

## Request for Proposals

### **Audit of Financial Statements of East Europe Foundation in Moldova**

East Europe Foundation invites Audit Companies to submit proposals for Audit services for a three-year period 2021 - 2023.

The audit shall be carried out by an external, independent and qualified auditor in accordance with the international standards.

#### **1.1. Background**

**East Europe Foundation (EEF) is a non-profit, non-political organization established as a foundation, in accordance with the Constitution of the Republic of Moldova, the Law on Foundations and other Moldovan laws.**

EEF was registered on 03 November 2010 and activities started in May 2010. Previously EEF operated as a representative office of the Eurasia Foundation since 1998.

EEF goal is to build democratic systems in Moldova, empower Moldovan citizens and foster sustainable development through education, technical assistance and grant programs that promote civil society development, strengthen media, enhance good governance and build economic prosperity.

The activity of East Europe Foundation is funded by multiple donors through Core and Project support funds. The Specific Agreements with donors outline undertakings by the East Europe Foundation, conditions for and utilization of donor contributions as well as conditions for an annual audit of EEF and project specific audits.

#### **1.2. Objective**

The audit shall be carried out by an external, independent and qualified auditor, in accordance with international standards issued by IFAC/IAASB. The audit will include such tests and controls, as the auditor considers necessary under the circumstances and/or according to the Terms and References issued by the donors.

Audit assignments (under the current grants contracts):

<b>Assignment</b>	<b>Procedures</b>
<p><b>AUDIT NR.1 - Annual financial audit of EEF financial statements (Statements of Financial Position, Statement of Activities and Changes in Net Assets, Statement of Grant Activities, Statement of Cash Flow and Notes to the Financial Statements).</b></p> <p>Objective of the audit is to enable the auditor to express a professional opinion whether the submitted financial statements present fairly its financial position and the results of its</p>	<ul style="list-style-type: none"><li>• Evaluate EEF internal control, assess control risk, and identify significant deficiencies and weaknesses;</li><li>• Perform tests to determine whether EEF has complied with the rules for accounting, and regulations regarding taxes;</li><li>• Assess whether the procurements were in accordance with the EEF Policies and Procedures and donor requirements. Review</li></ul>

<p>financial operations in accordance with general accepted policies.</p> <p>Audit for 3 years for the fiscal years ended on December 31 (<u>2021, 2022, 2023</u>), in accordance with <u>ISA 800/805</u>.</p> <p><u>Start:</u> in February (after year close)</p> <p><u>Deadline:</u> April 10</p>	<p>procurements to determine whether sound commercial practices including competition were used, reasonable prices were obtained, and adequate controls were in place over the qualities and quantities received;</p> <ul style="list-style-type: none"> <li>• Review sub-grants to determine whether sub-grants were used for their intended purposes in accordance with the terms of the Contracts, Donor agreements and EEF policies and procedures;</li> <li>• Review revenue and expenditure accounts and compliance with EEF accounting records, EEF policies and local legislation, including calculation and payment of relevant contributions and taxes;</li> <li>• Review all costs billed to donor awards and report on compliance with the terms and conditions of the agreements with donors, applicable laws and regulations;</li> <li>• Review staff costs and compliance with local legislation, including calculation and payment of relevant contributions and taxes;</li> <li>• Determine if the recipient has taken adequate corrective action on prior audit report recommendations;</li> <li>• Other matters required.</li> </ul>
<p><b>AUDIT NR.2 - Audit of financial statements on the Agreement on Core Support to East-Europe Foundation 2017-2020, funded by the Swedish International development Cooperation Agency.</b></p> <p>Objective of the audit is to express a professional opinion whether the submitted financial report is correct and give a true and fair view of activities of EEF and whether the execution has complied with the rules and conditions governing the use of funds as expressed or referred to in the Agreement with the donor.</p> <p>Audited period January – May 2021, in accordance with ISA 800/805.</p> <p><u>Start:</u> September 2021</p> <p><u>Deadline:</u> within one month</p>	<p>The auditor shall submit a Management Letter in which the auditor will:</p> <ul style="list-style-type: none"> <li>• give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;</li> <li>• identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement. Recommendations should be presented in priority;</li> <li>• communicate matters that have come to attention during the audit which might have a significant impact on EEF activities and projects; and</li> <li>• bring to attention any other matters that the auditor considers pertinent.</li> </ul>
<p><b>AUDIT NR.3 - Audit of financial statements on the project “Engaging Citizens, Empowering Communities”, funded by</b></p>	<ul style="list-style-type: none"> <li>• According to the Terms of References issued by the Donor. To be sent upon</li> </ul>

<p><b>the Swedish International development Cooperation Agency.</b></p> <p>Objective of the audit is to express a professional opinion whether the submitted annual financial report complies with EEF accounting records and donor requirements.</p> <p>Audited periods 2021 (Jun–Dec), <u>2022</u>, <u>2023</u>, in accordance with ISA 800/805 and ISRS 4400.</p> <p><u>Start:</u> in February (after year close)</p> <p><u>Deadline:</u> April 10</p>	<p>request.</p>
<p><b>AUDIT NR.4 - Audit of financial statements on the project “Joint Equal Opportunity Initiative–phase II”, funded by the Swiss Cooperation Office Chisinau.</b></p> <p>Objective of the audit is to express a professional opinion whether the submitted annual financial report complies with EEF accounting records and donor requirements.</p> <p>Audited period July 2020 – December 2021, in accordance with ISA 805, including filling in a questionnaire.</p> <p><u>Start:</u> in February 2022</p> <p><u>Deadline:</u> 31 March 2022</p>	<ul style="list-style-type: none"> <li>• According to the Terms of References issued by the Donor. To be sent upon request.</li> </ul>
<p><b>AUDIT NR.5 – Expenditure verification of the project “Advocacy for better protection against discrimination”, funded by the European Commission.</b></p> <p>Objective of the audit is to perform an expenditure verification according to agreed procedures.</p> <p>Audited period February 2020 – July 2022 (with possible extension), in accordance with ISRS 4400.</p> <p><u>Start:</u> in September 2022</p> <p><u>Deadline:</u> 31 October 2022</p>	<ul style="list-style-type: none"> <li>• According to the Terms of References issued by the Donor. To be sent upon request.</li> </ul>
<p><b>AUDIT NR.6 – Expenditure verification of the project “NEET inclusion initiative”, funded by the European Commission.</b></p> <p>Objective of the audit is to perform an expenditure verification according to agreed</p>	<ul style="list-style-type: none"> <li>• According to the Terms of References issued by the Donor. To be sent upon request.</li> </ul>

<p>procedures.</p> <p>Audited period February 2021 – July 2023 (with possible extension), in accordance with ISRS 4400.</p> <p><u>Start:</u> in September 2023</p> <p><u>Deadline:</u> 31 October 2023</p>	
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Notes:

- (1) All reports will be issued in English language.
- (2) Other Audits may be necessary during the contracting period 2021-2023 if new grant contracts are signed by EEF with the Donors and those contracts include provisions for external Audits to be conducted.
- (3) The time schedule for project specific audits depends on specific donor requirements on performing the audits/expenditure verification. Reporting periods are linked to project implementation dates and not to fiscal year.

### **1.3. Conditions and Requirements**

It is the responsibility of East Europe Foundation to ensure that all records are available, all accounting entries and adjustments are made, and all other necessary steps are taken to make possible for the Auditors to perform the work necessary to be able to present the final audit report.

Usually, EEF will need at least one month to close its books and have its financial statements ready for the verification.

The auditor will be given access to all documents associated with EEF deemed necessary by the auditor. EEF personnel will cooperate fully with the auditor and will make available to the auditor whatever records, documentation and other information is requested by the auditor in connection with the audit.

### **1.4. Proposal Content**

1. Copy of the license
2. Information about the Audit Company, company's philosophy, size, structure, experience with non-profit organizations. Include a list of the relevant not for profit organizations the firm has served within the past five years and furnish the names and telephone numbers of any references whom we may contact.
3. Information about the specific partners and/or managers who will be assigned to this engagement if you are a successful bidder. Provide their bios specifying relevant experience to the type of services requested. Please provide more details on team structure assigned to the engagement.
4. Information on the proposed work plan (general timeframe) and methodology.

5. Describe your company's capabilities and commitment to work on several assignments in parallel and provide the deliverables in due time. Is the company able to assign more audit teams to work on different assignments?
6. Financial proposal presented separately for each type of the Audit listed above. For annual audits, the fee for each year shall be listed separately (Nr1 and Nr.3).
7. Any other relevant information or documents deemed necessary.

### **1.5. Qualification Criteria**

The Auditor shall comply with the following qualification criteria:

1. Licensed auditor for providing required services
  1. Minimum 5 years of professional experience related to the assignments (audit of non-profit, non-governmental organizations). Audit companies with international presence and/or members to International networks/organizations will be given priority.
  2. The Auditor submitted a full proposal, drafted in English, addressing all issues listed under point 1.4 above.

### **1.6. Evaluation Criteria**

EEF will use the following evaluation criteria in assessing the proposals:

1. Specific experience of Audit Company related to the assignment. Audit companies with international presence and/or members to International networks/organizations will be given priority.
2. Availability of staff with professional qualifications and technical abilities.
3. Adequacy of the proposed work plan (general timeframe) and methodology in responding to the Terms of Reference;
4. Ability to work on several assignments in parallel and assign more audit teams to work on different projects.
5. Competitive Price.
6. Reputation and references from other organizations.

### **1.7. Submission**

The deadline for submission of proposals is **August 02, 2021**. For any questions regarding this call, please address questions to Ana Olaru, finance director, at [ana.olaru@eef.md](mailto:ana.olaru@eef.md) or by phone 022 23 53 43 (ext. 119).

The proposals should be sent to the following e-mail: [concurs@eef.md](mailto:concurs@eef.md) with "EEF Audit" in the subject line or be submitted at the following mail address: 98, 31 August 1989 str. 3<sup>rd</sup> floor, 2004 Chisinau.