



Tirana, 27th July, 2020

INVITATION TO APPLY FOR:
“EXTERNAL AUDIT”

Dear Madam / Sir,

This is an invitation to apply for the above-mentioned service contract. Please find below the Terms of References in order to prepare your application accordingly.

We look forward to receiving your offer, which has to be sent no later than the submission deadline at the e mail address specified in the following Terms of reference.

By submitting an application, you accept to receive notification of the outcome of the procedure by electronic means. Such notification shall be deemed to have been received by you on the date upon which the contracting authority sends it to the electronic address you referred to in your offer.

Yours sincerely,

Head of Contracting Authority

Djuro Blanusa

Secretary General

RYCO Regional Youth Cooperation Office

Terms of References for External Audit

General information about the assignment:

Organization: Regional Youth Cooperation Office (RYCO)

Type of Services Required: External audit of RYCO

Period to be audited: 1 January 2019 – 31 December 2020

Work base: Tirana, Albania

Indicative starting date of the contract: Beginning of September 2020

1. Background:

About RYCO:

RYCO is an intergovernmental organization that stewards and promotes regional, cross-border and intercultural cooperation within and among its six Western Balkan Contracting Parties: Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia and Serbia. RYCO's program focuses on creating opportunities for young people to engage in activities that build mutual understanding and reconciliation in the civic, social, educational, cultural, and sports domains. RYCO initiates and participates in policy making and advocates for reform. It supports the development of a political and social environment that empowers and facilitates youth exchange. A key instrument enabling RYCO to fulfil its mission is grant-making; developing tailored calls for proposals that enable CSOs and schools to engage in initiatives that contribute to mutual understanding of youth from various communities across RYCO's Contracting Parties, thus contributing to reconciliation and youth participation.

2. Scope of the work

RYCO is planning to finalize a contract with an auditing company for the provision of auditing services in the framework of the project entitled ORF promotion in EU integration with support of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. According to the Article 18 of the Statute the Governing Board shall appoint external financial auditors for RYCO pursuant to its Statute.

The purpose of the present tender is to select a qualified company specialized in auditing and consulting services to perform the audit for RYCO accounts and Financial Statements for the financial year 2019 and 2020.

The awarded contractor will be required to conduct the audit of RYCO annual Financial Statements, prepared in accordance with IPSAS, including Statement of financial position, Statement of financial performance, Statement of changes in net assets/equity, Cash flow statement, and Notes, comprising a summary of significant accounting policies and other explanatory notes. The purpose of the audit is to give assurance on the effective functioning of the management and control systems, to give an evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by the management.

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

The Auditor is requested to give its professional opinion on these Financial Statements, whether they are prepared, in all material respects, in accordance with the applicable financial reporting framework, which as per RYCO financial regulations is accrual-based accounting systems in accordance with International Public Sector Accounting Standards.

The audit of the financial statement will be prepared in accordance with International auditing standards and other legal requirements applicable for RYCO.

The services will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as the auditors consider necessary. The auditors shall develop an understanding of the accounting and internal financial control systems to the extent necessary to enable it to consider their suitability as a basis for the preparation of the financial statements and to establish whether adequate accounting records have been maintained by RYCO.

The result of the auditor's work will be the preparation of the "Auditor's report on the Financial Statements" expressed by the independent Auditor, representing the opinion of the Auditor on the fairness appropriateness correctness accuracy of the annual Statements of accounts and related disclosures.

Total turnover is as follows:

2019: EUR 1,500,000

2020: EUR 2,000,000 (estimation)

The audits will be carried out by the selected auditor for the following reporting periods:

- *01 January 2019 to 31 December 2019*
- *01 January 2020 to 31 December 2020*

The audit for financial year 2019 has to be conducted on the second half of September 2020 and audit report should be submitted within the second half of October 2020.

The audit for financial year 2020 has to be conducted on the first half of March 2021 and audit report should be submitted within the second half of April 2021.

NOTE: This is an indicative timeline and the starting date for the implementation of the service depends on the recommendations and authorizations issued by local authorities regarding COVID-19.

3. Audit Standards

The Auditor undertakes to comply with generally and internationally accepted standards for auditing - International Standard Auditing (ISA).

4. Deliverables

Under this assignment the Auditor shall submit the following deliverables:

- Certification of the financial statements prepared on accrual basis are in accordance with IPSAS framework,
- The Auditor's opinion whether the financial statements as whole are free from material misstatement;
- Management Letter in which the Auditor will:
 - i. *Give comments and observations on the accounting records, systems, and internal controls that were examined during the course of the audit;*

- ii. *Identify specific deficiencies and areas of weakness in systems and internal controls;*
- iii. *Communicate matters that have come to Auditor's attention during the audit which might have a significant impact on the implementation of the audit mission;*
- iv. *List any measures that have been taken as a result of the previous audit (if any) and whether such measures have been adequate to deal with the report shortcomings.*
- v. *Bring to RYCO's attention of any other matters that the auditor(s) consider pertinent.*

5. Place of audit

The audit is to be carried out within the RYCO premises in Tirana, Albania.

6. Currency and language of the audit report

The financial information contained in the audit report of the auditor is to be expressed **in EUR**. The audit report of the auditor and all other documents resulting from the audit engagement must be in **English**.

7. General and specific criteria for the expertise

The selection criteria are as follow:

- a) The company should have registered Certified Auditors in the audit team.
- b) The audit company should be a member of any international auditing group or subsidiary of a foreign audit company operating in WB6.
- c) The person appointed as the Audit Manager should be a Certified Auditor (registered accounting expert) with at least 10 years of audit experience.
- d) The company should have at least one Certified Auditor (registered accounting expert) with international recognized certification.
- e) The certified auditors should demonstrate audit experience of donor funded projects and / or international organizations.

8. Application process

Applications should be submitted via email to **procurement@rycowb.org** within **17.08.2020 not** later than **17:00** (CET). Interested and qualified candidates need to enclose following documents to the application:

- Letter of interest where applicants should:
 - (a) State specific motivation to be selected;
 - (b) Describe relevant experience to meet the criteria as set above;
- Curriculum Vitae of the audit company and of each audit team member.
- Copy of certificate of membership in any international audit firm network or subsidiary of a foreign audit company.
- Copy of NUIS/ Identification number for TAX Office (VAT number) and related certificates/licenses.
- Financial offer including all applicable taxes. The Financial Offer should specify the costs per each audit/year.

9. Award Criteria

The sole award criterion will be the lowest price among technically compliant offers.