



Plan International Sweden's Terms of Reference for Audit of Sida funded Project/Programme Support including ISRS 4400

Introduction

The Management and Implementation Consortium of “*Jenerasyon Chanjman Ayiti* (JCA/MIC), under the leadership of Plan International Haiti, wishes to engage the services of an audit firm for the purpose of auditing the ***Jenerasyon Chanjman Ayiti (JCA), FAD: HTI100199***, for the period extended from July 1, 2022 – February 15, 2023, as stipulated in the agreement between Plan International Haiti and Plan International Sweden. The Management and Implementation Consortium of “*Jenerasyon Chanjman Ayiti* (JCA/MIC), under the leadership of Plan International Haiti has, for the audit period, obtained a grant of SEK from Plan International Sweden/SIDA. The audit shall be carried out in accordance with the international audit standards (ISA) issued by IAASB¹. 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 Standards on Related Services (ISRS) 4400 as well as in accordance with the terms and review areas listed in section II.

The audit and the additional engagement shall be carried out by an external, independent and qualified auditor. The auditor shall be registered and have a license with the Order of Chartered Accountant of Haiti (OCPAH in Haitian French). 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 template that shall be shared with SNO, see Appendix 1 to this document. The signing auditor shall not be contracted for the assignment for more than a seven-year period. The same audit firm can however be contracted for longer than seven years. 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. The audit shall be reported in accordance with the templates provided in Appendix 2 - 3 or 4 - 5 of this document.

¹ The International Auditing and Assurance Standards Board (IAASB).

I. Objectives and scope of the audit

The objective is to audit the financial report for the period July 1, 2022 – June 30, 2024 as submitted to Plan International Sweden and to express an audit opinion according to ISA, applying ISA 800/805, on whether the financial report of **Jenerasyon Chanjman Ayiti (JCA), FAD: HTI100199**, is in accordance with the Plan International Haiti accounting records and Plan International Sweden's and Sida's requirements for financial reporting as stipulated in the agreement **including annexes**, between Plan International Sweden and Plan International Haiti and its subsequent partner organisations among which ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department), Institut PANOS (Port-au-Prince) and itself Plan International Haiti (PIH) as the leading partner. Jointly they constitute the JCA Management and Implementation Consortium (JCA/MIC).

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

II. Additional assignment; according to agreed upon procedures ISRS 4400, review the following areas in accordance with the Terms of Reference below

Mandatory procedures that must be included:

1. Observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget².
2. Observe and inspect whether the financial report provides information regarding:
 - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.
 - b) When applicable, compare if the opening fund balance³ for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
 - c) A disclosure of exchange gains/losses. Inquire and confirm whether the disclosure includes the entire chain of currency exchange from Plan International Sweden's disbursement to the handling of the project/programme within the organisation in local currency/ies, if applicable.
 - d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
 - e) Amount of funds that has been forwarded to implementing partners, when applicable.

² The budget is attached to the agreement with Plan International Sweden as an annex and any updates should be supported by a written approval by Plan International Sweden.

³ I.e. funds remaining from disbursements made during previous reporting period/s

3. a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.

Choose a sample of three individuals for three different months and:

- b) Inquire and inspect whether there are supporting documentation⁴ for debited salary costs.

- c) Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.

- d) Inspect whether Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince), comply with applicable tax legislation with regard to personal income taxes (PAYE)⁵ and social security fees.

4. a) Inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.

b) **Applicable the final year:** Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to Plan International Sweden.

5. Last years, FY22, audit report contained ineligible cost amounting to 437 418 SEK (..... gourdes) due to differences between what was registered in the accounting system SAP and mentioned as project expenditures in the financial report. If the expenditures from FY22 are to be included in FY23 years financial report and audit report, all of the supporting documentation needs to be inspected and confirmed as sufficient and adequate (for the ... SEK gourdes). If not, they cannot be included in the financial report for FY23.

Follow up of funds that are channelled to implementing partners

Mandatory assignments that must be included if Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) forward funds to implementing partners (IP's):

Choose a sample of a minimum of 10 % of the total of disbursed funds as well as 10 % of the number of IP's or a maximum of 10 IP's.

2.1 Inspect and confirm whether Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes

⁴Debited salary costs should be verified by supporting documentation such as employment contracts.

⁵ Pay As You Earn.

(Southeastern department) and Institut PANOS (Port-au-Prince) have signed agreements with the selected IP's.

2.2 Inspect and confirm whether Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) in all agreements entered with IP's, included the requirement to carry out annual audits. The requirement shall specify that these audits shall be carried out with application of ISA (reporting according to ISA 800/805), and a separate assignment according to ISRS 4400 should be included for project/programme support. If agreements regarding core support are entered into with IP's, the audit shall be conducted in accordance with ISA 700 or National standards on auditing.

2.3 Inquire and inspect whether Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) have received financial reports and reportings from auditors from all IP's included in the selected sample:

a) Inquire and inspect whether Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) have verified if reports from IP's are in line with the requirements in the Agreement.

b) Inquire and inspect whether Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) have documented its assessment of the submitted financial reports and reporting from auditors including management responses and action plans from selected IP's.

c) Inquire and inspect whether Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) have documented its follow-up actions based on the information provided in the financial reports and the reporting from the auditor of the selected IP's.

d) Inquire and inspect whether Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) have reported substantial observations⁶ from selected IP's audit reports in its communication with Plan International Sweden. List observations⁷ from IP's audit reports which have been part of this sample.

⁶ Deemed substantial by the Cooperation partner.

⁷ Observations included in Management Letters and if applicable, modified audit reports.

III. The Reporting

The reporting shall be signed by the responsible auditor (not just the audit firm⁸) and shall include the title of the responsible auditor.

Reporting from the ISA assignment

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 financial report that has been the subject of the audit shall be attached to the Independent Auditor's Report.

The reporting from the auditor shall also include a **Management letter** that discloses all audit findings, as well as 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 identified findings and weaknesses. The recommendations shall be presented in priority order and with a risk classification.

Measures taken by the Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) to address weaknesses identified in previous audits shall also be presented in the Management Letter. If the previous audit did not have any findings or weaknesses to be followed-up on, a clarification of this must be disclosed in the audit reporting.

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.

Reporting from the ISRS 4400 assignment

The additional assignment according to agreed-upon procedures ISRS 4400 under paragraph II, shall be reported separately in an "**Agreed-upon procedures report**". Performed procedures should be described and the findings should be reported in accordance with the requirements in the International Standard on Related Services 4400.

When applicable, the sample size shall be stated in the report.

Plan International Haiti (PIH) and its subsequent partner organisations ADELNEH (Northeastern department of Haiti), Flore des Femmes (Southeastern department) and Institut PANOS (Port-au-Prince) are responsible for providing a **Management Response** for all audits, even if there are no findings during audit. The management response shall respond to all auditors' recommendations which shall include a time-bound action plan and the responsible person within the organisation. The Management Response can be included directly in the audit report or follow as an annex and shall be signed by management.

⁸ If the audit firm is obliged to sign, refer to relevant legislation. Sida still needs to know who has been responsible for the audit assignment.

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 - 5) or a consolidated audit report (please see Appendix 2 - 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 reports are to be written in French in one copy and submitted digitally to Plan International Sweden no later than 15 November, 2022. 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 1 November, 2022.

Date and Signature⁹

Name and title in block
letters, organisation

Appendix 1

AUDITING REQUIREMENTS

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.

⁹ After SNO's approval the final version shall be signed and converted into pdf format.

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

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

Appendix 2

Illustration of Independent Auditor's Report (consolidated)

INDEPENDENT AUDITOR'S REPORT

To [Plan International Country/Regional office] and its subsequent partner organisation
[name of the subsequent partner organisation]

Opinion

We have audited the Financial Report of [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation] for the period [DD MONTH 20YY – DD MONTH 20YY] ("[Project title and FAD number]").

In our opinion, the accompanying Financial Report for the period [DD MONTH 20YY – DD MONTH 20YY] is prepared in all material respects, in accordance with the contract agreement between [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation] and Plan International Sweden signed on [DD MONTH 20YY].

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (applying ISA 800/805). 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 Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation] 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 Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation] 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 Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation], Plan International Sweden and Sida and should not be distributed to parties other than [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation], 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 Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation] and Plan International Sweden, 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.

Management are responsible for overseeing [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation] financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 skepticism 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 Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation] 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 other matters, 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)

AGREED-UPON PROCEDURES REPORT

To the management of [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any]

We have performed the agreed-upon procedures as specified below concerning the enclosed financial report to Plan International Sweden concerning project/programme [title, FAD number], for the time period [DD MONTH 20YY – DD MONTH 20YY] showing total expenditure of SEK [total amount of expenditures in SEK]. 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 Sweden regarding the provision of a report on how funds from Sida have been used and are summarised as follows:

1. We have observed that the financial report is structured in a way that allows for direct comparison with the latest approved budget.
2. We have observed and inspected that the financial report provides information regarding:
 - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.
 - b) Compared and confirmed that the opening fund balance for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
 - c) A disclosure of exchange gains/losses. We have inquired and confirmed that the disclosure includes the entire chain of currency exchange from Plan International Sweden's disbursement to the handling of the project/programme within the organisation in local currency/ies, if applicable.
 - d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
 - e) Amount of funds that has been forwarded to implementing partners.
3. a) We have inquired and inspected the frequency of the salary costs debited during the reporting period to the project/programme and it is as follows:

We have chosen a sample of three individuals for three different months and:

 - b) Inquired and inspected that there is supporting documentation for debited salary costs.
 - c) Inquired and inspected that the actual time worked is documented and verified by a manager. We have inquired and inspected within which frequency reconciliations between debited time and actual worked time is performed and it is as follows:

d) Inspected that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any] complied with applicable tax legislation with regard to personal income taxes (PAYE) and social security fees.

4. a) We have inspected and confirmed that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.

b) **Applicable the final year:** We have inspected and confirmed the unspent fund balance (including exchange gains) in the financial report and confirm that the amount that shall be repaid to Plan International Sweden amounts to: **SEK XXX XXX.**

Points 6-6.3 below to be included if the organisation forwards funds to implementing partners (IP's), if not – the following is to be stated and points 6-6.3 omitted:

5. We have inspected and confirmed that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any] does not channel funds to implementing partners.

If the funds are channelled by [Plan International Country/Regional office] or its subsequent partner organisation [name of the subsequent partner organisation, if any], please proceed with the block 6-6.3 below.

6. For the purpose of follow up of funds that were channelled to implementing partners (IP's) we have chosen a sample of a minimum of 10 % of the total of disbursed funds as well as 10 % of the number of IP's or a maximum of 10 IP's and performed the following assignments:

6.1. We have inspected and confirmed that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any] has signed agreements with the selected IP's.

6.2 We have inspected and confirmed that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any], in all agreements entered with IP's, included the requirement to carry out annual audits. The requirement specifies that these audits shall be carried out with application of ISA (reporting according to ISA 800/805) and a separate assignment according to ISRS 4400 should be included for project/programme support. Where agreements regarding core support were entered into with IP's, the audits were conducted in accordance with ISA 700 or National standards on auditing.

6.3. We have inquired and inspected that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any] has received financial reports and reportings from auditors from all IP's included in the selected sample:

a) We have inquired and inspected that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any] has

verified if reports from IP's are in line with the requirements in the agreements with Plan International Sweden.

b) We have inquired and inspected that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any] has documented its assessment of the submitted financial reports and reporting from auditors including management responses and action plans from selected IP's.

c) We have inquired and inspected that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any] has documented its follow-up actions based on the information provided in the financial reports and the reporting from the auditor of the selected IP's.

d) We have inquired and inspected that [Plan International Country/Regional office] and its subsequent partner organisation [name of the subsequent partner organisation, if any] has reported substantial observations from selected IP's audit reports in its communication with Plan International Sweden. We have listed observations from IP's audit reports which have been part of this sample in our findings below.

- 1.
- 2.
- 3....XX

Outcome and significant observations

We report our findings below:

- 1.
- 2.
- 3.
- 4.
- 5.... 6.3.

[NB. 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.]

[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 specified above.

[Date of the auditor's report]
[Auditor's signature]
[First name Last name]
[Title of auditor]
[Auditor's address]

Appendix 4

Illustration of Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To [the Plan International Country/Regional office/Subsequent partner organisation]

Opinion

We have audited the Financial Report of [Plan International Country/Regional office/Subsequent partner organisation] for the period [DD MONTH 20YY – DD MONTH 20YY] ("[Project title and FAD number]").

In our opinion, the accompanying Financial Report for the period [DD MONTH 20YY – DD MONTH 20YY] is prepared in all material respects, in accordance with the contract agreement between [Plan International Country/Regional office/Subsequent partner organisation] and Plan International Sweden signed on [DD MONTH 20YY].

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (applying ISA 800/805). 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 Country/Regional office/Subsequent partner organisation] 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 Country/Regional office/Subsequent partner organisation] 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 Country/Regional office/Subsequent partner organisation], Plan International Sweden and Sida and should not be distributed to parties other than [Plan International Country/Regional office/Subsequent partner organisation], 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 Country/Regional office/Subsequent partner organisation] and Plan International Sweden, 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.

Management are responsible for overseeing [Plan International Country/Regional office/Subsequent partner organisation] financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 skepticism 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 Country/Regional office/Subsequent partner organisation] 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 other matters, 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

AGREED-UPON PROCEDURES REPORT

To the management of [Plan International Country/Regional office/Subsequent partner organisation]

We have performed the agreed-upon procedures as specified below concerning the enclosed financial report to Plan International Sweden concerning project/programme [title, FAD number], for the time period [DD MONTH 20YY – DD MONTH 20YY] showing total expenditure of SEK [total amount of expenditures in SEK]. 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 Sweden regarding the provision of a report on how funds from Sida have been used and are summarised as follows:

1. We have observed that the financial report is structured in a way that allows for direct comparison with the latest approved budget.
2. We have observed and inspected that the financial report provides information regarding:
 - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.
 - b) Compared and confirmed that the opening fund balance for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
 - c) A disclosure of exchange gains/losses. We have inquired and confirmed that the disclosure includes the entire chain of currency exchange from Plan International Sweden's disbursement to the handling of the project/programme within the organisation in local currency/ies, if applicable.
 - d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
 - e) Amount of funds that has been forwarded to implementing partners.

3. a) We have inquired and inspected the frequency of the salary costs debited during the reporting period to the project/programme and it is as follows:

We have chosen a sample of three individuals for three different months and:

b) Inquired and inspected that there is supporting documentation for debited salary costs.

c) Inquired and inspected that the actual time worked is documented and verified by a manager. We have inquired and inspected within which frequency reconciliations between debited time and actual worked time is performed and it is as follows:

d) Inspected that [Plan International Country/Regional office/Subsequent partner organisation] complied with applicable tax legislation with regard to personal income taxes (PAYE) and social security fees.

4. a) We have inspected and confirmed that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.

b) **Applicable the final year:** We have inspected and confirmed the unspent fund balance (including exchange gains) in the financial report and confirm that the amount that shall be repaid to Plan International Sweden amounts to: **SEK XXX XXX.**

Points 6-6.3 below to be included if the organisation forwards funds to implementing partners (IP's), if not – the following is to be stated and points 6-6.3 omitted:

5. We have inspected and confirmed that [Plan International Country/Regional office/Subsequent partner organisation] does not channel funds to implementing partners.

If the funds are channelled, please proceed with the block 6-6.3 below.

6. For the purpose of follow up of funds that were channelled to implementing partners (IP's) we have chosen a sample of a minimum of 10 % of the total of disbursed funds as well as 10 % of the number of IP's or a maximum of 10 IP's and performed the following assignments:

6.1. We have inspected and confirmed that [Plan International Country/Regional office/Subsequent partner organisation] has signed agreements with the selected IP's.

6.2 We have inspected and confirmed that [Plan International Country/Regional office/Subsequent partner organisation], in all agreements entered with IP's, included the requirement to carry out annual audits. The requirement specifies that these audits shall be carried out with application of ISA (reporting according to ISA 800/805) and a separate assignment according to ISRS 4400 should be included for project/programme support. Where agreements regarding core support were entered into with IP's, the audits were conducted in accordance with ISA 700 or National standards on auditing.

6.3. We have inquired and inspected that [Plan International Country/Regional office/Subsequent partner organisation] has received financial reports and reportings from auditors from all IP's included in the selected sample:

- a) We have inquired and inspected that [Plan International Country/Regional office/Subsequent partner organisation] has verified if reports from IP's are in line with the requirements in the agreements with Plan International Sweden.
- b) We have inquired and inspected that [Plan International Country/Regional office/Subsequent partner organisation] has documented its assessment of the submitted financial reports and reporting from auditors including management responses and action plans from selected IP's.
- c) We have inquired and inspected that [Plan International Country/Regional office/Subsequent partner organisation] has documented its follow-up actions based on the information provided in the financial reports and the reporting from the auditor of the selected IP's.
- d) We have inquired and inspected that [Plan International Country/Regional office/Subsequent partner organisation] has reported substantial observations from selected IP's audit reports in its communication with Plan International Sweden. We have listed observations from IP's audit reports which have been part of this sample in our findings below.
 - 1.
 - 2.
 - 3....XX

Outcome and significant observations

We report our findings below:

- 1.
- 2.
- 3.
- 4.
- 5.... 6.3.

[NB. 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.]

[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 specified above.

[Date of the auditor's report]

[Auditor's signature]

[First name Last name]

[Title of auditor]

[Auditor's address]

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. 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 which shall be in accordance with the requirements of the funding agreement and Terms of reference ("Plan International Sweden's Terms of Reference for Audit of Sida funded Project/Programme Support including ISRS 4400", version January 2022)
- 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", version January 2022, which shall be used in procurement of audit services. The Plan International Country/Regional office shall send its consolidated 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 findings shall also be included in the audit report submitted to Plan International Sweden.

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;

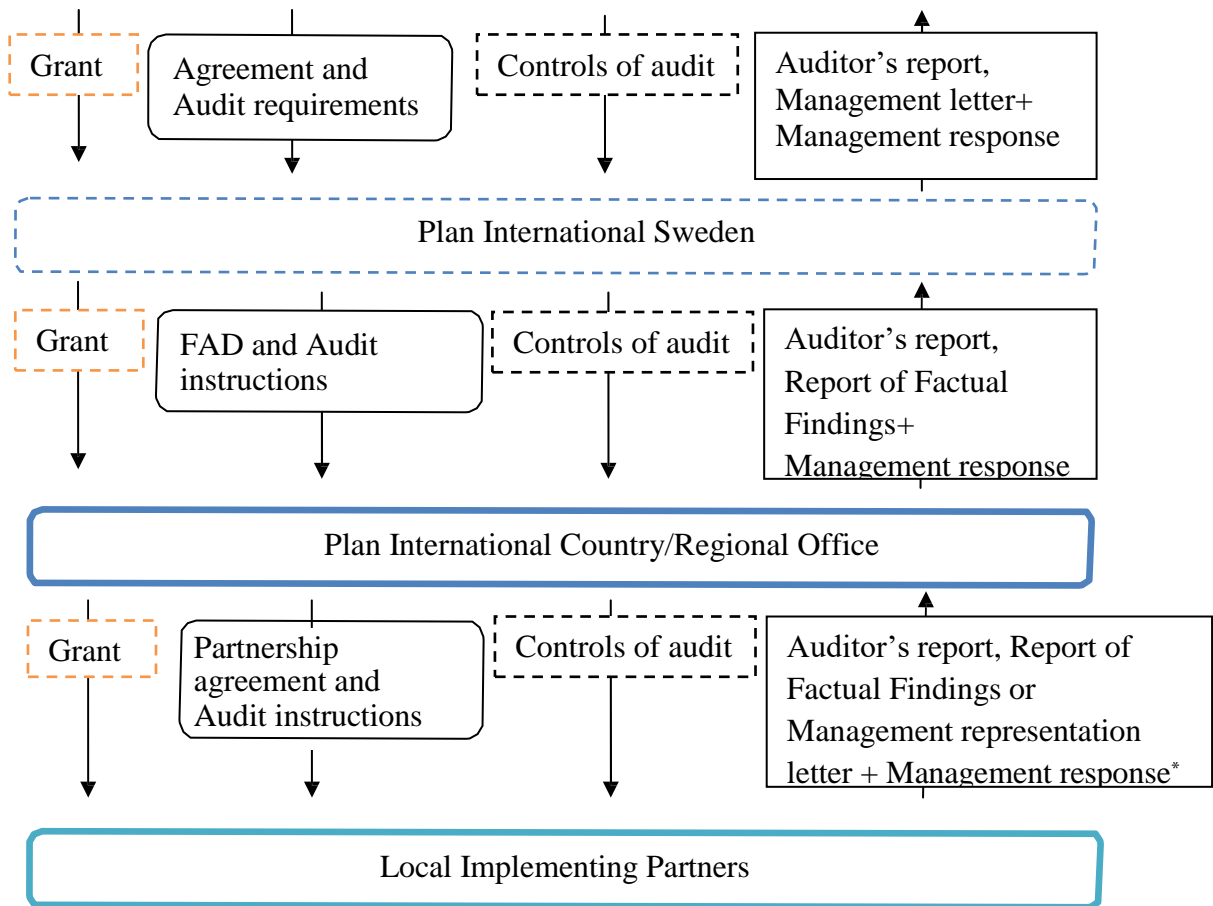
1. Partner organisations with partnership agreements¹⁰ above **500 000 SEK** are audited annually according to "Plan International Sweden's Terms of Reference for Audit of Sida funded Project Support", version January 2022. The audit includes both an "ISA 800/805 – Independent Auditor's report" as well 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", version January 2022.
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.

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 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.

Sida

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



*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