



# PLAN INTERNATIONAL SWEDEN'S TERMS OF REFERENCE FOR ANNUAL AUDIT OF SIDA FUNDED PROJECT SUPPORT

## Introduction

**Plan International Haiti** has been working in Haiti since 1973, helping rural and urban communities to improve the lives of children, adolescents, youth and families through access to health care, quality primary education, life skills and economic opportunities. Plan International Haiti is also active in the areas of disaster risk reduction, advocacy and systems and governance for child protection. The organization works in the North-East, West and Southeast regions assisting 28,722 families in 55 communal sections. In all its intervention areas, Plan International Haiti establishes networks of youth to raise awareness of child abuse, child trafficking and exploitation, develops good working relations with Haitian Government authorities and address protection risks related to gender and disability. Plan International Haiti has a competent and multidisciplinary staff (140) with demonstrated capacities and capabilities to implement development and emergency programs under the thematic of sexual and reproductive health rights, education, youth empowerment, and disaster risk management taking into consideration cross cutting issues such as gender & inclusion, child protection and governance.

### **Engagement of the audit service**

**Plan International Haiti** wishes to engage the services of an audit firm for the purpose of auditing the [Jenerasyon Chanjman Ayiti : **HTI100199**] as stipulated in the agreement between [**Plan International Haiti**] and Plan International Sweden. [**Plan International Haiti**] has for the audit period [July 1<sup>st</sup> 2020 – June 30<sup>th</sup> 2021] obtained a grant of [**2,156,381**] SEK from Plan International Sweden/Sida.

The audit shall be carried out by an external, independent and qualified auditor. The auditor or audit firm shall be registered and have a license with the [Ordre des Comptables Professionnels Agréés d'Haiti (**OCPAH**)]. Plan International Sweden shall approve the selection of auditor before the audit begins and a copy of the license shall be shared with Plan International Sweden. When contracting an audit firm [**Plan International Haiti**] shall fill in a format that shall be shared with SNO, see Appendix 1<sup>1</sup>.

The signing auditor cannot be contracted for the assignment, of auditing Sida funded projects, for a longer period than seven years in a row. The same audit firm can however be contracted for longer than seven years. If [**Plan International Haiti**] wishes to engage the same signing

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<sup>1</sup> Appendix 1 can be signed and handed in to Plan International Sweden after signing of this audit Terms of Reference .

auditor again, another audit firm needs to have had the audit assignment for at least a four year period. It is possible to procure an audit firm for the entire project period. The same auditor may conduct the audit in all subsequent links, but each link may also use different auditors.

**Brief presentation of [subsequent partner organisation, if any]:**

[Plan International Haiti] have engaged in a corporation for this project with the subsequent partner organisation [name of the subsequent partner organisation] and has a signed partner agreement [date and reference] amounting to [total amount] SEK/local currency.

## Objectives and scope of the audit

The objective is to audit the financial report and to express an audit opinion according to ISA 800/805 on whether the financial report is in accordance with the relevant terms and Plan International Sweden's instruction for financial reporting as stipulated in the agreement<sup>2</sup> between Plan International Sweden and [Plan International Haiti] The audit shall be carried out in accordance with the international audit standards issued by IAASB<sup>3</sup>.

In addition to the audit of the financial statements, the assignment also includes an engagement to perform agreed-upon procedures regarding financial information in accordance with International Standard on Related Services, ISRS<sup>4</sup>.

The following areas should be included:

- Follow up whether salary costs debited to the project/programme are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.<sup>5</sup>
- Examine whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by Plan International Sweden for the period.
- Based on materiality and risk, the auditor shall examine whether there is sufficient documentation supporting all reported costs. Regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation.
- Examine whether foreign exchange rate losses / exchange rate gains are reported as a separate item in the financial report and are reported in accordance with what is stated in the agreement, including annexes and good accounting practice.
- Check whether **Plan International Haiti**] complies with the applicable tax legislation in regard to taxes and social security fees.

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<sup>2</sup> Including annexes

<sup>3</sup> The International Auditing and Assurance Standards Board.

<sup>4</sup> Additional assignment; Engagement to perform Agreed-Upon Procedures regarding financial information in accordance with International Standard on Related Services, ISRS 4400.

<sup>5</sup> If the budget includes salary costs to be debited to the project, the auditor shall always examine salary costs as stipulated here.

- Follow up whether [**Plan International Haiti**] has adhered to the procurement guidelines annexed to the agreement.
- Review if closing balance for previous period is the same as starting balance for the current period.
- If [**Plan International Haiti**] applies modified cash basis as accounting principle, the auditor shall describe possible effects on accrual within the project.
- Verify the closing balance at the end of the financial year against the accounting and its documentation. For the last year of implementation, verify the outgoing balance to be repaid to Plan International Sweden.
- Verify that [**Plan International Haiti**] has signed agreements with its subsequent partner organisations.
- Verify that the audit requirements in the agreements with subsequent partner organisations are in accordance with the audit requirements as stipulated in [**Plan International Haiti**] agreement with Plan International Sweden.
- Review whether there is an unbroken chain of audited financial reports according to the requirements as stipulated in the agreement between [**Plan International Haiti**] and Plan International Sweden, for funds disbursed the previous year. The review shall include whether [Plan International Haiti] makes documented assessments of the audited financial reports submitted to [**Plan International Haiti**] and whether these reports are followed-up by [**Plan International Haiti**]. The review shall include verification of contributions equivalent of a minimum of 50 % of the total of disbursed funds as well as 50 % of the number of contributions. The review shall also include observations from auditors that Plan International Sweden should be informed about.
- Verify if the same requirements for reporting exchange rate gains/exchange rate losses as stipulated in the agreement between [**Plan International Haiti**] and Plan International Sweden, are included in the agreements between [**Plan International Haiti**] and its subsequent partner organisations.
- Follow up if weaknesses identified in previous audits are implemented as described in the management response.

Plan International Sweden wants to emphasise the importance that the Auditor, as a part of the assignment, reviews whether the subsequent partner organisations follow the requirements from Sida, see Appendix 6 "Plan International Sweden's Audit instructions for Sida funded projects".

## The Reporting

The reporting requires three different reports.

### **1. Independent Auditor's Report**

The reporting from the auditor shall include an Independent Auditor's Report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated. The

audit report needs to be signed by the auditor with full name, first and last name and not with the audit firm name. The title and date is also important information. The financial report that was subject to the audit shall be attached to the Independent Auditor's Report and signed by the auditor together with management of audited organisation.

## **2. Report of factual findings**

The additional assignment according to agreed-upon procedures ISRS 4400, shall be reported separately in a "Report of factual findings". The audit report needs to be signed by the auditor with full name, first and last name and not with the audit firm name. The title and date is also important information.

## **3. Management letter**

The reporting from the auditor shall also include a Management letter with audit findings and weaknesses identified during the audit process. The auditor shall regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation. The auditor shall make recommendations to address the weaknesses identified and the recommendations shall be presented in priority order. If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management letter, an explanation of this assessment must be disclosed in the audit reporting.

If the auditor assesses that the observations presented in a Report of factual findings include the information that would have been included in a Management letter, a Management letter is not required. In such a case, the "Report of factual findings" shall also include recommendations to [Plan International Haiti and an explanation of why a Management letter has not been developed (an example is indicated in the template for "Report of factual findings"). In those cases, [Plan International Haiti shall make a Management Response to the recommendations the auditor has made in the Report of factual findings.

## **Other reporting information**

[Plan International Haiti is responsible for making a **Management Response** for all audits. The management response shall respond to all auditors' recommendations which shall include a time-bound action plan and the name of the responsible person within the organisation. The Management Response can be included in the audit reports or as an annex and shall be signed by management.

There are different levels of **audit requirements at the subsequent partner organisation**, if any, depending on the value of the partnership agreement. Please see Appendix 6 "Plan International Sweden's Audit instructions for Sida funded projects", for specified instructions.

The audits at Plan International Country/Regional office and subsequent partner organisation may be conducted by separate auditors or by the same auditor. The reporting when using the same auditor can either be presented in separate audit reports (please see Appendix 4 and 5) or a consolidated audit report (please see Appendix 2 and 3). The following conditions needs to be respected if the consolidated version is used:

1 – The audit report shall state which subsequent partner organisations are included in the report and what activities they are responsible for.

2 – It must be clear that a full audit, ISAs and ISRS 4400, have been carried out in full for all organisations and that the reports correspond with the main agreement between Plan and Sida.

3 – The report needs to contain signed financial reporting for all organisations.

4 – The report only contains few notes and does not reduce the overview.

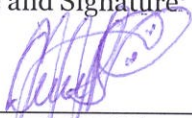
5 – The Audit opinion needs to have an unqualified opinion for all organisations.

The reporting shall be **signed by the responsible auditor** (not just the audit firm) and title.

The reports are to be written in [English] in one copy and submitted digitally to Plan International Sweden no later than [**November 15th, 2021**]. All reports may be submitted in any of the following languages: [English, French or Spanish]. Submission of draft reports to Plan International Sweden for review is due by [**November 1st, 2021**].

The audit shall be reported according to the following two formats in Appendix 2-5 of this document.

08/09/2021  
\_\_\_\_\_  
Date and Signature<sup>6</sup>

  
\_\_\_\_\_  
Celigny DARIUS  
Country Director  
Plan International Haiti

<sup>6</sup> After SNO's approval the final version shall be signed and converted into pdf format.

## Appendix 1

### AUDITING REQUIREMENTS

#### FY21 Application

According to the regulations of Plan International Sweden and Sida we need to certify that an external, independent and qualified auditor who is associated to an acknowledged national federation of accountants audits your organisation. Attach the Auditor's proof of registration with the national federation of accountants/auditors or equivalent when submitting the form to Plan International Sweden.

In order to confirm this we would like to ask you to fill out the table below:

<b>Name of your organisation</b>		
<b>Name of Audit firm</b>		
<b>Audit firm contact details</b>	Address:	Phone:
		Email:
		Website:
<b>Auditor contact details</b>	Name:	Title/Position:
	Mobile:	Email:
	Auditor's member number of a national federation of Accountants:	
<b>Name of national federation of accountants/auditors (if applicable in the country, it should be the institution connected to IFAC)</b>		
<b>The Auditor is a member of the national federation (yes/no). Proof of certification shall be attached.</b>		
<b>Which year did you start cooperating with the auditor?</b>		
<b>Describe the process when engaging the auditor?</b>		

## Appendix 2<sup>7</sup>

### **Illustration of Independent Auditor's Report (Consolidated)**

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#### **INDEPENDENT AUDITOR'S REPORT**

To [Plan International Haiti]  
7 Imp. Borno, Rue Catalpa, Delmas 75

#### **Opinion**

We have audited the Financial Report of [Plan International Haiti ] for the period July 1<sup>st</sup>, 2020 to June 30<sup>th</sup>, 2021 (FAD number: HTI100199).

In our opinion, the accompanying Financial Report for the period [July 1<sup>st</sup>, 2020 to June 30<sup>th</sup>, 2021] is prepared, in all material respects, in accordance with the contract agreement between Plan international Sweden and [Plan International Haiti ], signed on [March 31<sup>st</sup>, 2021], which is in line with the agreement with the donor Sida.

#### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of [of Plan International Haiti ] in accordance with the ethical requirements that are relevant to our audit of the Financial Report in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter – Basis of Accounting and Restriction on Distribution**

We draw attention to the fact that the Financial Report has been prepared according to the agreement between Plan International Sweden and Sida. The Financial Report is prepared to assist [[of Plan International Haiti ] to meet the requirements of Sida. As a result, the Financial Report may not be suitable for another purpose. Our report is intended solely for of Plan International Haiti ], Plan International Sweden and Sida and should not be distributed to parties other than [of Plan International Haiti ], Plan International Sweden and Sida. Our opinion is not modified in respect of this matter.

#### **Responsibilities of Management for the Financial Report**

Management is responsible for the preparation of the Financial Report in accordance with the contract agreement between [of Plan International Haiti ] and Plan, and for such internal control as management determines is necessary to enable the preparation of the Financial Report that is free from material misstatement, whether due to fraud or error.

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<sup>7</sup> If the auditor produce a consolidated audit report for both Plan International Country/Regional office and subsequent partner organization, the auditor needs to mention the names of both organisations as indicated in this template. In addition, the auditor needs to sign and attach the financial reports for both organisations to this report.

Management are responsible for overseeing of **Plan International Haiti** ] financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objective are to obtain reasonable assurance about whether the financial report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of [ **Plan International Haiti** ] internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management. Evaluate the overall presentation, structure and content of the Financial Report and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during audit.

We also provide Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

[Date of the auditor's report]

[Auditor's signature]

[First name Last name]

[Title of auditor]

[Auditor's address]



## Appendix 3

### **Template according to ISRS 4400 for Engagement to perform Agreed-upon Procedures regarding financial information (Consolidated)**

#### **REPORT OF FACTUAL FINDINGS**

To the management of of **Plan International Haiti**

We have performed the agreed-upon procedures as specified below concerning the enclosed financial report to Plan International concerning project number [HTI100199], for the time period [July 1st 2020 – June 30th 2021] showing total expenditure of SEK [[11,764,304]. Our engagement was performed in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements, ISRS 4400. The procedures were performed solely to assist you in your commitment towards Plan International regarding the provision of a report on how funds from Sida have been used and are summarised as follows:

1. We have followed up whether salary costs debited to the project/program are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.
2. We have examined whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by Plan International Sweden for the period.
3. We have examined whether there is sufficient documentation supporting all reported costs. We have quantified the amount for costs lacking sufficient supporting documentation.
4. We have examined whether exchange rate losses / exchange rate gains are reported as a separate item in the financial report and are reported in accordance with what is stated in the agreement, including appendices and good accounting practice.
5. We have checked whether [**Plan International Haiti**] complies with the applicable tax legislation in regards to taxes and social security fees.
6. We have followed up whether **Plan International Haiti** has adhered to the procurement guidelines annexed to the agreement.
7. We have reviewed that closing balance for previous period is the same as starting balance for the current period.
8. We have examined whether the applied accounting principle is acceptable for the type of financial report and described possible effects on accrual within the project.
9. We have verified the closing balance at the end of the financial year. For the last year of implementation, verify the outgoing balance to be repaid to Plan International Sweden.
10. We have verified **Plan International Haiti** ] has signed agreements with its subsequent partner organizations.

11. We have verify that the audit requirements in the agreements with subsequent partner organizations are in accordance with the audit requirements as stipulated in **Plan International Haiti** agreement with Plan International Sweden.
12. We have reviewed whether there is an unbroken chain of audited financial reports according to the requirements as stipulated in the agreement between **Plan International Haiti ]** and Plan International Sweden, for funds disbursed the previous year. The review has included whether [**Plan International Haiti** makes documented assessments of the audited financial reports submitted to [**Plan International Haiti ]** and whether these reports are followed-up by [**Plan International Haiti ]**. The review has included verification of contributions equivalent of a minimum of 50 % of the total of disbursed funds as well as 50 % of the number of contributions. The review has also included any observations from auditors that Plan International Sweden should be informed about.<sup>8</sup>
13. We have verified that the same requirements for reporting exchange rate gains/exchange rate losses as stipulated in the agreement between **Plan International Haiti ]** and Plan International Sweden, are included in the agreements between **Plan International Haiti** and its subsequent partner organizations.
14. We have followed up that weaknesses identified in previous audits are implemented as described in the management letter and Report of factual findings.

### **Outcome and significant observations**

We report our findings

below:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6...14.

[In cases where observations have been made or if there are uncertainties regarding any of the items, a detailed description of the observation or uncertainty shall be provided. Do not forget to incorporate management response for each observation. If there are no observations it needs to be clear for each step in above, 1 to 14.]

[If there are no separate Management letter issues please mention the following sentence:  
"Our audit has not shown any other findings and recommendations other than those

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<sup>8</sup> If the partners has separate audits (it can be the same auditor as CO or a different auditor), the auditor at CO level need to look at all the partners audit reports and incorporate all the audit findings in to the audit report for CO.  
But if it is a consolidated audit report (the same auditor for both CO and partners and just one audit report) the auditor needs to look at least 50 % of partner funds and 50% of the number of contributions.

included in the Report of Factual Findings. We therefore have not provided a separate management letter. "

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties than Plan International and Sida. This report relates only to the financial report/s specified above.

[Date and place]  
[First name Last Name]  
[Title of auditor]  
[Address]

## Appendix 4

### **Illustration of Independent Auditor's Report**

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#### **INDEPENDENT AUDITOR'S REPORT**

To: **Plan International Haiti**  
7 Imp. Borno, Rue Catalpa, Delmas 75

### **Opinion**

We have audited the Financial Report of **Plan International Haiti** for the period [July 1st 2020 – June 30th 2021] ("HTI100199").

In our opinion, the accompanying Financial Report for the period [July 1st 2020 – June 30th 2021] is prepared, in all material respects, in accordance with the contract agreement between Plan international Sweden and [**Plan International Haiti** ], signed on [[**March 31<sup>st</sup>, 2021**], which is in line with the agreement with the donor Sida.

### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of [**Plan International Haiti** ] in accordance with the ethical requirements that are relevant to our audit of the Financial Report in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter – Basis of Accounting and Restriction on Distribution**

We draw attention to the fact that the Financial Report has been prepared according to the agreement between Plan International Sweden and Sida. The Financial Report is prepared to assist [**Plan International Haiti** ] to meet the requirements of Sida. As a result, the Financial Report may not be suitable for another purpose. Our report is intended solely for [**Plan International Haiti** ], Plan International Sweden and Sida and should not be distributed to parties other than [**Plan International Haiti** ], Plan International Sweden and Sida. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management for the Financial Report**

Management is responsible for the preparation of the Financial Report in accordance with the contract agreement between [**Plan International Haiti** ] and Plan, for such internal control as management determines is necessary to enable the preparation of the Financial Report that is free from material misstatement, whether due to fraud or error.

Management are responsible for overseeing [**Plan International Haiti** ] financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objective are to obtain reasonable assurance about whether the Financial report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of [Plan International Haiti ] internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management. Evaluate the overall presentation, structure and content of the Financial Report and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during audit.

We also provide Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

[Date of the auditor's report]

[Auditor's signature]

[First name Last name]

[Title of auditor]

[Auditor's address]

## Appendix 5

### **Template according to ISRS 4400 for Engagement to perform Agreed-upon Procedures regarding financial information**

#### **REPORT OF FACTUAL FINDINGS**

To the management of [Plan International Haiti ]

We have performed the agreed-upon procedures as specified below concerning the enclosed financial report to Plan International concerning project number [HT1100199], for the time period [July 1st 2020 – June 30th 2021] showing total expenditure of SEK [total budgeted amount]. Our engagement was performed in accordance with the International

Standard on Related Services applicable to agreed-upon procedures engagements, ISRS 4400. The procedures were performed solely to assist you in your commitment towards Plan International regarding the provision of a report on how funds from Sida have been used and are summarised as follows:

1. We have followed up whether salary costs debited to the project/program are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.
2. We have examined whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by Plan International Sweden for the period.
3. We have examined whether there is sufficient documentation supporting all reported costs. We have quantified the amount for costs lacking sufficient supporting documentation.
4. We have examined whether exchange rate losses / exchange rate gains are reported as a separate item in the financial report and are reported in accordance with what is stated in the agreement, including appendices and good accounting practice.
5. We have checked whether [Plan International Haiti ] complies with the applicable tax legislation in regards to taxes and social security fees.
6. We have followed up whether Plan International Haiti ] has adhered to the procurement guidelines annexed to the agreement.
7. We have reviewed that closing balance for previous period is the same as starting balance for the current period.
8. We have examined whether the applied accounting principle is acceptable for the type of financial report and described possible effects on accrual within the project.
9. We have verified the closing balance at the end of the financial year. For the last year of implementation, verify the outgoing balance to be repaid to Plan International Sweden.
10. We have verified that Plan International Haiti ] has signed agreements with its subsequent partner organisations.
11. We have verify that the audit requirements in the agreements with subsequent partner organisations are in accordance with the audit requirements as stipulated in [Plan International Haiti ] agreement with Plan International Sweden.
12. We have reviewed whether there is an unbroken chain of audited financial reports according to the requirements as stipulated in the agreement between [Plan International Haiti ] and Plan International Sweden, for funds disbursed the previous year. The review has included whether [Plan International Haiti ] makes documented assessments of the audited financial reports submitted to [Plan International Haiti ] and whether these reports are followed-up by [Plan International Haiti ]. The review has included verification of contributions equivalent of a minimum of 50 % of the total of disbursed funds as well as 50 % of the

number of contributions. The review has also included any observations from auditors that Plan International Sweden should be informed about.<sup>9</sup>

13. We have verified that the same requirements for reporting exchange rate gains/exchange rate losses as stipulated in the agreement between [Plan International Haiti ] and Plan International Sweden, are included in the agreements between [Plan International Haiti ] and its subsequent partner organisations.
14. We have followed up that weaknesses identified in previous audits are implemented as described in the management letter and Report of factual findings.

### **Outcome and significant observations**

We report our findings

below:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6...14.

[In cases where observations have been made or if there are uncertainties regarding any of the items, a detailed description of the observation or uncertainty shall be provided. Do not forget to incorporate management response for each observation. If there are no observations it needs to be clear for each step in above, 1 to 14.]

[If there are no separate Management letter issues please mention the following sentence: "Our audit has not shown any other findings and recommendations other than those included in the Report of Factual Findings. We therefore have not provided a separate management letter. "]

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties than Plan International and Sida. This report relates only to the financial report/s specified above.

[Date and place]

[First name Last Name]

[Title of auditor]

[Address]

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<sup>9</sup> If the partners has separate audits (it can be the same auditor as CO or a different auditor), the auditor at CO level need to look at all the partners audit reports and incorporate all the audit findings in to the audit report for CO. But if it is a consolidated audit report (the same auditor for both CO and partners and just one audit report) the auditor needs to look at least 50 % of partner funds and 50% of the number of contributions.

## Appendix 6

# **PLAN INTERNATIONAL SWEDEN'S AUDIT INSTRUCTIONS FOR SIDA FUNDED PROJECTS**

The audit instructions below have been put in place to ensure compliance with Sida's requirements as per signed agreement with Plan International Sweden. All financial reports, including transfer of funds to subsequent links, must be audited in accordance with these guidelines. There shall be an unbroken chain of reporting down to, and including, the final organisation in receipt of funds.

Controls of reporting and audits in subsequent links are particularly important and the responsibility for performing these controls lies with the audited organisation (Plan International Country/Regional office). Each organisation has the responsibility to document the following controls;

- Assessment of auditor (external, independent, qualified) if applicable
- Control of independent auditor's report/s, Management representation letter
- Assessment of the financial report and auditor's report (if applicable) as well



as any actions required, that should be reported upward in the chain.

The organisation's auditor shall express an opinion on the organisation's internal controls of audits in subsequent links. See illustration on next page.

#### **Plan International Country/Regional office**

The grant must be audited annually according to Sida's requirements and as stipulated in the FAD. The audit includes all documentation related to the grant from all grantees and is made regardless of the size of the grant. See "Plan International Sweden's Terms of Reference for Audit of Sida funded Project Support", within this document, which shall be used in procurement of audit services. The Plan International Country/Regional office shall send its audited annual report to Plan International Sweden for approval prior to sign-off by the auditor. In case there are observations or findings noted by the auditors in subsequent links, these reports shall also be submitted to Plan International Sweden (regardless if there is the same auditor for Plan International Country/Regional office and subsequent links or different auditors).

#### **Subsequent links/ Local implementing partner**

If the Country/Regional office has transferred funds to subsequent links, such as local implementing partners, the value of the partnership agreement defines the standard of the audit as listed below;

1. Partner organisations with partnership agreements<sup>10</sup> above **500 000 SEK** are audited annually according to "Plan International Sweden's Terms of Reference for Audit of Sida funded Project Support", within this document. The audit includes both an "ISA 800/805 – Independent Auditor's report" as well as an "ISRS 4400 – Engagement to perform agreed-upon procedures"
2. Partner organisations with partnership agreements between **100 000 SEK to 499 999 SEK** are audited annually according to "ISRS 4400 – Engagement to perform agreed-upon procedures" in accordance with " Plan International Sweden's Terms of Reference for Audit of Sida funded Project Support", within this document.
3. Partner organisations with partnership agreements below **100 000 SEK** are not required to conduct an external project audit but should submit a "Management representation letter" confirming the preparation and fair presentation of the financial statement in accordance with the grant agreement and that the financial statements are free from material misstatement, whether due to fraud or error. The template in Appendix 7 in this document shall be used.

#### **Consolidated or separate audit reports – Subsequent partner organisation**

If the Plan International Country/Regional office has procured one auditor to perform audits for both Plan International Country/Regional office and subsequent partner organisation, the auditor can choose to have a consolidated (please see Appendix 2 and 3) or separate audit reports (please see Appendix 4 and 5).

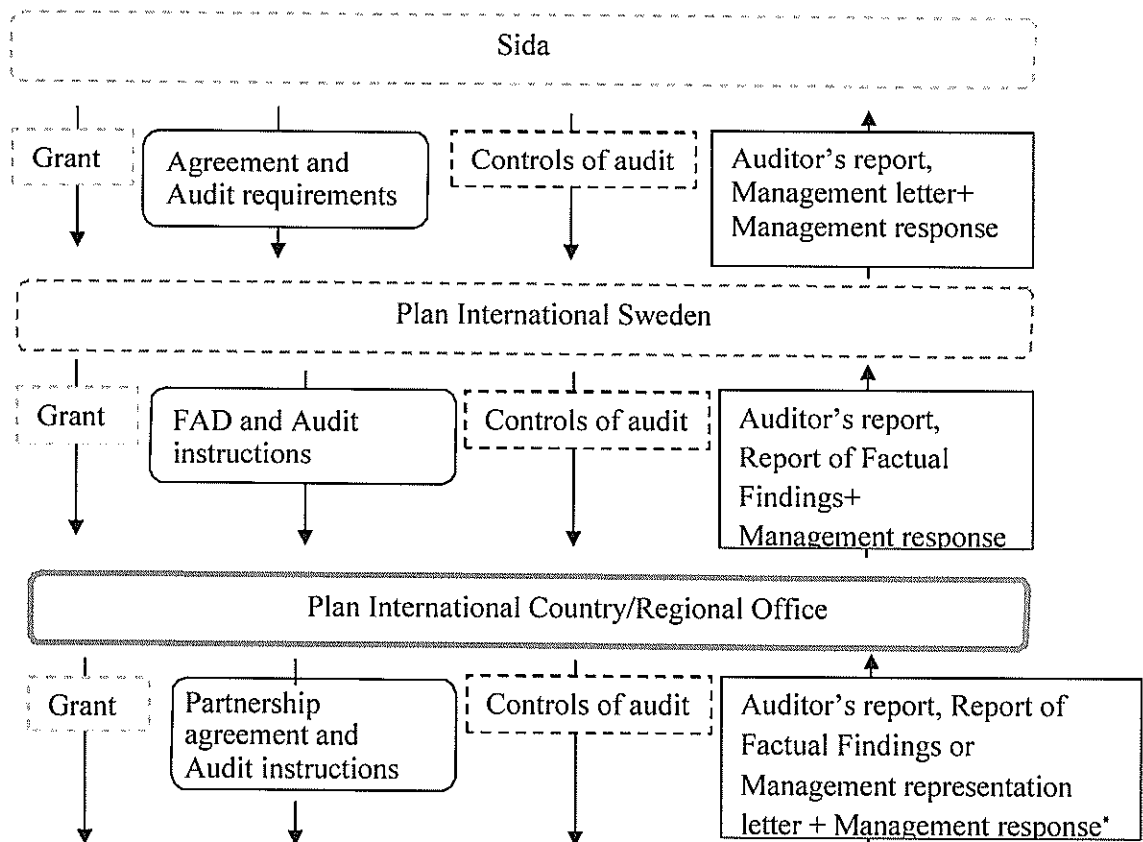
**N.B** If considered relevant, the Country/Regional office may still require external audit to be conducted in subsequent links according to point 1 and 2 for partnership agreement

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<sup>10</sup> The total budget must be considered for the whole implementation period and may not exceed the above mentioned thresholds.

below 100 000 SEK. Partner organisations may also choose to conduct external audit if considered valuable for their organisation. The cost for this must be included in the project budget.

Audit reports and Management representation letters from subsequent links must be filed in the Country/Regional office in a safe and organised manner for at least seven years.



Local Implementing Partners

\*Depending on the levels of funds transferred, see section above "Subsequent links /Local implementing partners"

## Appendix 7

### Template Management representation letter

For a partner agreement with a value of less than SEK 100 000, an external audit is not required. Instead the finance director or equivalent and a person authorised to represent the organisation should certify that the attached final financial and narrative reports are correct. The certification is done by using the template below.

The organisation receiving the funds needs to keep accounting documents in good order at all times. Financial documents should be saved for a period of seven (7) years, or longer if required by national legislation. Plan International/Plan International Sweden has the right to, at any point in time, gain access to relevant documents of the recipient organisation and/or commission an audit of the agreement.

The information in the table below is to be provided by the recipient external organisation:

Name of Organisation		
Name of contact person	Telephone	E-mail
Project title		FAD number
Value of total agreement	Total amount spent (according to financial report)	Total amount not utilised

#	Certification Statements	Yes No N/A	Comments
1	The attached narrative and financial reports are in line with the agreement with Sida.		
2	The costs reported correspond with costs in the organisation's bookkeeping/accounts.		
3	Sufficient underlying documentation exists for the costs reported.		
4	Any underutilised funds have been reported and, where applicable, have been repaid in accordance with the agreement.		
5	The funds provided have been kept in a bank account.		
6	All payment orders including procurement have been authorized according to the delegation order of the recipient organisation.		

*Provide additional information under comments in case a N/A or No statement is made in the table above.*

\_\_\_\_\_  
 Date and Signature

\_\_\_\_\_  
 Date and Signature

\_\_\_\_\_  
 Name and title in block letters

\_\_\_\_\_  
 Name and title in block letters