Terre des hommes
Helping children worldwide. tdh.ch

TERMS OF RREFERENCES FOR ANNUAL AUDIT

I. Introduction

Brief background information:

Terre des homes Switzerland – TDH - Iraq Branch office needs to prepare its yearly financial statements in accordance with the International Financial Reporting Standards (IFRS), and the local accounting rules – under Iraqi laws - for the financial fiscal year ended as of 31/12/2023 for its accounts under Government of Iraq.

Tdh is responsible on providing the required information for the preparation of the financial statements. The Chartered Public Accountant is responsible for preparing the financial statements and for ensuring necessary and adequate internal control systems are in place. Tdh seeks for high quality and transparency in its financial statements.

II. Objectives and scope of the audit

- Express an opinion on these financial statements in accordance with IFRS and local accounting rules, under the Iraqi laws in force. These standards require that they comply with the Code of Conduct, and perform the audit to obtain reasonable assurance that the financial statements does not contain any material errors.

- The audit involves obtaining evidence supporting the amounts and disclosures in the financial statements. The choice of such procedures will be determined by the auditors. This includes to assess the risks of material misstated in the financial statements, whether due to fraud and/or error; to assess the control system in place; to determine the effectiveness of the entity's internal control system, to evaluate the relevance of accounting policies applied and to evaluate the general presentation of the financial statements.

III. Auditor Company certification and standard requirements

Government Certified Public Accountants, with experience in auditing International NGOs with big institutional fund coming from Donors like EU, USAID, SDC, etc.

Applicable auditing standards
Local audit teams are required to apply the scope of work in accordance with the International Standards on Auditing (ISA) and local GAAP.

Ethical requirements, including independence
As auditor in charge of the work, you are responsible for forming a conclusion on compliance with the Ethical and Independence requirements and confirm to us that, in respect of the work undertaken, you are independent in accordance with the independence requirements of the International Ethics Standards Board for Accountants (IESBA),

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International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

IV. Client expectations / Communication

TDH management and the Foundation Council expect local auditors and auditors' team to comply strictly **with the given timetable**.

Therefore, we request that deadlines contained herein, **on 25/02 all documents are finalized, signed and in client hands**, are strictly adhered to, for us to meet the management's expectations. Should you anticipate any problems meeting any of these deadlines, please contact us immediately.

A draft document, for possible discussions and corrections, should be shared with the Tdh local financial team in advance of receiving the final signed ones.
Immediately report all highly significant issues (i.e., issue having a material impact on the financial reporting and/or involving high risk for the delegation) to local management of Tdh

V. Expected deliverables

1. **A Financial Statements and Auditor's Report:** The auditor report must include the audit opinion. The Financial statements must show, for each currency used in the country accounts, a clear picture of the country Organization financial position. If the auditor wants to add in the country's currency a reconciled/consolidated financial statement, this one should come in parallel.

2. **The Tdh Questionnaire including a risk assessment analysis part**: The auditor should fill the Tdh's format at disposal.

3. **An audit Management letter:** Answers to the points raised in the Management letter from the Tdh's country management must be part of the report.

4. **The Saga Tdh accounting system audit reports:** to be certified for each currency by the auditor.

5. **Debriefing:** At the end of the audit process, an audit debriefing is done between the Tdh local Management and the auditor senior team. The goal is to discuss the points of importance and to share the best way to improve the quality of the work.

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