together with UNIDOR (Implementing Partner), a Joint Response project in Rubkona and Pibor funded by the Netherlands Ministry of Foreign Affairs. CARE is seeking the services of a competent and registered audit firm to carry out a project audit for the period **1 January 2025 to 31 December 2025**. The value of the project is approximately **€ 931,878**.

Audit objective and scope

The auditor must establish that the transactions as accounted for in the financial statement comply with the framework mentioned under paragraph 1.2 of the attached Audit Protocol. The audit must be carried out in accordance with the requirements laid down in this Audit Protocol and with the relevant auditing standards.

The audit subject is the consortium partners' financial statement for the year under review including processes and administrations relevant for the Joint Response.

Kindly see the attached Audit Protocol for details of the audit process and activities. The activities described in section 2.3 of the Audit Protocol result in an audit opinion on the financial statement, drawn up in accordance with auditing ISA 800/805 and a report in accordance with the text of annex A of this protocol.

Audit Timeline

The audit will commence on **9th of February 2026** with a draft report due on **23rd February 2026**. The audit will take place at CARE South Sudan offices in Juba. The final report should be submitted to CARE South Juba Office on **9th March 2026**.

All proposals should be received no later than **4:00pm** on **Friday 13th January 2026** by email addressed to ssd.procurement@care.org.

Proposals will be scored on the criteria below:

S/N	Evaluation Criteria	Marks
1	Number of Partners in the firm and number of professionally qualified staff. {Audit firm to submit a profile of the organization detailing how many partners and professionally qualified staff it has.}	10
2	CVs of audit lead and audit team. {The Audit firm must provide a CV of the lead auditor/Audit Manager and team members to be assigned for this audit. The auditors must be registered with a recognized Accountancy Board and must be in good standing. Each member will be evaluated on their training, length of experience and experience auditing organizations in the NGO sector}	15
3	Audit Approach {The Audit firm should detail their audit approach based on the Audit Protocol}	20

4	Number of Audits and similar assignments undertaken in the last 3 years {Provide a list of four (4) references for audits and similar assignments carried out in the last 3 years}	25
5	Audit Fees {The audit contract will be awarded based on the most economically advantageous offer}	30
	TOTAL	100

Qualifications if contracting an individual or assessing audit team CVS

- Bachelor’s degree in Accounting, Finance, or related field. CPA, ACCA or other recognized professional qualifications preferred.
- 3-6 years’ experience in financial accounting, auditing, or a combination thereof
- Experience in auditing NGOs required and Reference contacts for their previous similar work.
- Strong understanding of accounting, banking laws, regulations, and internal controls
- Sound understanding of audit theories, principles, and practices.
- Familiarity with general accounting practices and techniques
- Proficient verbal and written communication skills

Payment terms

There will be a once-off payment after completion of the work and reports submitted verified and accepted by CARE. Consultancies are subject to 20% withholding tax.

The matrix of liability between the Auditor/Audit firm and CARE for Travel expenses, Medical & travel insurance, accommodation in case of travel, per-diem, visa cost, COVID-19 test cost (if applicable) lies with the auditor/audit firm.

Submission:

The subject line of the email should read: **"Application to Conduct SSJR Project Financial Audit"**

All proposals MUST be received no later than **Friday, 13th January 2026 before 4:00 pm CAT**, by email ONLY addressed to SSD.Procurement@care.org and will be scored on the criteria above.

Deadline: No applications will be accepted **after Friday, 13th January 2026 before 4:00 pm CAT**.

Attached is the CARE vendor questionnaire form which will be submitted together with the technical and financial proposal.



Financial guidelines

An advice for financials involved in a JR from the DRA

Date	11 th March 2025
Version	2.3
Revision History	Previous version 2.1
Status	Approved in partners meeting – 12 Nov. 2024
Prepared by	Marinke Barelds
Document owner	Finance Working Group

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Introduction

These financial guidelines are prepared by the DRA Finance Working Group and approved in the partners meeting of 12 November, 2024. A minor update was made in March 2025, see also the change log below.

The document is to be used as an advice to any finance function when working with DRA partners to manage the project. This document will be regularly updated (when needed) based on developments which need specific guidance.

These are not meant to constitute an exhaustive reference point, but as a guidance regarding budget lines and budget chapters in any phase of the life of a project.

The audit protocol and the Grant Agreement always prevail on the guidelines.

The Financial Guidelines apply to all the Joint Response (JR) projects under the DRA umbrella, meaning both Acute Crisis (AC) and Protracted Crisis (PC).

In case of contradiction between these guidelines and any rule stipulated by MoFA, the MoFA rule prevails. If such a contradiction is identified, the guidelines will be adjusted.

List of definitions and abbreviations

AC	Acute Crisis
BoD	Board of Directors
BoS	Board of Supervisors
CN	Concept Note
DRA	Dutch Relief Alliance
FWG	Finance Working Group
JR	Joint Response
PC	Protracted Crisis
L/NGOs	Local and National NGOs
MoFA	Ministry of Foreign Affairs
RTF	Response Task Force
ICR	Indirect Cost Recovery
Partner	Is used for both local partners receiving funds through a DRA member, but also in general for parties in a JR
Member	Dutch organization that is part of the DRA
Financial agreements	Contracts between the 2 parties (partner with member, member with DRA)
Partners Meeting	Meeting between DRA members

Change log

There are some minor changes made between version 2.1 and version 2.3.

- Adjusted the section on the concept note (p. 3) to correct some inconsistencies
- Adjusted Intermediary cost section (p. 4) with regards to that cost should only be budgeted under sector Strengthening the Humanitarian system.
- On page 14, both the local partner audit and the member audit now say (support)
- On page 14, adjusted the description of line 2, to be in line with the CN format
- VAT has been added as an eligible cost when not refunded
- Annex II with a checklist for the auditor and lead member has been added

- Minor spelling mistakes were corrected or wording to make a sentence more clear.

Start of an action

Concept Note

For the Acute Crisis Mechanism, a concept note is required to apply to be part of the Acute Joint Response. The concept note format has a high-level budget, that needs to be completed with 4 components that are described below. After rating the concept note budget formats, the highest scoring members will be asked to add their figures into a full DRA budget format. In order to compare the same type of cost within the high-level budget format, each member is asked to fill cost under the same budget headings as the other members:

1. Sector budget estimate program implementation - These are costs for activities related directly to the project (budget category II in the full budget template). The costs need to be split between the different sectors the program falls under (i.e. between education/Food Security and Livelihoods, Nutrition, WASH, Protection, Etc.)
2. Program related support costs (such as audit, program staff salaries etc.) – These are costs for program staff (including fringe benefits), equipment for the program, monitoring and evaluation, audit and intermediary costs. These are part of budget category I, III and IV in the full budget template. The costs need to be split between the different sectors the program falls under (like Education, WASH and Protection, but also support). For some cost there is fixed sector, see also Annex I. Audit cost for example fall under support cost.
3. Support costs budget (salaries, other cost etc.) – This category includes cost like rent, utilities, bank charges, security costs, and other costs that are needed to support the program. These are cost that the organization also would have if they would not have this program.
4. Local Partner budget: all funds that will go to the local partner.

For a more detailed overview to see what should be budgeted where, please check Annex I.

Cost sharing agreement and Local and National NGO budget

The strategic ambition of the DRA is to involve local and national NGOs (L/NNGOs) by design and implement at least 35% of programme budgets through local and national partners both for PCJR and ACJR.

DRA members cover the indirect costs made by L/NNGOs, by providing an unrestricted component (ICR) and a restricted component (capacity strengthening) to L/NNGOs as follows:

- a) All L/NNGOs receive at least 6% ICR based on their programme implementation budgets in Acute and Protracted Joint Responses. This funding is unrestricted, flexible and non-time bound. Deviation with regard to the ICR percentage for L/NNGOs exceeding 6% can be agreed between L/NNGO(s) and INGO(s). Positive incentives for progressing the localisation ambition are provisioned by allowing L/NNGOs and INGOs to agree on a reduced ICR percentage for the portion of the L/NNGOs budget exceeding 50% of total programme implementation budget for L/NNGOs and INGO combined. The reduced ICR percentage should be explained.
- b) The total Joint Response capacity strengthening budget is recommended to be 5% of the total direct costs. It is mandatory to budget 5% of the L/NNGO budget in the L/NNGO budget for capacity building. See also section on capacity building.

Formats

The newest updated and approved budget template must be used for all new DRA projects. The formats include practical instructions on what to budget where. Detailed budget

explanations per main heading and per budget line are included as a sheet in the last approved budget template.

Sector columns

When preparing a new budget, members should include a minimum of €100,000 per programmatic sector such as WASH and Health. This minimum does not apply to the support costs or humanitarian system strengthening columns.

Staff cost and maximum hourly rate

Staff cost must be auditable or allocated to the project based on a consequent and clear allocation system as used by each individual member.

International staff cost need to be budgeted in category Ia. These lines can include international staff based in country and regional offices of the project or in the Netherlands. Costs of external or internal consultants with specific programmatic expertise has to be budgeted under direct program activities.

Category Ib (national staff) should only include staff costs related to own or JR-member staff costs based in country of the project, not from local partners, external consultants or casual labour.

A maximum hourly rate for external hiring is allowed of EUR 225 (excluding VAT) to be charged to DRA funded projects (see Subsidy Framework, article 3.2). This hourly rate is not subject to inflation.

Other direct operational cost

This is heading III in the budget format.

Under section IIIa (Assets and Equipment), only assets should be budgeted that could be in use for more than 1 year and have a value of at least 500 EUR.

Office Costs are cost such as: office rental, utilities/supplies, office and equipment maintenance, advertising/recruitment, communication and generator operation.

Security Costs are cost for security related to the programme activities at the level of the JR-member.

Other costs can include costs such as: bank charges, visa and visibility.

Intermediary support

The DRA members play an important role as intermediary in coordinating humanitarian assistance, in risk management across the delivery chain, and in compliance with donor regulations on accountability, safeguarding, fund management.

A budget heading is added for DRA members to provide for their intermediary support role.

The intermediary support cost should be put under column heading Strengthening Humanitarian System. In previous budget versions this was not always done. Reporting can follow the budget as it was. Budgets that are created after the publication of this financial guideline will need to follow this structure. Also the 100k EUR minimum does not apply for the sector column Strengthening Humanitarian System.

The total budget for the INGO for its intermediary role including support to, and responsibility for the activities of the L/NNGO is allowed up to 4% of the planned L/NNGO programme implementation budget for both ACJRs and PCJRs.

- Any deviation from budgeted intermediary costs from actual up to 10% deviation does not require any action;

- Any deviation from budgeted intermediary costs from actual between 10-25% requires and explanation during reporting;
- Any deviation from budgeted intermediary costs from and above 25% requires prior approval from BoD

Roles and responsibilities	Costs	Examples
<p>Partnership brokering: The intermediaries have often a long history in the humanitarian context and know the local and national NGOs that are present. Because of existing networks, the intermediary is well-positioned to do the scoping of best-places local partners. And they play an important role in short-term and long-term relationships. Furthermore, the intermediary does partnership assessments and audits ensuring qualitative and sustainable programming. And if quality improvement is needed, they ensure capacity strengthening.</p>	<p>Programme Finance Monitoring Security Capacity strengthening</p>	<p>Staff costs (thematic, security, integrity, programme, finance, IT) Travel expenses Partnership assessments/audit related costs (initial) Capacity strengthening (surplus on the CS budget in the DRA project)</p>
<p>Compliance and accountability: The intermediary play an important role on accountability towards the donor. They have existing risk and compliance capacity and procedures, programme facilitation and support making sure all reports are reviewed and submitted to the donor. They support the local partner where needed with reporting and financial management.</p>	<p>Programme, finance & Compliance Business control & development</p>	<p>Staff costs (thematic, finance, compliance, legal) Partnership assessments/audit related costs (recurring) Travel expenses</p>
<p>Quality & risk management systems: The intermediary puts the necessary systems and procedures in place to adhere to quality standards like ECHO HPC and CHS. Also, the intermediary ensures adequate integrity procedures and systems to mitigate risks and implement a zero-tolerance policy with regards to misconduct.</p>	<p>Integrity, risks, quality</p>	<p>Staff costs (thematic, quality, risk, compliance, finance) Travel expenses Quality audits/assessments Quality systems (software, maintaining) Quality system improvements (trainings)</p>
<p>Networking, learning and visibility: The intermediary gives credibility where needed to the local partner, utilizing existing networks and amplifying local voices to other donors and platforms. The intermediary also facilitates thematic learning and cross-country learning bringing in good practices from other countries. The intermediary supports the local partner on advocacy and fundraising.</p>	<p>Programme/MEAL/Learning & Knowledge</p>	<p>Staff costs (thematic, programme, finance, MEAL, Learning & Knowledge) Training costs (accommodation, in-country travel expenses) Travel expenses</p>

There is no inexhaustible list of costs which we would identify as intermediary costs. The auditor of each DRA members involved in a JR is in the end responsible for determining whether the charged intermediary costs are related to any of the afore mentioned topics in the table (partnership brokering, programme management, quality and risk systems and networking, advocacy and visibility). The cost could be incurred in either the program country or in The Netherlands. As with all other costs within DRA projects, except for ICR and management fee, all charged costs should be guided with financial transactions and related supporting documentation.

Capacity Strengthening

This budget category is meant to cover the indirect costs as a restricted component. Each PCJR develops a joint JR locally-led capacity strengthening approach which outlines the short and long-term goals, timeline, activities, roles and responsibilities.

The capacity strengthening budget rules are mandatory for PCJRs and optional for ACJRs. The budget lines can be used by local partners to invest on their organizational capacity, for which they require certain investments which are not part of the regular project activity budget.

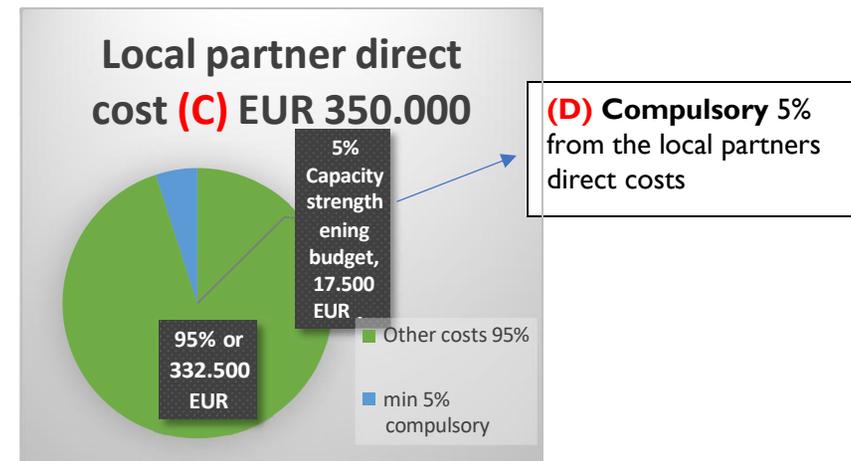
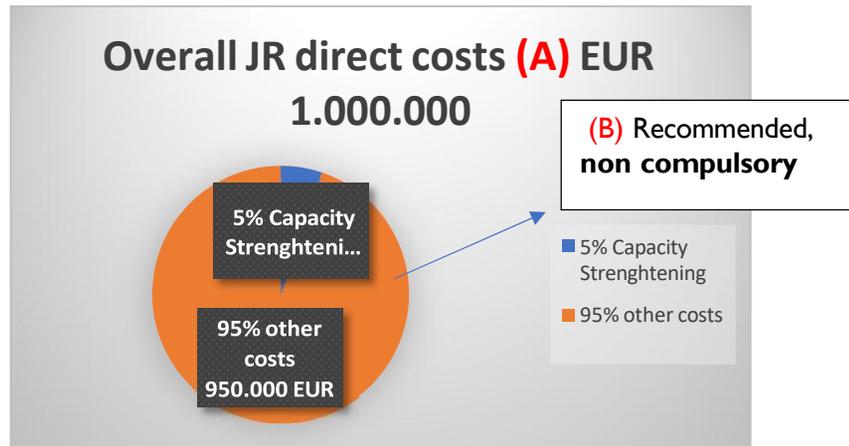
The total JR capacity strengthening budget (and the total of the DRA Partner capacity strengthening) is recommended 5% of the total direct costs for the full implementation (by member and local partner). L/NNGO's receive and manage a minimum of 5% capacity strengthening budget based on their own programme implementation budgets.

Deviation from the 5% threshold or management of the budget line is agreed between L/NNGO's and DRA partner's, see the Locally led capacity strengthening approach Guidance Note and should be explained in the narrative proposal.

Please refer to the following table and the example on the following page for the calculation on the 2 levels.

Category	Applicable percentage	Guidance
Overall DRA capacity strengthening budget [budgetline IIa – 4 + IIb - 4]	5% recommended of total JR direct costs, non-compulsory	Guidance for lead: if your capacity strengthening budget is significant below 5%, comments are likely to follow from the review committee.
Individual capacity strengthening budget between DRA member and L/NNGO [budgetline IIb - 4]	Minimum 5% of local partners' programme implementation costs Compulsory for PCJRs (will be checked) and optional for ACJRs	Guidance for lead: ensure you checking each individual DRA member submitted budget, whether they comply with the minimum 5% of local programme implementation budget to go to capacity strengthening line. In case of deviation, explanation is needed and needs to be documented.

Eligibility criteria; all costs are eligible as long as the reason why these investments lead to an increase of the strength of the local partner, as is explained in the Locally led capacity strengthening approach. This means that a partner may invest in further strengthening their organizational capacity by utilizing this budget for e.g. staff costs or software, or procure essential assets to ensure essential movements or communication. Even though some of these costs may actually comprise of an investment that in the bookkeeping system is put under assets, the L/NNGO's are allowed to budget and report them under the capacity building line. Regular capacity strengthening activities like trainings remain eligible.



- (A). 1.000.000 EUR - JR direct costs
- (B). 50.000 EUR - Recommendation total direct JR budget allocated to capacity building. This is part of the 1.000.000. This 50K includes D, which is compulsory
- (C). 350.000 EUR - Local partner direct costs (this example shows only 1 local partner). This is part of the 1.000.000 EUR
- (D). 17.500 EUR - Compulsory 5% to capacity building local partners. At minimum. This is part of the 1.000.000 and part of the 50.000

Conclusion in this scenario: figure shown overall JR level to capacity strengthening: 17500 EUR / 1.000.000 EUR = 1.75% (lower than the recommended 5%, but still eligible because 5% of the local implementation budget has gone to capacity strengthening).

Eligibility check: Will be done on individual members' budget, with explanations in place when there is a deviation to the minimum of 5% (D) and not on (A) and (B) level.

During an action

Procurement

The JR-members can apply their own procurement guidelines. MoFA has not provided any specific rules on procurement. Each procurement policy from JR-members should be in line with the minimum requirements as stated in the ex-ante assessment for the ECHO certificate.

The auditors will follow and check the procurement guidelines of the individual JR-members.

General financial rules on reporting expenses

The budget and reporting formats already include practical guidance for using budget-lines. Other general important rules:

- Staff and other operations cost must be auditable or allocated to the project based on a consequent and clear allocation system as used by each individual member.
- Local (implementing) partner expenses (funded through financial agreements) are 100% part of the budget heading line 'local implementing partner costs', except for the local partner ICR. Furthermore, staff and other operations costs of the local partners have specific budget lines under this heading.

Accounting method

Each partner can follow their own accounting method, whether accrual or cash based. In any case, all the activities have to take place during the project period. The only exceptions for of activities outside the project period allowed by MoFA are the audit and/or end-evaluation at the end of the project. The liquidity period (payment period) with regards to accrual accounting depends on the member's own policy.

It is important to mention that the financial report needs to be consistent with the narrative report in terms of activities and expenses included. Expenses included in the annual financial report must be certified by the auditors. The members are to follow the accounting system and principles of their own organisation as that will be the basis of their audit.

Contingency costs

It is recommended to budget 0 on the contingency budget line, as it should only be used for expenditures that are pre-approved by MoFA. The line is meant to cover losses as a result of unforeseen circumstances, such as theft, accidents and damage that occurs during the execution of the activity, for which insurance is not possible. It could amount to a maximum of 0.5% of the total subsidy amount. Before this item can be used during the implementation of the activities, the subsidy recipient will request prior approval from the Ministry. The request needs to be submitted to the lead. A pro rata principle applies here; in case multiple members of a Joint Response submit a request to make use of the contingency budget line, the maximum amount in the consolidated Joint Response budget may be divided pro rata over those members, if both cases are approved by MoFA. The amount will not automatically be allocated to a member who is the first to request approval. This means that the final amount may only be clear at the end of the project period.

Guidance for lead: lead needs to reach out to the RTF and DRA, who will then request approval from MoFA.

Crisis Modifier

The crisis modifier should be budgeted for both members and partners on the respective budget lines for the 'Programme activities: Crisis Modifier' in the column 'Crisis Modifier (Not allocated)'. The amount that is there will be moved in the budget to another column after approval of the RTF of the JR to one of the other columns, like 'Education' or 'Health' and could be report to there. The amount that is put on the crisis modifier budget line, should stay on this budgetline. The amount can't be moved to another budget line, such as 'staff costs'. In case additional staff or other support cost are needed for implementation of the crisis modifier activity, these could be paid using the 25% budget flexibility.

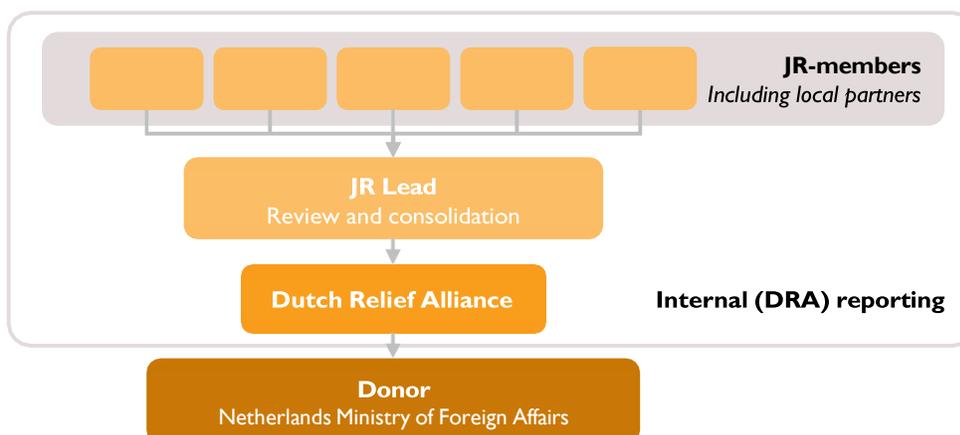
Exchange rates

Every partner can apply its organisational (audited) methodology based on actual rates for applying exchange rates.

Reporting

The last updated and approved financial report template must be used for all the DRA projects at member level. The formats include practical instructions.

The reporting follows the hierarchical structure of the JR, as featured in the below diagram and further explained in the following text.



The reporting to MoFA is done by DRA, the internal reporting is split between the reporting from JR-members to the lead and the reporting from the lead to the DRA. Local partner expenditures are included in the report from the JR-members. The JR-members often also need to submit an external audit report with the financial report. The frequency of reporting is different per JR agreement and depends on the project period, as set in the signed grant agreement.

Guidance for lead: lead needs to check if the submitted financial report fits with the audit report of the JR-member and will ask for clarification on over/underspending where necessary. Then the lead needs to consolidate the financial reports from the different JR-members. The lead needs to submit the consolidated financial report, including the joint budget to DRA, together with an audit report over the consolidated amount.

Eligibility

The end date for financial transactions is the end of the contract period. Eligibility is based on the matching principle: if activities are done before the end date, the belonging expenditures are eligible. Activities that are executed after the end of the action are not eligible, even if pre-paid within the implementation period. The only exception for this are the audit and the end evaluation.

Changes in the eligibility period require prior written permission from the DRA BoD. Actual payments/transfers can happen outside of the contract period, as long as the activity was executed in the project period and the transaction registered within this period.

VAT

Members and partners are recommended to reclaim VAT payments from the governments of the countries they operate in. When VAT has been paid and it is not refunded by the Tax agency (Belastingdienst), it is an eligible cost.

Budget Flexibility

There are different rules for budget flexibility throughout the budget for the different budget categories.

Budget categories I, II, III and IV

There is up to 25% flexibility on the main budget-lines (staff costs, programme implementation, other direct operational costs, intermediary support). That means in the DRA budget template for budget categories I, II, III and IV. In case of multi-annual contracts and budgets, the mentioned 25% refers to the total of the multi-annual budgeted amount. In the past the 25% flexibility rule did not apply for certain budget lines, such as equipment. This is no longer the case. The 25% flexibility rule applies to all herementioned categories.

Predicted overspendings of 25% or more on consolidated level, need a budget revision and prior approval from the DRA and MoFA. The members need to inform the lead as soon as they foresee 25% overspend on a category.

The financial reports should include explanations for deviations from budget headings (i.e. categories) of 10% and above in each member's sheet and at the consolidation level.

Guidance for lead: The lead is responsible to request approval if the overspending occurs on consolidated level. Approval must be requested from the MoFA before realizing and reporting it (prior approval). This prior approval has to be processed from the DRA member to the lead and from the lead to the DRA.

If the difference (overspending) of 25% on a budget category at partner level does not lead to 25 or more percent overspending on the category in the consolidated budget, then RTF approval is sufficient, the same applies for programmatic changes. They can be approved by the RTF, including changes in sector, location and partners.

Joint (lead) budget and innovation budget

With regards to the joint budget and the innovation budget the 25% rule does not apply within the budget tab. Therefore; for changes within the joint (lead) budget and the innovation budget of 25% or more there is no MoFA approval required. However, the total joint budget and innovation budget lines in the consolidated budget are subject to the 25% flexibility rule.

Management cost

The amount included in budget heading IX (management costs) is maximum 1% of the total budget and the same rules apply to this line as to the ICR. For example, when there is underspending on the total Joint Response action, the management cost will be 1% of the actual total expenditures.

Multi-annual contracting

As mentioned, the 25% flexibility rule applies for the total of the multi-annual budgeted amount. Underspending or overspending in a period that is not the final period of the grant will automatically lead to an adjusted budget for the next reporting period, where the balance of the previous period is added to the last approved budget for that specific period.

Budget Revision

Apart from budget deviations of 25% or more, the following other changes require prior written permission from the DRA BoD by the lead. Members need to present requests to the lead:

- changes in the eligibility period;
- changes that affect the reporting timeline
- a substantial programmatic change
- changes that affect the contractual objective of the JR (Disaster, Country, disaster related area and logframe and other stipulation's objective of the grant). A change affects the contractual objective of the JR when the JR grant will not be performed in full, at all, or on time, or if the JR will not be able to meet the obligations attached to the grant.

End of an action

End date

The date of end of an action is written in the DRA Grant Agreement.

Asset disposal

Asset disposal should follow the asset disposal plan based on the internal regulation of the DRA member.

External Audits

Member

There are different levels of external audits. JR members are audited at their level, then sending their audit to the lead, who does a meta audit. The meta audit is then sent to the DRA, at which level another audit is taking place, including the meta-audits sent by the JR-lead. The audit at the DRA level is then sent to MoFA.

Depending on the type of JR or budget, audits take place at a different moment.

- ACJR: At the end of the ACJR a financial audit should be performed.
- PCJR: MoFA requires annual audits, as described at the contracting phase. The audit timeline is mentioned in the contract with DRA.
- Support budget grant agreements should also be annually audited, though support budgets below 100'000 EUR are exempted from audit reports.

Materiality is based on the latest approved audit protocol and is calculated over the total implementation period. The reporting framework is the last approved audit protocol that is attached to the signed agreement. An auditor's opinion should be provided. In case the auditor's opinion is qualified, the DRA or MoFA has the right to be re-imbursed for the funds provided.

Guidance for lead: lead needs to collect the financial reports from the JR-members and the audit reports from the JR-members and see if those align. The lead will then ask an external auditor to do an audit on the consolidated financial report, taking into account the audits of the JR-members for their share of the expenditures, adding the expenditures on the joint budget.

Annex II has a list that could be used by both the lead member and the external auditor to see if the audit report is complete and has all the correct references.

Local Partner

A local partner can either do its own audit, or combine their audit with the member. It is up to both to arrange the audit according to the audit protocol. However, a combined audit for a member and their local partners is preferred. The final settlements with local partners after the end of the implementation period are only eligible if the activities are performed before the end of the action. This means eligibility is not related to the transfers to the local partner, but to moment the actual project expenditures took place. In case of uncertainties, the lead organization could contact the finance working group for advice.

It is recommended that local partners do receive transfers timely and pre-finance themselves as little as possible, in order to ensure that they have sufficient funds to implement the activities and pay their staff.

Contact MoFA

All contact to MoFA will go through the Board of Directors and Program & Compliance Officer from the DRA. DRA partners are not to contact MoFA directly. In case questions or concerns come up, please contact the lead, who is in charge to be in touch with the BoD or the program and compliance officer.

No-costs extension and unspent funds

In principle MoFa does not allow no-costs extensions for DRA projects, only in exceptional situations. Approval for a NCE goes via the DRA to MoFa. Members looking for a NCE should communicate this with the lead partner, which can then coordinate and assess requests from other members to then request approval from the DRA.

Depending on the decision of MoFA, unspent project balances could go back into the DRA-fund. The partners meeting can decide on the use of these funds; they could become available for future project grants.

Changes in budgets between members are up to the RTF to agree on, as long as they do not affect the 25% or above threshold at consolidated budget heading level.

Annex I – Concept note budget guidance

When completing a concept note budget template, please take into account the following guidance with regards to the 3 budget lines mentioned in the format.

		Total Budget
1	Sector budget estimate program implementation	€ -
2	Program related support costs (such as audit, program staff salaries etc.)	€ -
3	Support costs budget (support staff salaries, office costs etc.)	€ -
4	Local Partner Budget	€ -
Total Direct Costs		€ -
	Local partner ICR	€ -
8,7%	Member ICR	€ -
	Total ICR (max. 8% of the total grant)	€ -
Grand Total		€ -

Cost Element	Cost Category in Concept Note
Member cost	
Capacity Strengthening (goes to sector 'Strengthening humanitarian systems')	1
Innovation and Learning	1
Program Activities (Cash Transfers)	1
Program Activities (Excluding cash transfers)	1
Program Logistics (travel, accommodation, warehouse, transport, handling)	1
Assets and Equipment > 500€ (Program)	2
Audit (goes to sector 'Support')	2
Intermediary support (goes to sector 'Strengthening humanitarian systems')	2
International Direct Programme Salary Costs (Incl. Fringe Benefits)	2
International Program Staff	2
Monitoring & Planning	2
National Direct Programme Salary Costs (Incl. Fringe Benefits)	2
Assets and Equipment > 500€ (Support)	3
International Support Staff	3
National Support Staff Salary Costs (Incl. Fringe Benefits)	3
Office Costs (Rent, utilities, maintenance, advertising, communication etc.)	3
Other Costs	3
Security Costs	3
Local partner cost	
Assets and Equipment > 500€ (Program)	4
Assets and Equipment > 500€ (Support)	4
Audit (Support)	4
Capacity Strengthening	4
Innovation and Learning (Program)	4
Monitoring & Planning (Program)	4
National Direct Programme Salary Costs (Incl. Fringe Benefits)	4
National Support Staff Salary Costs (Incl. Fringe Benefits) (Support)	4
Other Costs (Office, maintenance, communication) (Support)	4
Program Activities (Cash Transfer)	4
Program Activities (Excluding Cash transfers)	4
Program Activities Logistics (travel, accommodation, warehouse) (Program)	4
Security Costs (Support)	4

Annex II – Checklist for the audit report

The below checklist could be used by auditors and lead members to check if the audit reports have all the required information.

No	Description	Status
1	In the audit report all amounts need to be reported in Euro.	
2	Does the audit report contain a reference to the latest DRA audit protocol?	
3	In the audit report a reference to the donor should be made (Ministry of Foreign Affairs via the Dutch Relief Alliance).	
4	The audit report needs to consist a reference to the financial object that is audited (for instance, the finance report that belongs to the ACM/PCM).	
5	In the audit report a reference should be made to the contract between the lead party and the consortium member (SSAA).	
6	The implementation period needs to be mentioned.	
7	There needs to be a reference to the framework normenkader (either ISRS 4400 or ISA 800/805)	
8	In the report the total budget and total expenditures need to be presented.	
9	Total expenditures in audit report need to be the same as submitted financial report in excel.	
10	Deviations from the budget and the expenditures of more than 10% need to be explained.	
11	In the report the total amount of cash transfers need to be presented.	
12	The separate written report (Annex 2a) needs to be filled and shared together with the audit report.	
13	Letter of Representation (LoR) needs to be signed and shared together with the audit report.	
14	The financial report needs to be stamped and signed. The template to be used is shared by the lead.	
15	The consortium partners must declare to the auditor in the LoR the compliance with article of the grant decision that states: "You may not offer to or accept from third parties anything of any kind whatsoever, if this could be interpreted as an illegal or corrupt practice. Such practices may provide grounds for the withdrawal of this decision or part thereof". The auditor states whether the declaration is in the LoR.	
16	The opinion of the auditor needs to be stated and it needs to be clear if there are any material findings.	



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DUTCH RELIEF ALLIANCE

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