

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

Funded by Islamic Relief Sweden through Swedish International Development Cooperation Agency (SIDA)



1. FUNDAMENTAL PRINCIPLES

These Terms of Reference (TOR) define the mandate of the auditor in connection with the financial review of project **“Humanitarian response to the Migrant/Refugee Crisis in Bosnia” (020_003328)** implemented by Islamic Relief Bosnia, funded by Islamic Relief Sweden with main funding source by through Swedish International Development Cooperation Agency (SIDA).

The financial review will be based on the professional requirements and guidelines governing the professional work to be undertaken by an auditor in relation to an agreed upon procedure engagement as per International Standard on Related Services 4400 and International Standards for Auditing (ISA) 800/805.

I. The Organizational Structure

Islamic Relief Bosnia is one of the leading humanitarian organizations intervening in the migrant crisis in Bosnia. In cooperation with the International Organization for Migration IOM, Islamic Relief seeks to respond to the humanitarian demands of migrants in B&H, with full operational departments like admin, finance, procurement & logistics, MEAL and programs implementation headed by a field coordinator.

Islamic Relief Bosnia is headed by a Country director and the staff that include Project Coordinator, Project Officer, Finance Manager, Finance officer, Procurement and Logistic Officer, HR/Admin and Social Workers.

The main office is located in Sarajevo and a sub-office in Tuzla.

II. In planning, conducting and reporting on the financial review, the auditor shall be given due considerations to the auditing and other standards promulgated by International Auditing and Assurance Standards Board (IAASB), In addition, the relevant standards of the Local accounting professional bodies as well as the local legislation on accounting and reporting in force in the country will be taken into consideration by the auditor.

2. Objectives and scope of the audit

The objective is to audit the financial report for the period **21/01/2020 - 20/07/2020** as submitted to SIDA and to express an audit opinion according to ISA 800/805 on whether the financial report of **Humanitarian response to the Migrant/Refugee Crisis in Bosnia**

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

Funded by Islamic Relief Sweden through Swedish International Development Cooperation Agency (SIDA)



(020_003328)” is in accordance with SIDA’s instruction for financial reporting as stipulated in the agreement including appendix between IR Sweden and IR Worldwide.

Follow up whether salary costs debited to the project/program are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation

The review shall include whether IR Bosnia makes documented assessments of the audited financial reports submitted to IR Bosnia and whether these reports are followed-up by IR Bosnia.

Follow up are the same requirements for reporting exchange rate gains/exchange rate losses as stipulated in the agreement between IR Sweden and Islamic Relief Worldwide, included in the agreements between IR Bosnia and its implementing partners.

3. OVERALL PRINCIPLES OF THE FINANCIAL REVIEW

The auditor is required to plan, execute and report on the financial review engagement in order to form a professional judgment on the following matters relating to the activities and the organization:

- I. Verify that the final reporting has been done in accordance with the existing agreement with IR Sweden on the correct templates provided by IR Sweden. If this is the case, please state this.
- II. Verify whether implementation and reporting has been done in accordance with the time frames agreed upon with IR Sweden. If this is the case, please state this, otherwise specify deviations.
- III. Verify that there is an agreement between IR Bosnia/IRW and any other implementing party and that this agreement has been established in accordance with the instructions in IRW’s agreement with IR Sweden. If this is the case, please state this, otherwise specify deviations.
- IV. Verify whether the budget provided in the financial report has been approved by IR Sweden. If this is the case, please state this. Please specify deviations (if any) from the approved budget by IR Sweden.
- V. Verify that all budget deviations, per budget item, exceeding 10% of the total budget have been commented upon in IR Bosnia/IRW’s final report and that approval for these deviations has been received from IR Sweden. Please state all cases (if any) where this has not been the case.

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

**Funded by Islamic Relief Sweden through Swedish International Development
Cooperation Agency (SIDA)**



- VI. Verify that the financial report is in accordance with the organization's book-keeping and with reporting from other implementing parties (if any). If this is the case, please state this, otherwise specify deviations.
- VII. Verify and assess whether calculations underpinning the financial report are correct and based on reasonable assumptions.
- VIII. Verify that costs labeled as "administrative costs" and "overhead" in the financial report are in agreement with the percentage stated in the agreement between IRW and IR Sweden. If this is the case, please state this, otherwise specify deviations.
- IX. Assess whether there are material weaknesses in Organization's internal control regarding the financial reporting. "Material" in this respect refers to weaknesses that normally would be reported in a management letter to the Board of Directors of the Organization.
- X. Confirm whether there have been or have not been suspicions of corruption in the audited projects.

4. Additional assignment; according to agree upon procedures ISRS 4400, review the following areas in accordance with the Terms of reference below

Auditors have to List any additional areas to be examined, e.g. following up on weaknesses identified in previous efficiency audits or reviews of internal management and control. Observe that if the budget includes salary costs that will be debited to the project/program, agreed upon procedures ISRS 4400 (for information about ISRS 4400 as a standard, see the Audit Handbook) shall always be conducted and include a review whether these costs have been recorded in a systemized manner that allows for following-up. The size of the sample for the auditor to review under an additional assignment according to agree upon procedures 4400 need to be specified in the terms of reference.

OBSERVE! The areas of review below are examples and must be adjusted to the specific project/program based on what is applicable and relevant in accordance with the appraisal phase and risk analysis. Consult your controller regarding relevant areas of review.

- I. Follow up whether salary costs debited to the project/program are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.
- II. Examine whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by SIDA for the period.

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

Funded by Islamic Relief Sweden through Swedish International Development Cooperation Agency (SIDA)



- III. Based on materiality and risk the auditor shall examine whether there is supporting documentation related to incurred costs
- IV. Follow up whether Islamic Relief Bosnia has implemented the following recommendations from the assessment of internal control: of previous audit, the examination includes reviewing whether the partner has implemented the action points as described in partner's management response that has been submitted to SIDA.
- V. Examine whether foreign exchange gains and losses are disclosed in accordance with what is stipulated in the agreement including appendixes.
- VI. Examine whether Islamic Relief Bosnia compliance with the applicable tax legislation in regard to taxes (e.g. PAYE)¹ and social security fees.
- VII. Follow up whether Islamic Relief Bosnia has adhered to the procurement guidelines annexed to the agreement.
- VIII. Review if outgoing balance for previous period is the same as incoming balance for the current period.
- IX. If Islamic Relief Bosnia applies modified cash basis as accounting principle, the auditor shall motivate whether the applied accounting principle is acceptable for this type of financial report.

5. Follow up of funds that are channeled to implementing partners

The sample test's size of the review of agreements and audit reporting from implementing partners must be specified.

- I. Does Islamic Relief Bosnia have signed agreements with its partner organizations?
- II. Are the audit requirements in agreements with partner organizations in accordance with the audit requirements as stipulated in the Islamic Relief Worldwide agreement with IR Sweden and related SIDA agreement?
- III. Review whether there is an unbroken chain of audited financial reports according to the requirements as stipulated in the agreement between IRW and IR Sweden for funds disbursed to third parties. The review shall include whether the partner makes documented assessments of the audited financial reports submitted to Islamic Relief Bosnia and whether these reports are followed-up by the partner. The review shall also include any observations from auditors that IR Sweden/SIDA should be informed about. The review shall include verification of contributions equivalent of a minimum of 80 % of the total of disbursed funds as well as 80 % of the number of contributions. The review shall also include any observations from auditors that IR Sweden/SIDA should be informed about.

¹ Pay As You Earn

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

**Funded by Islamic Relief Sweden through Swedish International Development
Cooperation Agency (SIDA)**



- IV. Are the same requirements for reporting exchange rate gains/exchange rate losses as stipulated in the agreement between IRW and IR Sweden, included in the agreements between the Islamic Relief Bosnia and its implementing partners?

6. The reporting

The scope of the audit shall be stated in the report and the methodology used shall be presented.

The reporting shall be signed by the responsible auditor (not just the audit firm) and title.

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated, as well as a Management letter with audit findings and weaknesses identified during the audit process. The auditor shall regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation. The auditor shall make recommendations to address the weaknesses identified and the recommendations shall be presented in priority order. If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

Measures taken by the organization to address weaknesses identified in previous audits shall also be presented in the Management Letter.

The additional assignment according to agreed upon procedures ISRS 4400, shall be reported separately in a "Report of factual findings".

7. DOCUMENTS OF REFERENCE

The following documents and matters are to be considered by the auditor as basic references for performing the financial review:

- Project agreement (Service Level Agreement SLA signed between IR Sweden and IRW code **020_003328** and
- Annexures as mentioned in the agreement.

I. Project Background

Since the beginning of 2018, Bosnia and Herzegovina has witnessed a dramatic increase in the number of migrants and refugees entering the country. The influx has challenged the human and

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

**Funded by Islamic Relief Sweden through Swedish International Development
Cooperation Agency (SIDA)**



financial resources of responsible institutions. Some 11,000 refugees and migrants were registered by national authorities during the third quarter of 2019 alone- almost 70 per cent increase compared to the second quarter of the year. As of November, around 8,500 people, including 839 children remained in Bosnia and Herzegovina, primarily in Una-Sana canton. Although occupation rate of accommodation facilities stands at 80 per cent, there is an estimated 4,000 refugees and migrants in informal settlements and/or other private accommodation with limited access to services. Vucjak camp did not have running water, no electricity, no usable toilets, and had leaking overcrowded tents. Currently there are between 700 and a 1000 people living there. After November's visit of Council of Europe representatives to camp Vucjak, it was decided that camp Vucjak must be closed and migrants immediately reallocated to camps with better living conditions. The overall role of IOM is to strengthen capacities throughout the Western Balkan to manage migration and protect vulnerable migrants in a coordinated manner, which is in line with the strategic goals set out in the RRM RP (Regional Refugee and Migrant Response Plan) launched in January 2016 by IOM and UNHCR. As of 2018 and in close cooperation and agreement with BiH government, IOM opened six Temporary Reception Centers TRC (camps) in BiH (Una-Sana Canton; Bira, Sedra, Miral and Borici, Mostar area; Salakovac and Sarajevo canton; Usivak camp. Usivak TRC (Temporary Reception Centre) in Hadzici Municipality has been opened in October 2018 primarily for single men, but also for families and vulnerable migrants. Capacity of the camp is 800 beds. In these centers, IOM is providing for the basic needs of migrants, including food, hygiene products, clothes for those with skin diseases, water, sanitation and hygiene facilities (toilets and showers), 24/7 IOM Centre management staff, and 24/7 cleaning, maintenance and security personnel.. IOM is also responsible for CCCM -

Centre Coordination and Centre Management, in support of and in close cooperation with the Service for Foreigners' Affairs (the Ministry of Security of Bosnia and Herzegovina). BiH Government identified two new location for Temporary Reception Centres, former military camps in Sarajevo and Tuzla area and agreed with IOM for immediate transfer of migrants from Vucjak illegal camp, bus and railway stations in Tuzla to the new camps. Local government in Tuzla refused to give assigned property for the Temporary Deception Centre with an explanation that the former military camp is surrounded by mines, and that the local community disagrees to having migrants settled in their neighborhood. As the priority task was to accommodate migrants from camp Vucjak to the safe place, IOM decided to accommodate the most vulnerable to the camp Usivak located near new camp Blazuj until the reconstruction of the camp is completed. Usivak camp opened in 2018 for Unaccompanied minors, Children in families, Adults in families

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

**Funded by Islamic Relief Sweden through Swedish International Development
Cooperation Agency (SIDA)**



and Single men (Please see more on link: https://bih.iom.int/sites/default/files/UŠIVAK_Nov19.pdf) and settled in Hadzici which is close to the new camp in Blazuj. Through December month, all migrants have been transferred from Vucjak to Usivak and the new camp in Blazuj. The camp Vucjak has been cleared and closed. Due to very bad conditions in the Vucjak camp along with the epidemic level of scabies, all migrants before entering into the new camp, must pass hygienic treatment and receive completely new clothes. This is a precondition for migrants to enter the camp. Islamic Relief WW-Bosnia and Herzegovina Office (IR Bosnia) is participating to inter-agency monthly coordination meetings organized by IOM and hosted at the UN house in BiH. At these meetings, all organizations involved in the response to the migrant and refugee situation in BiH provide update on current situation, identify need and gaps and exchange experiences. Beside this meetings, IR is in daily contact with IOM Emergency Coordinator and Procurement unit in order to plan distribution for NFIs and avoid overlapping of any kind of assistance.

IR Bosnia based on experience in distribution and response to emergency situations, can greatly provide assistance in procurement of basic needs of NFIs. As of January 2020, IR Bosnia is a member of BiH Outreach Protection Coordination Group lead by the UNHCR. Through regular monthly meetings, all invited agencies received information on current situation of PoCs (Persons of Concern, i.e. migrants, refugees, asylums, stateless people) in BiH such as: verification of estimated number of PoCs in the regions and trends analysis, gaps analysis, Update of NFIs Matrix (Clothing, footwear, hygiene items, specific discussion around sleeping items: sleeping bags, blankets and tents), any issues around the negative stands towards the humanitarian actors and other topics of relevance. As an immediate response to humanitarian crises, IR is in the process of procuring clothing and hygiene items for 600 migrants through to contributions from IR USA and IR Canada. This contingent will support the most vulnerable migrants Sarajevo camps and in Tuzla area. However NFIs needs are much greater than what they currently have, particularly for clothing, hygienic items and bedding items, which often have to be changed due to hygienic conditions and the possibility of transmitting infectious diseases. Through this action IR Bosnia will respond to the urgent NFIs for the migrants accommodated in the new camp as well as of the newly arrived migrants/refugees in Sarajevo.

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

Funded by Islamic Relief Sweden through Swedish International Development Cooperation Agency (SIDA)



II. Following are the brief of this project:

Project Name	Humanitarian response to the Migrant/Refugee Crisis in Bosnia
Project PIN	020_003328
Funded By	Islamic Relief Sweden with funded secured from Swedish International Development Cooperation Agency (SIDA)
Project Budget	3,291,855 SEK.
Project Duration	21 st January 2020 to 20 th July 2020

8. PLANNING THE FINANCIAL REVIEW

The auditor shall adequately plan the financial review engagement well in advance of the work and ensure the execution of the financial review of highest professional quality in an economical and efficient manner and within the agreed timetable.

On the basis of the information received during the planning phase, including his review risk assessment, the auditor shall determine:

- I. The type of transactions to be reviewed and the review method (full or random sample);
- II. The type of physical verifications and the sites to be selected;
- III. The number of site visits to be planned.

The auditor undertakes to ensure continuity in the review approach of the financial review engagement and the review team, even if there is a change in the leader of the review team from the prior year.

9. PLACE OF FINANCIAL REVIEW

The financial review is to be carried out within the project environment (administrative offices and / or decentralized sites, if applicable).

10. DETAILED FINANCIAL REVIEW PROCEDURES

Appropriate review procedures are to be applied by the auditor in order to form a professional judgement on the matters outlined below. These procedures applied, either on a full scope or random basis may include:

Controls, checking, evaluation, inspection, interview, analysis and other review techniques. When selecting the review procedures, the auditor shall give consideration to the results of his review risk assessment (during planning stage and during the course of the review work).



Accordingly, he must define and carry out suitable review tasks in order to obtain an overview of the aforementioned aspects before he assesses the individual findings and reaches a final independent decision on the review.

The auditor is expected to select and apply any other review procedures that he may consider necessary in the professional execution of the financial review engagement.

11. FINDINGS AND RECOMMENDATIONS

In his financial review report, the auditor is expected to

- Explain and quantify any adjusting and/or reclassification entries, and to
- Formulate recommendations for the improvement of the internal control system (ICS) as well as of project and accounting procedures

12. CLOSING MEETING

After the completion of the financial review engagement, but before leaving the project or the premises of the partner, the auditor shall hold a closing meeting with the persons responsible for the project/program (directors) and the staff responsible for accounting and reporting. The meeting shall address the results of the project review, discuss major weaknesses in the project, administrative and financial management (including the deficiencies of individual staff members) and propose recommendations to improve the project management, the accounting procedures and the internal control system.

13. FINANCIAL REVIEW REPORT

I. Format of the Report

The review report of the auditor shall explicitly be responsive to the overall principles applicable to the review engagement.

We expect the report as per the below template prescribed by ISRS 4400 for Engagement to perform Agreed-upon Procedures regarding financial information:

INDEPENDENT AUDITOR'S REPORT

To: **ISLAMIC RELIEF WORLDWIDE**

Corporate Identity Number: [2365572]

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

Funded by Islamic Relief Sweden through Swedish International Development Cooperation Agency (SIDA)



Opinion

We have audited the accompanying financial report of Islamic Relief Worldwide (IRW) in respect of the project “**Humanitarian response to the Migrant/Refugee Crisis in Bosnia**” concerning project number **020_003328**, for the time period from **21st January 2020 to 20 July 2020**, **indicating total costs of 3.291,855 SEK.**

In our opinion, the accompanying financial report corresponds, in all material respects, with the organisation’s accounts, and has also, in all material respects, been prepared in accordance with the agreement between Islamic Relief Sweden and Islamic Relief Worldwide **dated 23/01/2020**, as well as based on the instructions for financial reporting received by Islamic Relief Worldwide.

Basis for Opinion

We have conducted the audit in accordance with International Standards on Auditing (ISA). Our responsibility according to these standards are further described in the section “Auditor’s responsibility for the audit of the financial report” in our report. We are independent in relation to Islamic Relief Worldwide according to the professional ethical requirements that are relevant for the audit of the financial report in Bosnia and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Reporting

The Management is responsible for the preparation of the financial report in accordance with the above-mentioned agreement and for the financial control which the Management deems necessary in order to prepare the financial report free from material misstatements, whether due to fraud or error.

In preparing the financial report [YY] is responsible for taking into account Management's assessment of the Organization’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern basis of accounting unless Management either intends to liquidate the Organization or cease operations, or has no realistic alternative but to do so.

Management is responsible for the supervision of the Organization’s processes for financial reporting.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report, on the basis of our assessment of the relevant sections of the agreement between Islamic Relief Sweden

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

**Funded by Islamic Relief Sweden through Swedish International Development
Cooperation Agency (SIDA)**



and Islamic Relief Worldwide, as a whole is free from material misstatement, whether these are due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is no guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with ISAs we exercise professional judgement and maintain a professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate in order to form a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by Project Management.
- Evaluate the overall presentation, structure and content of the financial report, including disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

**Funded by Islamic Relief Sweden through Swedish International Development
Cooperation Agency (SIDA)**



We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

REPORT OF FACTUAL FINDINGS

To Islamic Relief Worldwide

We have performed the agreed-upon procedures as specified below concerning the enclosed financial report to IR Sweden concerning **project "Humanitarian response to the Migrant/Refugee Crisis in Bosnia" concerning project number 020_003328, for the time period from 21st January 2020 to 20th July 2020, indicating total costs of 3.291,855 SEK.** Our engagement was performed in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements, ISRS 4400. The procedures were performed solely to assist you in your commitment towards IR Sweden regarding the provision of a report on how funds from IR Sweden have been used and are summarized as follows:

- Follow up whether salary costs debited to the project are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.²
- Examine whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by SIDA for the period.
- Based on materiality and risk the auditor shall examine whether there is supporting documentation related to incurred costs

² If the budget includes salary costs to be debited to the project, the auditor shall always examine salary costs as stipulated here.

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

Funded by Islamic Relief Sweden through Swedish International Development Cooperation Agency (SIDA)



- Follow up whether IR Bosnia has implemented the following recommendations from the assessment of internal control. The examination includes reviewing whether IR Bosnia has implemented the action points as described in IR Bosnia management response that has been submitted to SIDA.
- Examine whether foreign exchange gains and losses are disclosed in accordance with what is stipulated in the agreement including appendixes.
- IR Bosnia's compliance with the applicable tax legislation in regard to taxes (e.g. PAYE)³ and social security fees.
- Follow up whether IR Bosnia has adhered to the procurement guidelines annexed to the agreement.
- Review if outgoing balance for previous period is the same as incoming balance for the current period.
- If IR Bosnia applies modified cash basis as accounting principle, the auditor shall motivate whether the applied accounting principle is acceptable for this type of financial report.
- We have verified that reporting in accordance with the agreement with IR Sweden has been done on the correct templates provided by IR Sweden.
- We have verified that the project has been implemented and reported in accordance with the time frames agreed on with IR Sweden.
- We have verified that there is an agreement between Islamic Relief Sweden and Islamic Relief Worldwide that this agreement has been established in accordance with the instructions in IR Sweden's agreement with Swedish International Development Cooperation Agency (SIDA).
- We have verified that the financial report includes information with regard to the funds obtained from IR Sweden and specifies whether the closing balance contains any unused funds from IR Sweden.
- We have verified that costs labelled as "administrative costs" and "overhead" in the financial report are in agreement with the percentage stated in the agreement between IRW and IR Sweden.
- We have assessed whether there are material weaknesses in IRW's internal control regarding the financial reporting.

³ Pay As You Earn

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

Funded by Islamic Relief Sweden through Swedish International Development Cooperation Agency (SIDA)



- We have verified that a local audit, in compliance with IRW's agreement with IR Sweden, has been performed in all cases where funds have been transferred to another implementing party.

II. Currency and language of the financial review report

The financial information contained in the financial review report of the auditor is to be expressed in the currency provided for in the contract. The financial review report of the auditor and all other documents resulting from the financial review engagement must be in English.

III. Signature

The financial review report is to be signed by a representative of the auditor as well as by the leader of the review team.

Place and date of Signatures:

14. THE SCHEDULE

Financial review period of the project will be since inception to project's end as mentioned in the below table

Project Name	Humanitarian response to the Migrant/Refugee Crisis in Bosnia
Project Period	From 21st January 2020 to 20th July 2020
Last date for submission of proposal	August 20, 2020
Final selection of firm and awarding of audit contract	By week of closing date of proposal submission
Start of audit field work	Within one week of contract signing
Draft financial statements available for audit	Upon deployment of audit team
Completion of audit field work and Discussion of audit observations	By one week of audit team deployment
Initial draft project financials and report	Immediately after completion of audit field work or maximum within one week of field work completion.
Sign off to final report by auditors	By one week of receipt of initial draft financials
Office Address:	Jukićeva 75, 71000 Sarajevo
Email Address	info@islamic-relief.ba

Terms of References

Financial Review of Project 020_003328

Humanitarian response to the Migrant/Refugee Crisis in Bosnia

Funded by Islamic Relief Sweden through Swedish International Development Cooperation Agency (SIDA)



15. THE TENDER PROPOSAL

Please provide the following information in the proposal, in the order identified in this section.

I. Details of your firm

Your proposal should:

- Outline your structure, size and capabilities as relevant to us
- Identify your firm's major NGO clients.
- Describe your engagement philosophy and methods
- Provide two references of other NGO's that are your clients that can be taken up as required.

II. Staffing

Your proposal should identify:

- The partner and manager who will be assigned to the assignment, including details of their relevant experience and qualifications.
- The time which the partner and manager (engaged on this assignment) will devote to this assignment
- How you manage succession planning and staff continuity.

III. Audit approach

Your proposal should identify how you:

- Determine engagement strategy and undertake planning
- Address matters of engagement scope and materiality
- Identify and respond to critical engagement issues
- Control and co-ordinate the engagement process
- Ensure appropriate responsibility for decisions on the engagement
- Conduct the reporting arrangements

IV. Fees

- Your proposal should include estimate of your engagement fee for this project in Bosnian Mark (BAM);
- In addition, your proposal must provide:
 - An analysis of hours by grade of staff that will be involved on the similar assignments together with details of your hourly charge out rates.
 - The basis of charging expenses.
 - Your proposed billing schedule.