

## **Terms of Reference for placing a contract with an auditor**

*In accordance with the legal provisions for auditors (code of commerce/ Unternehmensgesetzbuch-UGB) an authorized auditor is to be charged with carrying out an audit after consulting the business partnership office:*

*The use of the following text is binding when placing a contract with the auditor:*

**For the audit of our statement of accounts vis-à-vis the Austrian Development Agency (ADA) within the framework of the yearly audit report, our Contract with ADA dated ... shall serve as the contractual basis.**

**When issuing the audit report, please confirm that you are cognizant of the contract for implementing the private sector partnership dated .... and all enclosures such as the project concept and general conditions for grants in the field of development cooperation (EZA-Förderbedingungen). The services you are to provide are as follows:**

### **1. Use of funds in accordance with the Contract**

1.1 It must be guaranteed that the accounting of the project and the audit report clearly show a breakdown of expenditure and that the individual expenses are allocated to the relevant budget items outlined in the project document. The beneficiary's financial statement shall refer to all relevant documents and the expenses marked as relevant.

1.2 The Auditor is mandated to check that the accounting is done in accordance with standard practices, to conduct an examination based on the original documents and to invalidate them, to examine the plausibility of the expenditure incurred, to confirm their allocation to the items contained in the budget and to examine the entire financial management. (According to the general conditions for grants and the law pertaining to the reimbursement of travel expenses "Reisegebühreenvorschrift für Bundesbedienstete")

1.3 Accounting and auditing shall be conducted in such a way as to show how expenses are covered by income and that double financing by external donors is avoided.

1.4 Each account submitted must clearly show the cash flow, evidenced by the relevant bills and bank statements.

1.5 Any revenues received are to be reported separately in the statement of accounts and their completeness verified (e.g. allocation to the special project account and, where applicable, a cut-off audit).

### **2. Settlement of services rendered by the PRIVATE ENTERPRISE in accordance with the Contract**

The prime costs set for the PRIVATE ENTERPRISE's own employees are to be examined and explained individually.

Evidence of the number of days invoiced (specification of inputs and costs) is to be provided in the form of timesheets and, for instance, air tickets, hotel bills etc. (original vouchers).

In addition to individual checks, the audit shall include a plausibility check of the prime costs set down for any plant and equipment or software etc supplied; these costs are to be explained in writing.

### **3. Issuing the audit report**

A brief written explanation is to be provided outlining the individual audit steps and individual audit results.

**Notes for the PRIVATE ENTERPRISE:**

**The Austrian Development Agency (ADA) reserves the right to request additional explanations pertaining to the audit report (cf. also the ADA's right to audit as specified in Section IV (vi) and (vii) of the Contract). In particular, ADA shall also be entitled to view documents for the purpose of checking the prime costs invoiced.**

**In the context of cost acceptance, the ADA also reserves the right to examine the amounts invoiced by the auditor.**