

Terms of Reference (ToR) for the External Auditors

Background:

CHS Alliance is a global alliance of humanitarian and development organisations committed to making aid work better for people. Together, we are a movement to strengthen accountability and to put people affected by crisis at the heart of what we do by implementing the [Core Humanitarian Standard \(CHS\)](#).

The CHS Alliance was formed in 2015 by joining two organisations, HAP (based in Switzerland) and People in Aid (based in the UK). It counts 20 employees, based in Geneva and London. The headquarters of the organization are in Geneva (where the finance & admin team is based). The organisation has an annual budget of approximately 3 million CHF, the income being mainly generated by restricted and unrestricted funds, membership fees as well as cost recovery from training services. The **latest audited financial statements** of our organisation are available on [our website](#).

Objective of the Audit:

The objective of the audit is to issue an opinion as to whether the financial statements comply with Swiss GAAP/FER 21, Basic Swiss GAAP/FER (SWISS GAAP 1 through 6), Swiss law and the Association's articles of incorporation and to confirm the existence of an internal control system related to the preparation and presentation of financial statements, according to the requirements of the CHS Alliance Board.

Scope of the Audit:

The financial auditors must perform a **full scope audit** according to article 727 paragraph 1 item 1 letter a of Swiss Code of Obligations (CO). The association does not meet the criteria for a full scope audit in terms of total assets, total revenues and number of employees. The Governing Board has however specifically requested a full scope audit to increase accountability to our donors and members by raising the level of audit procedures and obtaining positive assurance on the financial statements.

This will include:

1. An interim audit with a particular focus on our processes and internal control system (ICS) for the risk assessment and determination of the audit strategy. This usually takes place during the month of November.
2. A final audit with substantive audit procedures on annual accounts. This usually takes place during the second half of February, with the objective of having our financial statements approved by the Board by the end of March, as requested by some of our donors.
3. An additional mandate could be requested for a specific donor/project audit on ad hoc basis.

Our financial statements are aligned with the fiscal year that ends on 31 December.

The mandate would be for the year-end closing 2021 and subsequent years. The auditor mandate is validated by the General Assembly and is reviewed as necessary.

Deliverables:

1. Statutory Audit Report and Comprehensive Report
2. Management Letter including:
 - Comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - Identification of specific deficiencies and areas of weakness in systems and controls with recommendations for improvement.
 - Implementation status of recommendations from previous period audit reports.
 - Potential matters that might have a significant impact on the sustainability of the organisation.

We expect to have an opening & closing meeting with the licensed audit expert who will lead this work for our organisation. (S)he also should be deeply involved during the audit and available for consultation on more complex accounting and financial issues.

Requirements for successful candidates:

- The audit will be conducted by a firm of accountants with internationally recognised professional qualifications (international network preferred) and knowledge of Swiss GAAP (RPC 21) in particular.
- The firm must have expertise in the non-for-profit sector and organisations of our size.
- The audit team should be fluent in English (our working language), ability to speak French being an asset. It shall also be mindful of working in a multicultural environment.
- Innovative and technology-oriented firms offering additional added-value to the audit will be particularly appreciated.
- The auditing firm and auditors should be independent. Being independent means that the auditors must not have been involved in keeping the accounting records of CHS Alliance and must not be personally connected to CHS Alliance.
- The team & licensed audit expert in charge should also be available throughout the year for the preparation & planning of a successful audit as well as occasional discussions on financial matters related to our audit process.

Key Contacts:

The Director of Support Services & CFO and the Finance Manager are responsible for preparing the audit information to assist the auditor. They are available throughout the audit process.

The audit usually takes place at our Headquarters in Geneva. Other staff members can be consulted for interviews as needed (Executive Director, HR Manager, Finance officer, etc...), on site or remotely.

The audit expert in charge & his/her team must present the Audit Report, Comprehensive Report and Management letter to the Finance, Risk and Audit Committee (FRAC) during a formal meeting at the end of the audit. The FRAC then makes a recommendation to the Governing Board for the final approval of the audited Financial Statements.

Audit Fees:

In your proposal please be specific on the volume and level of interaction we can expect from your firm for your quoted price.

Please include an estimated breakdown of the time requested by your team to complete the audit as follows:

Personnel	Hours
Partner	
Manager	
Supervisory staff	
Junior staff	
Total	

A presentation of the audit team should be included into the proposal as well.

Also specify what is included within your audit fees. If applicable, disclose any additional fees/rate associated with consultation or advice provided during the year on the proper accounting treatment of unusual events.

Currently, our audit fees amount to CHF 20'000.

Bid process & timeline:

Proposals should be submitted not later than **1 October 2021, 4:00 pm (UTC)**, with an estimated amount of the annual audit fees.

Tentative project timeline as follows:

Request for Proposal (RFP) posted by CHS Alliance on	25 August 2021
Questions to CHS Alliance on RFP due by *	17 September 2021
Questions answered by CHS Alliance by	24 September 2021
Final proposals submitted to CHS Alliance by 4:00 pm (UTC) **	01 October 2021
Short listed candidates might be interviewed during	07 – 13 October 2021
Choice of new auditors before ***	15 October 2021

* All questions related to this RFP must be submitted via e-mail to: rfp@chsalliance.org. Clearly mark the email "Questions for RFP – External Audit". Answers to questions will be posted in the form of an annex to these ToR and placed on the CHS Alliance website.

** Final proposals shall be clearly labelled "RFP – External Audit" and submitted to rfp@chsalliance.org.

*** As specified in the "Scope of Audit" section above, the interim audit would then take place in the course of November 2021 and the final audit in the course of February 2022.

Evaluation of proposals:

Proposals will be evaluated in accordance with the criteria listed below. Award will be made to the responsive, responsible contractor who complies with the requirements and scores the highest total on the evaluation criteria as it pertains to the overall needs of CHS Alliance.

- Relevant experience as per criteria from the “Requirements for successful candidates” section (in particular non-for profit experience in small-medium size organizations) 50%
- Added value offered by your firm, including innovation & technology-oriented company 20%
- Cost 20%
- Quality and completeness of the proposal with clear understanding of our activities 10%

The CHS Alliance finance team will be happy to answer any questions you might have on these ToR and our request for proposal (RFP) at rfp@chsalliance.org or by phone +41227881641. We will dedicate the time needed to find the appropriate candidates, so feel free to contact us.