

Audit Services | Scope of Work

Appendix to Request for Proposal

1. Background

International Rescue Committee Sverige Insamlingsstiftelse (RESCUE) is a non-governmental, non-profit organization operating in Sweden and internationally. Our work is funded through a combination of institutional donors, private foundations, and public grants. To ensure financial transparency, accountability, and compliance with donor regulations, we seek to contract a qualified and licensed audit firm in Sweden.

The selected auditor will conduct an annual institutional audit of the organization's operations in Sweden and a series of project-specific audits required by our institutional donors.

2. Objective of the Engagement

The objective is to obtain an independent professional opinion on:

- The fairness and accuracy of the organization's annual financial statements.
 - The effectiveness of internal controls relevant to financial reporting.
 - The compliance of expenditures with donor agreements, Swedish regulations, and organizational policies.
 - The accuracy and eligibility of costs reported under donor-funded projects.
 - GIVAs quality code
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3. Scope of Work

3.1 Institutional Audit (Annual)

The auditor shall perform an annual audit in accordance with ISA (International Standards on Auditing), GIVA, Svensk Insamlingskontroll and Swedish regulations governing non-profit organizations.

The institutional audit should cover:

1. Audit of Annual Financial Statements
 - Review of financial statements, notes, and supporting documentation.
 - Review of accounting policies and compliance with generally accepted accounting principles in Sweden (K3 unless otherwise specified).
2. Internal Controls Assessment

- Review of financial management systems, internal controls, and risk management processes.
 - Evaluation of segregation of duties, approval processes, and compliance controls.
 - 3. Compliance and Governance Review
 - Verification of compliance with Swedish laws, tax requirements, and applicable NGO regulations.
 - Assessment of adherence to internal policies and donor conditions.
 - 4. Management Letter
 - Findings and recommendations for improvements.
 - Summary of identified risks and control weaknesses.
 - 5. Audit Report
 - Signed audit opinion.
 - Summary of audit procedures and key findings.
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3.2 Project Audits (Donor-Funded Projects)

The auditor will conduct audits of donor-funded projects based on donor-specific terms of reference and applicable international standards.

Each project audit typically includes:

1. Verification of Financial Reports
 - Accuracy and completeness of the financial statement for the project period.
 - Reconciliation between the general ledger and project financial report.
2. Eligibility of Expenditures
 - Review of supporting documentation.
 - Assessment of compliance with donor rules (e.g., Sida, Foundations, etc.).
 - Verification that costs are reasonable, necessary, and directly attributable to the project.
3. Internal Control Review at Project Level
 - Evaluation of procurement processes, payroll documentation, timesheets, and allocation methods.

- Compliance with anti-fraud, anti-corruption, and safeguarding requirements.
 - 4. Verification of Assets and Inventory
 - Existence and condition of any project-funded assets.
 - Proper registration and tagging.
 - 5. Output/Deliverables Linkage
 - Verification that financial expenditures align with reported activities and results.
 - 6. Project Audit Report
 - Audit opinion or factual findings, depending on donor requirements.
 - Recommendations for strengthening financial management and compliance.
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4. Deliverables

The auditor is expected to produce the following:

Institutional Audit

- Annual audit opinion.
- Management letter with findings and recommendations.
- Presentation of results to management and/or board (upon request).

Project Audits

For each audited project:

- Project audit report aligned with donor requirements.
 - Annexes (transaction lists, sampled expenditures, questioned costs, etc.).
 - Management letter (if applicable).
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5. Period of Engagement

The contract will be awarded for 2 years, with annual renewal subject to performance and organizational needs.

6. Access to Information

The auditor will be provided unrestricted access to:

- Financial systems and records.
- Management and finance staff.
- Policies, procedures, budgets, donor agreements, and project documentation.

All information must be treated confidentially.

7. Auditor Qualifications

The audit firm must:

- Be an IFAC member and registered in Sweden
- Demonstrate proven experience auditing non-profit organizations and/or internationally funded projects.
- Have familiarity with the regulatory and reporting requirements of major institutional and high value donors (e.g., Sida, foundations).
- Provide an audit team with relevant experience in NGO financial management, donor compliance, and risk-based auditing.