

Annex I

TERMS OF REFERENCE

FOR THE AUDIT OF THE BMZ-PT PROJECT:

“Strengthening socio-economic resilience of vulnerable women in Wau, South Sudan”

Introduction

Malteser International is the worldwide relief agency of the Sovereign Order of Malta for Humanitarian aid. Its mission is not only to provide emergency relief, but also to implement rehabilitation measures and to facilitate the link between Emergency relief and Development. In its projects, Malteser International concentrates on the five sectors Relief and Rehabilitation, Health and Nutrition, Water, Sanitation and Hygiene, Livelihoods, and social programs.

1. Project Summary

The project been Audited: Strengthening socio-economic resilience of vulnerable women in Wau, South Sudan (Project Number 1394-14; Donor Project Number -7438)

The project contributes to the empowerment of gender equality and socio-economic resilience of vulnerable women in South Sudan. Vulnerable women in Wau are empowered through their contribution to the household income and improved life skills, thereby contributing to gender equality and restoration of women rights.

The implementing partners is “The Daughters of Mary Help of Christians – Salesian Sisters” in the following addressed as Salesian Sisters, based in Wau with regional Head quarter in Addis Ababa, Ethiopia.

The project duration is 01.09.2023 - 31.08.2026 with an initial total direct project budget of EUR 427,741.00.

2. OBJECTIVES OF THE AUDIT

The objective of the audit is to express an opinion on the financial statements and report that all statutory compliances are carried out in accordance with the Generally Accepted Accounting Standards in South Sudan, the regulations according to the Partner Project Agreement.

- The specific objectives are as follows:

- Giving a judgment of the financial performance and position particularly whether correct and reliable reflection is given of the receipts and expenditure in these financial statements.
- Analyzing and evaluating the financial management and internal control system.
- Making observation to assess whether MI and Partner organizations have complied with all conditions of the existing rules and regulations.

3. DESCRIPTION OF SERVICES

3.1 GENERAL MANDATE

- Carry out an audit in accordance with appropriate professional standards of auditing as applicable in South Sudan and the regulations defined in the Partner Project Agreement and express an independent professional opinion on the financial statements from Salesian Sisters for the financial year of ▪ **01.01.2025 - 31.12.2025**
- Produce a report on the evaluation of the financial management of the implementing partner, indicating the strengths and weaknesses, as well as corrective measures needed to ensure proper financial management.
- Prepare the following documents to be submitted as part of the Audit report:
 - Annex 1_ Statement of Accounts by Chartered Accountants
 - Annex 2 _Statement of application of funds
- The external audit must include the following auditing and control measures:
 - ✓ Verifying accounting records for correctness and completeness.
 - ✓ Verifying the financial report in which all project-related income and expenditure must be shown and for which it must be confirmed that receipts are provided for all income and expenditure.
 - ✓ Verifying how the project funds provided have been managed.
 - Project funds transferred to the project partner in the current budget year.
 - Interest earned in the current budget year from project funds transferred to the project partner, if it exists.
 - Other income from the project activity.
 - ✓ Verifying to what extent the funds have been used appropriately in line with the planned project objectives and activities.
 - ✓ Verifying the cost-effectiveness of expenditure with regard to financial resources (to be used economically and as effectively as possible).

- ✓ Verifying the personnel costs and social security contributions to ensure that they are in line with local standards, legal the South Sudan ,and, above all, that they comply with contracts and that the contributions required by law are being withheld and or remitted to the necessary authorities.
- ✓ Verifying that the cost plan is being adhered to by means of a comparison of objectives and effects (based on the most recent valid budget).
- ✓ Verifying and confirming that project-relevant documentation is complete and correct.
- ✓ Verifying that all agreements fundamental to the project are being adhered to.

4. PROCESS OF THE AUDIT

Activity	Actors involved	Timeline Audit 2026
Submission of bids (single amount inclusive of travel, food and accommodation, taxes, etc.)	Audit firm	2 nd Week of March`26
Opening , Analyzing the Bids.,contacting the winning Firm.	MI	3 rd Week of March`26.
Signing the contract	MI + Auditor	4 th Week of March`26.
Provision of project contract with all annexures, amendments etc. to the auditor	MI+ IP+ Auditor	4th Week of March`26

workplan: partner and auditor decide dates for documents verification at partner office and field visit	MI + auditor	4 th Week of April`26
Conducting the audit	IP + auditor	1 st week of April`26
Auditor shares draft audit report	MI + IP+ Auditor	2 nd week of April`26
Examination of the audit report and sharing of observations. The audit report review process must continue until authorisation is obtained.	MI +IP +Auditor	3 rd to 4 th Week of April`26
Signature of the stamped audit report, provision of an electronic copy and hard copies to MI and IP	Auditor	1 st Week of May`26
Payment	MI	After provision of soft and hard copy to MI am Partner.

5. AUDITOR'S REPORT

The report of the external audit must include the following:

- ✓ Presentation of the audit assignment and scope with extensive comments on the audit findings. The auditor must also state which documents were used for the audit of appropriate use of funds and compliance within the project term.
- ✓ Recommendations in case of complaints.

- ✓ Budget (most recent version), with the structure used for the financial report, provided for the final report and presented as per the Annex1. The comparison of planned and actual expenditure is shown in the currency in which the expenditure was incurred .As prepared in Annex 2, the auditor will also provide actual expenditures in EUR, using the FIFO (First-in-First-out) exchange rate calculation.
- ✓ For deviations of actual expenditure from the planned expenditure in the current budget that exceeds 30% of individual budget sub-categories, reasons must be given.
- ✓ The final audit opinion in the audit certificate must state the following (minimum requirement), which is to be worded clearly by the external auditor and adapted if appropriate
 - We hereby certify that we have audited the statement of accounts of:
 - “The Daughters of Mary Help of Christians - Salesian Sisters” regarding the financing of the project “Strengthening equal participation and socioeconomic resilience of vulnerable women in South Sudan”. Our audit was carried out based on the following requirements pertaining to the use of funding:
 - - project agreement including all annexures and amendments if applicable,
 - partner reports
 - budget control incl. voucher list, vouchers with supporting documents, cash books, ledger books, bank passbook/ deposit slips/ certificate of deposits, bank reconciliation statement, monthly trial balance allocations of shared costs (staff, office rent, water, communications, and electricity, etc.),
 - income overview/ receipt documents: instalments of MI incl. exchange rate calculation, interest received on bank account, local contribution documentation - staff list, staff contracts, time sheets,
 - logistic documents incl. inventory list, handover documents, procurement documents, logbook, vehicle registration etc.
 - training documentation: participants list, training flow etc.
 - MOUs/ agreements/ contracts with governmental partners/ local authorities, community-based organisations (self-help groups, federations, etc.), service providers, etc.

- in case of project-funded constructions: land title documents, agreements between landowner and project holder/ beneficiaries for long-term utilization.
 - others: to be specified
- To this end, we have inspected the books and receipts. Based on our audit, we confirm that:” Following this, the audit should provide specific statements on the following questions:
 - ✓ Following this, the audit should provide specific statements on the following questions:
 1. To what extent has all income and expenditure been properly documented by means of receipts?
 2. To what extent has the documented expenditure complied with its application and project approval and to what extent is it in keeping with the appointed purpose and the most recent budget? Have any deviations from the most recent budget been explained separately?
 3. To what extent were the donor’s conditions that were specified in the project agreement taken into account? What response was there to these conditions? Which of these conditions were not adhered to and were reasons given for this?
 4. Which special aspects – positive or negative – should be mentioned with regard to this project?

The audit report should draw a clear conclusion regarding adherence to the binding arrangements made in the project agreement.

The auditor is required to provide information in the audit report about any special aspects (relating to the project in question). Specific statements on the audit conducted on the project in question (i.e. which income and expenditure were examined, whether planned project activities were implemented) and on the individual audit findings must be made. If there were no findings, this must also be explicitly mentioned in the report.

As the audit report replace receipts as proof of proper use of funds, the auditor is required to provide information in the audit report about any special aspects (relating to the project in question). Specific statements on the audit conducted on the project in question (i.e. which income and expenditure were examined, whether planned project activities were implemented) and on the individual audit findings must be made. If there were no findings, this must also be explicitly mentioned in the report.