

DANISH REFUGEE COUNCIL (DRC)

Terms of Reference

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FCDO PROJECT AUDIT – March 2025

‘Enhancing Protection for Conflict-Affected Communities in Sudan’

Period of Review: 1 September 2022 – 31 March 2025

Assignment	Project Audit for FCDO project 'Enhancing Protection for Conflict-Affected Communities in Sudan'
Grade	Audit Firm
Duty Station	Port Sudan
Time Frame	6 weeks

1. BACK GROUND

1.1 About DRC

The Danish Refugee Council (DRC) has been providing relief and development services in Sudan since 2014. Using a protection of human rights framework, DRC has mainly focused on refugees who are displaced by conflict and natural disaster. DRC's programs include Protection, Food security & Livelihoods, Shelter/NFI.

1.2 Accounting and Financial Management Information

DRC processes are guided by Policies and Procedures contained in the DRC Operations Handbook. The Operations Handbook documents policies on the following:

- Procurement and Logistics
- Accountability
- Finance
- Human Resources and Administration
- Programme Management

DRC uses DRC Dynamics which enterprise resource planning (ERP) system, launched in 2019, which handles the integrated management of main business processes, for all our core activity areas.

A structure to govern the system and the processes it supports is thus business critical, aiming to have an efficient and effective management, maintenance and upgrade of the system and related processes, as well as necessary support for the end users.

Each Donor Contract has a designated Project Code that distinctively identifies each contract. Donor Funds received are coded to the relevant Project code and expenses incurred are also charged to the relevant project code and donor reference budget line, hence allowing for expense tracking, monitoring and reporting.

1.3 The Auditor, Independence and Qualification

DRC is requesting an audit by a licensed certified public accountant firm to carry out an independent review of the transaction related to an FCDO-funded project known as 'Enhancing Protection for Conflict-Affected Communities in Sudan' The project is a consortium project, led by the DRC, and implemented together with Save the Children Fund (SC) and Norwegian Refugee Council (NRC).

The grant agreements for this project formally started on 01 September 2023 and ends on 31 March 2025. The requested period for this audit is for the duration of the project period, 01 September 2023 to 31 March 2025. The financial figures from all three partner organizations should be included in the audit. DRC will provide the necessary

financial overviews to the auditor.

The Auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited. The Auditors should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as Director for, or have any financial or close business relationships with any senior member in the management of DRC Sudan program.

- The Auditors should disclose any relationship that might possibly compromise their independence.
- The Auditors should have demonstrable experience in applying generally accepted taxation rules; the Audit Firm must employ adequate staff with appropriate professional qualifications and suitable experience in consulting on tax matters for Non-Governmental organizations.
- A firm profile and the Curriculum Vitae (CVs) of the firm's partners should be provided to DRC Sudan by the principal of the Audit firm who would be responsible for signing the final tax report, together with CVs of Manager, Supervisors and Key personnel proposed as part of the Audit team. In particular, the firm should:
 - Be able to demonstrate that the audit team has vast experience in the sector.
 - Be able to demonstrate ability to engage with different stakeholders in the sector, including the Sudan Revenue Authority and other government departments.
 - Meet with the organization's representatives to agree on the scope of the audit and address queries arising from the audit.
 - Be competent to provide Value-added services on matters related to payment to vendors in foreign currencies, Insight on changing operating environment and audit standards.
 - Submit for reference a list of similar credible INGOs they are engaged with.
 - Short listed auditor must submit to senior management and the Board if available their bid.

1.4 Engagement date

The audit can be started in early July 2025 and finalized by 14 August 2025.

2. ACCOUNTING STANDARDS

DRC follows the Danish Accounting Standards. DRC is bound by and is compliant with the Sudan laws and the Humanitarian Aid Commission of Sudan (HAC) under which it is registered. Further, DRC follows the accounting guidelines as set out in the DRC Operations Handbook, Finance section and implements projects in conformity with Donor Standards and Regulations.

3. AVAILABLE FACILITIES

The DRC Port Sudan Office retains the documents in respect of transactions generated in the whole program in Sudan. The auditor will be expected to specify the sample transactions required prior to the commencement of the exercise to facilitate remittance of the support documents.

The Auditors will have full and complete access during working hours to all records and documents (including books of accounts, legal agreements, Program Grant Agreement and Budgets, minutes of meetings, bank records, invoices and contracts) and employees. The Auditor will also have right of access to information on banks, consultants,

contractors, and partners and other persons or firms engaged by DRC.

4. AUDIT SCOPE

4.1 Scope of work

The FCDO project is being implemented as a consortium where DRC is the lead and other partners are SC and NRC. The scope of the audit includes the efforts of all three consortium partners including their local partners.

The successful audit firm will be expected to review project transactions and provide an independent report that DRC can present to the donor. The audit report is a contractual obligation by DRC to the donor and as such DRC will expect as a minimum, the following to be done and included in the report, executed in line with the donor's terms of references:

- a) An independent assessment of all the project transactions for activities that took place between 01 September 2023 to 31 March 2025 of all three partners, in one audit.
- b) Financial statement covering the expenses incurred between the period specified in 1 above and demonstrating the state of affairs through a balance sheet.
- c) Notes to the financial statements in 2 above.
- d) An independent opinion of the state of the transactions that took place between the period specified in 1 above.

DRC will provide you with files and documents and the standard grant agreement that was signed for this project. Upon completion of this exercise the auditor will prepare a report and share with DRC which provides an audit opinion as to the state of the project transactions within the specified period. It is understood that DRC will henceforth adopt these reports and share with the donor.

4.2.1 Submission Date of the Audit Report

The audit is scheduled to begin early July 2025 and concluded 14 August 2025.

4.3 Expected Activities

- Review of transaction listing from September 2023 to March 2025.
- Interview with relevant DRC, NRC, and SC Staff in finance.
- Review of bank statements to verify payments made to staff and consultants.

5. We offer

DRC will offer the successful applicant a 45 working-days service contract. DRC staff located in the country office will provide necessary support to the audit team.

6. Payment schedule

DRC will pay 100% (one hundred percent) amount to Audit Firm after submission of final report.

7. How to apply

7.1 Application process

Interested Firms who meet the required qualifications and experience are invited to submit their expression of interest, which includes the following documents:

- Company Profile
- CV's with details of qualification and experiences
- Audit Approach / work plan
- List of Clients
- Annex A Signed DRC Request for Quotations (Financial proposal)
- Annex B Supplier Code of Conduct signed copy.
- Annex C Supplier Registration Form, completed and signed.