

EXTERNAL FINANCIAL AUDIT

TERMS OF REFERENCE (ToR)

1. INTRODUCTION

Caritas Austria is an international NGO implementing activities in the fields of emergency relief and rehabilitation as well as development cooperation, in countries struck by conflicts or natural disasters. Caritas Austria has been supporting projects in Ukraine for over 30 years. These are carried out in the areas of children and youth work, in work for and with people with disabilities and in the care of the elderly persons, among others.

Sheptytsky Hospital was founded in 1903 by the prominent Ukrainian philanthropist Metropolitan Andrey Sheptytsky. This institution is inspired by the history and example of selflessness of its founder and the renowned physicians of the hospital who were dedicated to the cause of saving human lives. Today, it is not just a medical institution but a medical facility that provides outpatient and inpatient treatment, combining medical and mental support, and offering services in the various medical fields. The hospital serves approx. 60.000 patients per year with around 1.000 different medical services.

2. BACKGROUND OF THE 2 PROJECTS *

First Project: **Project # 2210003 Mobile Medical Care for mass settlements in Lviv**

- a) Caritas Austria's project number and official project title:
Mobile Medical Care for mass settlements in Lviv
- b) Project duration/implementing period:
01.04.2022 - 30.06.2023 (originally 01.04.2022 - 30.09.2022)
- c) Official project budget (with indication of donor's contribution):
EUR 375.000,00
- d) Short project description:
 - Implementing partner organisation: Charity Fund "Sheptytsky Hospital"

Overall project goal:

To contribute to an improved integrated "mobile health" approach for IDPs and other people in need in temporary mass settlements in Lviv.

Programme outcomes:

Specific Objective 1: Provide timely lifesaving integrated medical assistance to displaced and non-displaced persons, who are affected by the escalation of hostilities.

- 90 % of beneficiaries (disaggregated by sex) or a guardian/family member who speaks on their behalf if they are unable to do so themselves, who self-report that they feel that the care they receive is timely, adequate and satisfactory
- 5400 beneficiaries (disaggregated by sex) who received - timely, adequate satisfactory, high quality - care

Project results:

- Op 1. Portable ultrasound
- Op 2. Portable laboratory analyser
- Op 3. Portable ECG
- Op 4. Portable defibrillator
- Op 5. Pulse oximeters
- Op 6. Medicines, dietary supplements, div. medical devices

Op 7. Mobile care delivered

Op 8. Online psychological support delivered

- 90% of older persons and IDPs (women and children) who report that they value the integrated mobile services provided
- As much as possible (based on needs) portable medical devices purchased

Project activities:

A1. Mobile outpatient treatment in mass settlements

A2. Contain the COVID-19 pandemic

A3. Ensure access to health care and humanitarian health care for IDPs and people who can't be evacuated

A4. Ensure functioning of health infrastructure (portable medical devices such as portable ultrasound, portable laboratory analyzer, portable ECG, defibrillator, etc)

A5. Provide (online and f2f) psychological support for IDPs (mainly women and children)

A6. Purchase of medicines, dietary supplements and medical devices for the activities of the Sheptytsky Hospital and three defined clinics in Ukraine

A7 Provision of daily full medical care for 40 palliative patients (July – September and April 2023 - June 2023)

Target group:

60(-100) isolated elderly, lonely, often chronically ill and/or bedridden people in need of integrated medical psychosocial mobile homecare (additional beneficiaries to already existing HC project)

6.000 IDPs in mass settlements (mainly women, children, elderly people)

40 out-patient and inpatient palliative patients who were in the Sheptytsky Hospital

Second Project: Project # 2309035 Telemedicine. Improvement of health of IDPs in Lviv and Ternopil and local elderly people affected by the war in Ukraine

- Caritas Austria's project number and official project title:
Telemedicine. Improvement of health of IDPs in Lviv and Ternopil and local elderly people affected by the war in Ukraine
- Project duration/implementing period:
01.01.2024 - 30.06.2024
- Official project budget (with indication of donor's contribution):
EUR 72.000,00
- Short project description:
 - Implementing partner organisation: Charity Fund "Sheptytsky Hospital"

Overall project goal:

To contribute to cover basic needs and increase the resilience of people and communities affected by humanitarian crisis resulting from natural disasters or conflict situations

Programme outcomes:

Specific Objective 1: Improve the level of the health of displaced and non-displaced people who were affected by the war in Ukraine and live in Lviv and Ternopil regions.

Ocl 1.1: 90 % of beneficiaries (disaggregated by sex) who report that their health was stabilized after the medical assistance received

Project results:

To provide an access to the timely, adequate and high-quality health treatment for displaced and non-displaced people who were affected by the war in Lviv and Ternopil regions

Opl 1.1: 500 (400 IDPs +100 elderly people from the low mobility groups) of beneficiaries (disaggregated by sex) who received - timely, satisfactory and high quality medical services incl telemedical service provision

Opl 1.2: 2000 medical consultations that were provided within the framework of the project for the target audience of the project

Opl 1.3: 90% of beneficiaries report that they received assistance in a timely, adequate satisfactory, and high quality manner.

Project activities:

A1: Provision of the general practice doctor consultations on the site (in the mass settlements for IDPs and for the elderly people from the low mobility groups)

A2: Provision of the specialist doctors' consultations through Telemedicine

A3: Spreading the informational materials about the Telemedicine services

Target group:

400 IDPs and their families living in the mass settlements in Lviv and Ternopil regions

100 elderly people from the low mobility groups

3. OBJECTIVES OF THE AUDIT

The objectives of the audit are:

- a) to provide a professional opinion by an external independent auditor on the quality of processes and accounting practices within the audited organisation and specifically as applied within the project at hand
- b) to independently verify that the project mentioned above has been implemented in compliance with the requirements of the following documents of reference:
 - **Legislation:** National legislation, with particular attention to:
 - o Respective social and labour law (including staff and salary regulations).
 - o Regulations on VAT and other taxes.
 - **International standards:**
 - o ISA - *International Standards on Auditing*
 - o IFAC – *International Federation of Accountants*
 - o Relevant standards of the local accounting profession
 - o Local legislation on accounting and financial reporting
 - **Project:** Cooperation agreement relative to the project or to the partner organisation, Project Documents, Terms of Reference (TOR), Budgets, plans of project activities, Caritas Austria financial guidelines.
 - **Accounting:** Accounting documents subject to the financial audit, financial and operational reports concerning the project.
 - **Auditor:** The present terms of reference and the related mandate for financial audit.
- c) to provide a professional opinion by an external independent auditor on the quality of the audited organisation's financial reporting and its suitability for the requirements of the donors.

4. AUDITOR'S MANDATE

In performing his/her mandate, the auditor shall:

- Verify sound financial management, accuracy and completeness of bookkeeping.
- Audit the accounts on the basis of original vouchers.

- Stamp the original vouchers (invalidation) and perform accurate controls in order to certify the absence of duplication of funding (i.e.: same costs funded by different donors).
- Verify plausibility of expenditures.
- Verify compliance of expenditures with budget items.
- Verify compliance of expenditures with project duration.
- Verify that there is a clear reconciliation between accounting records, original vouchers and financial data included in the project reports.
- Verify that the financial reports provide a true picture of the project's finances.
- Provide information on the project revenues, including donor transfers, bank interest and indication of applied exchange rates.
- Verify proper application of the applicable procurement regulations.
- Provide information on the treatment of taxes (especially VAT) in the financial reports.
- Proof of the existence of all capital assets and investments purchased with the project funds according to the inventory presented (carry out random physical assets verification)

5. AUDITOR'S REPORT

The auditor shall produce **a draft and a final audit report** based on the official project budget and exactly reflecting its budget line structure.

The audit reports must be written in English and translated into Ukrainian. It must state clearly:

- Title
- Contracting Organisation (Caritas Austria)
- Project numbers and names
- Implementing organisations' names and contact details
- Brief description of the project and partner(s)
- Reporting period and currency
- Exchange rates used in the financial report (to Euro or to the official project currency, as indicated in the project budget), with detailed explanation of their calculation
- Total amount of budgeted and actual expenditures, with differentiation between direct and indirect costs, as indicated in the official project budget
- Complete list of reported expenditures classified according to the relevant budget lines;
- Total amount of budgeted and actual incomes
- Complete list of project funds transferred, including donors' names, dates and exchange rates
- Indication on treatment of taxes and especially VAT
- Amount of actual expenditures verified
- Objectives, Scope and Description of the procedures Findings from the expenditure verification
- Recommendations, if applicable
- Comments on not-accepted vouchers
- Indication of documents of reference for audit execution (as indicated under art. 3.b.)
- Reference to contact persons/sources of information from implementing partner organisation during audit execution
- Auditor's name, position, address, phone, fax and e-mail
- Date, auditor's signature
- Inventory list of all goods/equipment procured within the project

6. MANAGEMENT SUPPORT

Caritas Austria and its implementing partner organisation will provide the external auditor with the following material and sources of verification:

- ToR for the external audit
- MoU/cooperation agreement between Caritas Austria and its implementing partner organisation
- Official projects budgets
- Financial project reports, including complete list reported expenditures
- Original vouchers/receipts
- Access to the used bookkeeping system
- Access to information related to bank and cash statements
- Any other documents required by the auditor for the performance of his/her tasks

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

7. REQUIRED EXPERTISE

- a) The financial audit of projects is to be carried out by an independent auditor having the required professional competence and experience, and in accordance with generally accepted international auditing standards.
- b) The auditor must not have been involved in the operation's accounting.
- c) The auditor must not personally be connected in any way with the organisation being audited.
- d) The auditor must be a registered audit company in the country of project implementation or in Austria.

8. WORK PLAN

Activity	until	to
Letter/Expression of interest/offer*	31/08/2024	Caritas Austria
Signed contract between auditor and Caritas Austria**	12/09/2024	Caritas Austria
Auditing	18/09/2024 04/10/2024	Auditor
Sending English draft audit report to Caritas Austria	11/10/2024	Caritas Austria
Feedback from Caritas Austria	25/10/2024	Auditor
Finalization of and transmission of the final audit report to Caritas Austria and translation of final audit report into Ukrainian***	01/11/2024	Caritas Austria

*Letter of interest:

It should include:

- Description of planned audit implementation
- Schedule of activities
- Auditor's fees
- Auditor's CV and/or company profile

****Contract:**

Before carrying out the audit, a **contract** (based on the ToR for the external audit) has to be signed between Caritas Austria and the respective auditing company.

The audit contract shall be drafted by the auditor and shall:

- Be written in English
- Include these ToR as an annex and integral part of the contract
- Contain a time schedule for the auditing process

*****Final audit report:**

Singed original version of the audit reports in English and Ukrainian must be submitted in hardcopy to:

- Nr. 1 copy to Caritas Austria
- Nr. 1 copy to Implementing partner

9. CONTACTS

Caritas Austria

Office:

Caritas Austria,
International Programs Department,
Storchengasse 1/E1 05
1150 Wien / Vienna, Austria

Contact person: Kira Menaker, Program manager, kira.menaker@caritas-austria.at, +43 676 780 48 22

Implementing partner organisation

Office:

Charity Fund "Sheptytsky Hospital"
Lviv, 79016, vul. Ozarkevycha, 4, Ukraine

Contact person 1: Andriy Login, Director, andriy_ln@yahoo.de, +38 98 586 6282

Contact person 2: Kristina Keleman, Head of development centre
development.spital@gmail.com, +38 098 586 62 82

Place and date: _____

Signature auditor: _____

Signature Caritas Austria: _____