FAD number: SDN100482

Project Name: Sudan - Danida Flex HUM

Interfirm Instructions for the period [01-04-2025 – 31-10-2025]

Issued on [18 December 2024]

The overall auditor: “PwC Danmark”

The local auditor: “Auditor approved by PwC Denmark to audit a part of project expenditures”

The Plan CO and local implementing partners:”The entities, which the local auditor audits”

Annex A1 Interfirm Instructions

To the auditors of [SDN100483/Sudan - Danida Flex HUM]

Issued on [18 December 2024]

Dear Mr/Ms

The following documents are forming the instructions for audit of the Financial Statements of [SDN100482 / Sudan - Danida Flex HUM] and for the reporting to PlanBørnefonden and PwC.

The instructions are to be read in connection with the [Strategic Partnership Agreement (SPA) 2022-25] between [Danida / MFA Denmark] and PlanBørnefonden.

Acknowledgement of receipt of instructions and independence confirmation	Annex A2
Audit Checklist (*please read carefully prior to the audit)*	Annex A3
Audit Instructions	Annex A4
Independent Auditor's Report	Annex A5
Management Letter	Annex A6

Please adapt the **Acknowledge of receipt and independence confirmation** (Annex Audit A2) to the specific project account, **print** the letters with your own letterhead, **sign** the letters, and **send** the letters to your client preferably as a PDF by e-mail. The Acknowledge of receipt and Confirmation of independence is a condition for PlanBørnefonden to sign the agreement between the Plan CO and PlanBørnefonden for the implementation of the project and will be annexed to the agreement.

Please take special notice of the reporting requirements:

- ***Acknowledgement of receipt and independence confirmation*** *(Annex A2)*
- ***Reporting on the audit*** *at the same time as you sign the Project Financial Statement. You shall submit the* ***endorsed accounts, the signed Audit Check-list*** *(Annex A3),* ***the Independent Auditor's Report*** *(Annex A5) and the* ***management letter*** *(Annex A6 – part 1 and part 2)*

Please do not hesitate to contact me by e mail jesper.randall.petersen@pwc.com or PlanBørnefonden if you have questions or remarks to the instructions.

Best regards

Jesper Randall Petersen
State Authorised Public Accountant

General Information

Introduction

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (“the **overall auditor**") has been engaged to audit the Consolidated Project Financial Statements of [SDN100482 / Sudan - Danida Flex HUM] (“the **consolidated audit**”) as of and for the [01-04-2025 – 31-10 2025] ending [31-10-2025

These interfirm instructions set forth the procedures that we, the **overall auditor**, require you, the **local auditor**, to perform for the purpose of the audit of the Consolidated Project Financial Statements. Note these instructions use the term “local auditor” to refer to both local auditors and the auditor of centralized activities, unless otherwise specified.

Acknowledgement of receipt of instructions and confirmation of your cooperation

The work you will perform on your local partner will form part of the consolidated audit. Please read the entire document carefully and contact us immediately if you have any questions regarding the instructions or if you become aware of matters that may have an impact on the consolidated audit (e.g., instances of fraud or suspected fraud).

We require you to confirm certain items after reading these instructions.

A confirmation is included in the Acknowledgment of Receipt of Instructions in Annex A2, which you are requested to complete and return to us.

Managing and achieving quality

The local engagement leader[1] is required to follow these instructions and to take responsibility for managing and achieving quality on the audit work performed by the local auditor through direction and supervision of the local auditor engagement team members and review of their work in order to support the work performed for the purposes of reporting to us as the overall auditor.

Compliance with relevant ethical requirements, including independence

I. Relevant ethical requirements, including those related to independence, applicable to the consolidated audit

ISA 600 (Revised) “Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)” requires that we confirm whether, as local auditor, you understand and will comply with the relevant ethical requirements, including those related to independence, that apply to the consolidated audit.

These instructions set out the relevant ethical requirements, including those related to independence, applicable to the consolidated audit that, as local auditor, you are required to comply with for the purposes of the audit. Certain confirmations are requested from you.

As the local engagement leader in relation to [Plan International Sudan] (“the Plan CO and local implementing partners”[2]) for the purposes of the overall audit, you are responsible for:

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[1] The partner or other individual in the local auditor's firm who takes responsibility for managing and achieving quality of the work performed by the local auditor engagement team members for purpose of the consolidated audit and signs the interfirm local auditor's report to PwC Denmark on behalf of their firm.

[2] The term “component audit client (Plan CO and local implementing partners)” is used as defined by the International Ethics

- Understanding the relevant ethical requirements, including those related to independence, that apply to the overall audit, as set out in these instructions;
- Making the individuals within, or engaged by your Firm, who are performing audit work in relation to the local audit implementing partners for the purposes of the overall audit or who can directly influence the outcome of the overall audit, aware of the relevant ethical requirements, including those related to independence;
- Evaluating matters that come to your attention that indicate that a threat to compliance with relevant ethical requirements, including those related to independence, exists, by complying with the requirements of the IESBA Code, including application of the conceptual framework;
- Remaining alert throughout the audit engagement for breaches of relevant ethical requirements, including those related to independence; and
- Taking appropriate action when matters come to your attention that indicate that relevant ethical requirements, including those related to independence applicable to the audit have not been fulfilled.

The relevant ethical requirements, including those related to independence, applicable to the audit and therefore, to your work as local auditor for the purposes of the audit, are the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"). You are required to comply with these relevant ethical requirements, including those related to independence, in relation to the work performed on the financial information of the Plan CO and local implementing partners.

Independence is required during the engagement period[3] and the period covered by the project financial statement, which is set out in these instructions.

II. Independence considerations applicable to individuals

For purposes of the audit, each member of the overall audit team[4] within, or engaged by, your Firm, including those performing audit work in relation to the Plan CO and local implementing partners for the purposes of the consolidated audit and any other individuals within your Firm who can directly influence the outcome of the overall audit, shall be independent under the requirements of Part 4A of the IESBA Code that are applicable to the audit team with respect to:

a) The Plan CO and local implementing partners;
b) The entity on whose consolidated financial statements the PwC Denmark expresses an opinion; and
c) Any entity over which the entity in subparagraph b) has direct or indirect control, provided that such entity has direct or indirect control over the Plan CO and local implementing partners(see IV).

In relation to related entities or components within the PlanBørnefonden other than those listed in a)-c) above, such an individual shall notify you about any relationship or circumstance the individual knows, or has reason to believe, might create a threat to the individual's independence in the context of the consolidated audit. Such threats shall then be evaluated and addressed by you through application of the conceptual framework.

III. Independence considerations applicable to local auditor firms

Your Firm shall be independent of the Plan CO and local implementing partners under the requirements applicable to all audit clients in Part 4A of the IESBA Code.

In relation to the entity on whose overall project financial statements the overall auditor firm expresses an opinion, your Firm shall comply with the relevant independence requirements in:

a) Paragraphs R510.4(a), R510.7 and R510.9 of the IESBA Code with respect to financial interests and
b) Section 511 of the IESBA Code with respect to loans and guarantees.

Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code").

[3] The engagement period for the local auditor firm starts when it begins to perform the audit work at the Plan CO and local implementing partners and ends when the consolidated audit report is issued. When the engagement is of a recurring nature, the engagement period ends at the later of the notification by either party that the professional relationship has ended or the issuance of the final consolidated audit report.

[4] The term "group audit team (overall audit team)" is used as defined by the IESBA Code in relation to the relevant ethical requirements.

When your Firm knows, or has reason to believe, that a relationship or circumstance involving PlanBørnefonden, beyond those addressed in the paragraph above, is relevant to the evaluation of your Firm's independence from the Plan CO and local implementing partners, you shall include that relationship or circumstance when identifying, evaluating and addressing threats to independence. Additionally, when your Firm knows, or has reason to believe, that a relationship or circumstance of a firm in your network with the Plan CO and local implementing partners or the PlanBørnefonden creates a threat to your Firm's independence, you shall evaluate and address any such threat.

IV. Entities relevant to independence of individuals and local auditor firms[5]

As noted in II and III, independence requirements apply to the following entities:

a) The partner audited by you (the Plan CO and local implementing partners)[6]
b) The controlled related entities of the Plan CO and local implementing partners (its controlled related entities),

If you have any questions with regard to the entities relevant to independence, please contact us.

V. Communication regarding independence during planning procedures

You are responsible for forming a conclusion on compliance with the relevant ethical requirements, including those related to independence, as described above[7].

During planning, we request that you communicate the following matters using the Acknowledgment of Receipt of Instructions in Annex A2:

1. Confirmation of your understanding of the relevant ethical requirements, including those related to independence, as described in these audit Instructions.
2. Any independence matters that required significant judgment, and in relation to those matters, your conclusion whether the threats to your independence are at an acceptable level, and the rationale for that conclusion[8].
3. Any independence matter that constitutes a breach of the relevant independence requirements applicable to the consolidated audit that has occurred since the start of audit procedures to the date of the confirmation. Such communication shall be made promptly and include the name of the entity to which the independence breach relates and the following information:
    a. An assessment of the significance of the breach, including nature and duration;
    b. Any actions proposed or taken to address the consequences of the breach; and
    c. A conclusion as to whether or not the breach, in your professional judgment, has compromised your Firm's objectivity and ability to perform audit work for the purposes of the consolidated audit, and the rationale for that conclusion.

4. Confirmation of the independence of the local auditor firm and all individuals performing audit work in relation to the Plan CO and local implementing partners for the purposes of the consolidated audit or who can directly influence the outcome of the consolidated audit, and the intent to remain independent during the engagement period.
5. Confirmation of your compliance with ethical requirements and intent to remain compliant during the engagement period.

We ask that you inform us, as soon as possible, of any changes in these communications.

In addition, if an independence matter that constitutes a breach of the relevant ethical requirements, including those related to independence, applicable to the auditors involved in this engagement arises or is

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6 The IESBA Code definition of "component audit client (Plan CO and local implementing partners)" includes that "when a partner is:
a) A legal entity, the Plan CO and local implementing partners is the entity and any related entities over which the entity has direct or indirect control; or
b) A business unit, function or business activity (or some combination thereof), the Plan CO and local implementing partners is the legal entity or entities to which the business unit belongs or in which the function or business activity is being performed."

7 Paragraph 45(c) of ISA 600 (Revised)

8 Such matters might include those related to considerations under 405.20 A1 to 405.20 A3 and 405.21 A1 to 405.21 A2 on changes in local auditor firms.

identified during the course of the engagement, this shall be communicated to us promptly.

VI. Communication regarding independence during completion procedures

As part of your completion procedures, we request that you communicate the following matters using the Memorandum of Work Performed in annex A2.

1. Confirmation of compliance with the relevant ethical requirements, including those related to independence, that are relevant to the consolidated audit**.**
2. Confirmation of the independence of the local auditor firm and all individuals performing audit work in relation to the Plan CO and local implementing partners for the purposes of the consolidated audit or who can directly influence the outcome of the consolidated audit.
3. Confirmation that any independence matters that required significant judgment have been communicated to us.
4. Confirmation that any matters that constitute a breach of the independence requirements applicable to the consolidated audit have been communicated to us. This communication requirement remains relevant for breaches that are identified in the future.

Auditing and accounting standards

Generally Accepted Auditing Standards (GAAS)

We ask that you conduct your work on the Plan CO and local implementing partners's project financial information in accordance with International Standards on Auditing.

Financial Reporting Framework

The Plan CO and local implementing partnerss financial information on which you will be reporting is a complete set of project financial statements prepared in accordance with generally accepted accounting principles in [Country]. Furthermore, the reporting is prepared in accordance with the financial reporting provisions of the contract dated [12 July 2024 (latest FAD Amendment] between PlanBørnefonden and [Danida / MFA Denmark]] (“the Grant Donor Guidelines”).

Information from your firm’s system of quality management (SoQM)

We ask that you confirm to us in writing that your firm has implemented a system of quality management that is designed to meet the objectives of ISQM 1 and, if your firm publishes information in the public domain relating to the firm’s conclusion on the operating effectiveness of this system, to provide us with a copy of/link to the information publicly disclosed. Please complete and sign the confirmation template provided in the Acknowledgment of Receipt of Instructions in Annex A2. In addition, please provide an update confirmation as included in the Memorandum of Work Performed in Annex A3.

The overall auditor’s involvement in your work

As the overall auditor with ultimate responsibility for managing and achieving quality of the audit engagement, we will apply judgment to determine the nature, timing and extent of our involvement in the direction and supervision of your team and the review of the work performed. Our involvement may comprise:

1. Participating in discussions and meetings (such as your team planning meeting) and decisions relating to significant judgments in areas such as risk assessment and determining the audit strategy and plan;
2. Communicating with you throughout the course of the audit (e.g., a part of taking stock meetings);
3. Reviewing your audit work and related documentation;
4. Reviewing, based on the judgment of the overall engagement leader, formal written communications prepared to local implementing partner management, those charged with governance of the implementing partner and/or regulatory authorities of the Plan CO and local implementing partners, that in the overall engagement leader’s judgment are relevant to the consolidated audit, before they are issued.

Our degree of involvement will be based on our knowledge and understanding of your work as well as the background and experience of your audit firm

Sharing these instructions with other members of the local audit firm engagement team

We request that you share the relevant parts of these instructions with other members of the local audit firm engagement team, as appropriate.

Materiality

Materiality levels

Materiality is used by partner auditors to evaluate whether uncorrected misstatements are material, individually or in the aggregate.

The partner audit materiality level should be determined as 3% of all expenditures of the project for the year in question.

The threshold for clearly trivial misstatements (listing scope), determined as 5% of the determined partner audit materiality level, is to be used for evaluating individual misstatements. Misstatements identified in the financial information of the project that are above the threshold for clearly trivial misstatements are to be communicated to us.

Risk assessment, including fraud

Risk assessment

The table below contains a description of significant and elevated risks of material misstatement of the consolidated financial statements, due to fraud or error, that were identified by us and that are considered relevant to your Plan CO and local implementing partners. The relevant risks are to be addressed in your work performed on the Plan CO and local implementing partners as reported to us. Maintain professional skepticism, recognizing that circumstances may exist that cause the Plan CO and local implementing partners financial information to be materially misstated.

For significant risks, evidence from controls and substantive analytical procedures alone will likely not be sufficient and tests of details to address identified significant risks will likely need to be performed. A summary of the results of audit procedures performed in response to significant risks is required to be reported in Annex A3.

You are required to communicate to us matters related to the financial information of the Plan CO and local implementing partners that you determine to be relevant to the identification and assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, including any significant or elevated risks that are identified by you when you perform your risk assessment procedures not included in the instructions, your responses to those risks and the results thereof.

Brief description of the risk	Related account balance(s)	Assertions	Proposed audit response
Risk of overstatement of expenditure due to the fact that expenditure not related to the project has been posted on project accounts.	Expenditure	Occurrence	On a sample basis, perform substantive testing of expenditure posted on the Plan CO and local implementing partners's project accounts. Assess whether the expenditure item is relevant to the project and whether the expenditure item meets the criteria set for recognition as expenditure.
Risk that submitted tenders to potential vendors and subcontractors are written in a manner or only distributed to certain vendors, which gives specific vendors or	Expenditures	The economy aspect of performance audit	On a sample basis select expenses that are subject to the requirement of obtaining quotations from potential vendors in accordance with procurement guidelines and verify that a tender was sent out to relevant vendors and that the tender was developed in a manner

subcontractors an unfair competitive advantage.		that did not give specific vendors an unfair competitive advantage. Furthermore, verify that there is a sound reasoning behind the selection of vendor.

Engagement resources

We ask that you confirm to us in writing that you have sufficient and appropriate engagement resources (i.e., human, technological, and intellectual resources), including human resources with the appropriate competence and capabilities and sufficient time, to perform the work requested. Please complete and sign the confirmation template provided in Acknowledgment of Receipt of Instructions in Annex A2. In addition, please provide an update confirmation as included in the audit checklist in Annex A3.

Using technological resources as part of the overall audit

You are responsible for appropriately documenting, supervising and reviewing work performed using technology resources for the purposes of the Plan CO and local implementing partners' audit. However, in order for us to fulfill our requirements in respect of the consolidated audit, please inform us of any planned or actual use of technological resources[9], including:

- The core capabilities of the tool and the specific audit activities (e.g., the type of risk assessment activities or further audit procedures) the resource is used to perform;
- Whether the technological resource has been approved for use by your firm;
- The audit procedures planned to be performed by you to complement use of the technological resource (e.g., testing the completeness and accuracy of tool inputs, evaluating the coding or logic of the tool (where applicable));
- Whether your firm has communicated any issues with the technological resource (e.g., significant output integrity issues), and, if so, the steps taken by you to address these issues; and
- The planned involvement of specialists in using the technological resource, where applicable.

Communication during the audit

We request that you notify us on a timely basis of any:

- Matters that require our attention and significant matters that you expect to report to management or those charged with governance of the Plan CO and local implementing partners that may be relevant to the consolidated audit.
- Other matters that may be relevant to the consolidated audit, or that you determine, are appropriate to draw to our attention (e.g., information of the Plan CO and local implementing partners that contradicts the audit evidence on which the original risk assessment was performed).

These matters would include, but are not limited to, uncorrected misstatements, deficiencies in internal control over financial reporting, significant accounting, auditing, financial reporting or taxation matters, including accounting estimates and related judgments, indicators of possible management bias and suspected or detected fraud involving Plan CO and local implementing partners' management, employees who play significant roles in internal control or where the fraud results in a material misstatement of the financial information of the Plan CO and local implementing partners.

Please provide this information as soon as practicable.

Your documentation of each of the matters in this section needs to cover:

- The nature of the matter,

[9] The use of technological resources includes the use of Generative Artificial Intelligence ("GenAI") in tasks that support audit procedures.

- Its accounting, auditing, or reporting significance,
- The persons at the Plan CO and local implementing partners with whom the matter was discussed, and
- Conclusions reached, the related rationales and the actions taken, including relevant audit procedures performed.

Laws and regulations

In performing audit procedures and evaluating the results of those procedures, you may encounter specific information that may raise a question concerning possible violations of applicable laws and regulations. If you detect or become aware of information indicating that a violation (whether or not perceived to have a material effect on the financial statements, other than when the matters are clearly inconsequential) has or may have occurred, report the matter to us on a timely basis.

Subsequent events procedures

We request that you inform us of any subsequent events that you become aware of that may require reporting or disclosure in the consolidated financial statements. You are required to inform us in annex A3.

Reporting Requirements and Timing

Engagement letters

The overall auditor has obtained an engagement letter which covers the audit of the consolidated project financial statements of PlanBørnefonden. Please inform us of specific considerations relating to the issuance of the engagement letter that you identify, if any.

Timetable and due dates

- **15 September 2025** is the deadline for a DNO-approved Financial Report covering the period 01 OCT 2023 – 31-07-2025. The approved Financial Report is the foundation for the auditor to investigate the Total Accounts. And thus, the audit cannot start until DNO has approved your Final financial report.
- **01 November 2025** is the deadline for the drafted and completed audit material package to be handed over to DNO, containing Annexes A3, A5 and A6 (part 1 & part 2) in the attached templates.
- **01 December 2025** is the final deadline for an approved and signed audit material package covering the period 01 OCT 2023 – 31-07-2025 submitted to DNO, containing Annexes A3, A5 and A6 (part 1 & part 2) in the attached templates.

Communicating results

We also request that you submit your independent auditor's report on special purpose financial information prepared for consolidation purposes (in the format described in Annex A5.)

A SUM (including corrected misstatements) is to accompany your audit checklist of work performed. Communicate all SUM items evaluated using the iron curtain. Any supporting documentation for a SUM item needs to be included in your engagement database, including the following:

- The nature of the matter;
- Its accounting, auditing, or reporting significance;
- The people with whom the matter was discussed; and
- Conclusions reached, the related rationale and the actions taken.

All identified misstatements and related adjustments are to be discussed and agreed to by Plan CO and local implementing partners's management. Any disagreements with Plan CO and local implementing partners management need to be highlighted in your reporting to us. Additionally, misstatements identified during your audit (whether or not recorded and notwithstanding materiality) need to be considered as an indication that an internal control deficiency may exist.

All internal control deficiencies noted during your engagement need to be included in your final Memorandum of Work Performed.

A copy of the project financial information of your Plan CO and local implementing partners on which you have performed your procedures needs to be included, along with sufficient information to enable us to agree or to reconcile the amounts audited by you to the information underlying the consolidated project financial statements.

Archiving and record retention

Documentation, archiving and retention of audit files are to be performed in accordance with ISA 230. Key policies and practices are as follows:

1. **Completion of audit documentation**: Our policy is that a complete and final set of audit documentation shall be assembled (i.e., wrapped up and archived) no later than 30 days after the consolidated audit report date. We request that you comply with this policy, as the documentation of your work on the Plan CO and local implementing partners financial information forms part of our consolidated audit documentation. Unless there are territory or engagement regulations that require completion of the assembly within a shorter period.

2. **Retention**: All audit documentation (including documentation kept in an electronic file or hard copy) necessary or appropriate to support our consolidated audit opinion, shall be retained for five years from the date of the consolidated audit report, unless a longer period is required by applicable law or regulation in your territory.

Local statutory audit report, regulatory or other reporting requirements

For the purpose of our targeted risk assessment procedures, please provide a copy of the statutory financial statements (or equivalent) of the Plan CO and local implementing partners and your audit opinion thereon.

Performance audit

The Performance audit instructions are a supplement to the requirements stated in the grant donor's Audit Instructions for partner financial statements.

PwC Denmark has the overall supervisory responsibility for performance audits conducted abroad, including projects which are subject to programmes.

In addition to the following performance audit instructions, local auditors must also complete the sections on performance audit in the audit questionnaire prepared by PwC Denmark (included as Annex A3).

Annex A3 is to be completed for each partner financial statement audited by the local auditor and all auditors must comply with the following requirements:

- The auditor must be an internationally recognized audit firm.
- The auditor must carry out the performance audit according to recognized international standards.

Performance audit is concerned with the audit of economy, efficiency and effectiveness and comprises:

- Audit of the economy of administrative activities in accordance with sound administrative principles and practices, and management policies.
- Audit of efficiency of utilization of human, financial and other resources, including examination of information systems, performance measures and monitoring arrangements, and procedures followed by audited entities for remedying identified deficiencies.
- Audit of effectiveness of performance in relation to the achievement of the objectives of the audited entity, and audit of the actual impact of activities compared with the intended impact.

Economy

Economy includes management and minimisation of the cost of resources used for the activity, having regard to the appropriate quality.

As auditor of the partner, consider whether Management has acted economically regarding the project.

Specific Performance Audit Instructions

To ensure the performance of sufficient procedures we request that you as part of the performance audit perform as a minimum the procedures listed below:

- Determine whether Management has set up an appropriate economy management system for planning, monitoring, and evaluating activities, including financial management.
- Determine whether management has obtained the required number of quotations in relation to the procurement of goods and services in accordance with the organization-procurement manual or equivalent.
- Ensure that the partner, for this project, does not employ unnecessarily overqualified/overpaid staff or staff who does not fit the job description.
- Ensure that deposited liquid assets such as bank accounts etc. are kept in a responsible manner regarding power of attorneys and access to the bank deposits in general.
- Perform tests on a sample basis on entertainment expenses and consider whether these have been kept to a reasonable level.

Your audit firm will be tasked with carrying out performance procedures in relation to the audit of the economy aspect of the project, included in the audit questionnaire in Annex A3 and Management letter in Annex A6.

Compliance audit

The Compliance audit instructions are a supplement to the requirements stated in the grant donor's Audit Instructions for partner financial statements.

PwC Denmark has the overall supervisory responsibility for compliance audits conducted abroad, including projects which are subject to programmes.

In addition to the following compliance audit instructions, local auditors must also complete the sections on compliance audit in the audit questionnaire prepared by PwC Denmark (included as Annex A3).

The audit questionnaire in Annex A3 is applicable to local auditors. Annex A3 is to be completed for each partner financial statement audited by the third-party partner auditor and all auditors must comply with the following requirements:

- The auditor must be an internationally recognised audit firm.
- The auditor must carry out the compliance audit according to recognised international standards.

Compliance audit is concerned with the applicable laws, policies and regulations and comprises:

- Review if the audited entity adheres to the policies and internal guidelines of the organization, and other policies as stipulated in the grantor's guidelines
- Assess the adequacy and effectiveness of the measures and procedures in place and the actions taken to address any deficiencies in the audited entity's compliance with its obligations, including regulatory requirements, codes of practice and the implementation of new rules, governance, and financial reporting in line with the local legal framework.

Compliance audits examine whether the activities are compliant with applicable rules, policies, and regulations. The overall objective of a compliance audit is to obtain reasonable assurance that transactions covered by the financial statements comply with the appropriations granted, statutes, other regulations, agreements, and usual practice. This includes compliance with terms stated in the Organization's own procedure manuals and in the grantor's guidelines.

Specific Compliance Audit Instructions

To ensure the performance of sufficient procedures we request that you as part of the compliance audit perform as a minimum the procedures listed below:

- Evaluate whether the audited entity adheres to the policies and internal guidelines of the organization, and other policies as stipulated in the grantor's guidelines.
- Evaluate whether the project activities are compliant with applicable rules, policies, and regulations, and obtain reasonable assurance that transactions covered by the financial statements comply with local applicable laws.

The following are rules, policies, and regulations for the auditor to consider:

- Sub-grant agreement between the organization and the audited entity
- Grant donor specific agreements and terms of reference (grantor's guidelines)
- Anti-corruption
- Companies Act
- Employees Tax
- Income Tax Act
- VAT Act (considering bilateral agreements with regards to foreign aid)
- Conflict of interest policy
- Ethical requirements
- Child labour policy, Anti-terrorism policy, Other policies as stipulated in the Partnership agreement.

Your audit firm will be tasked with carrying out compliance procedures, included in the audit questionnaire in Annex A3 and Management letter in Annex A6