

# IPPF Japan Supplementary Budget for Ukraine

## Terms of Reference for Audit

### Background

In January 2023, the Government of Japan contributed US\$ 220.752,00 (hereinafter referred to as the “Grant”) from its Supplementary Budget to IPPF to support its implementation of a project in Ukraine.

### Coverage of audit

The audit would cover the sources and application of funds within AFGA, grant received for the project from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023. (No-cost extension for 30 June 2024).

### Audit of stand-alone reporting (special purpose audit)

The independent auditor’s opinion should be prepared in accordance with ISA 800 or ISSAI 1800. Since the financial statements only pertain to a specific engagement, the planned and performed procedures are expected to be directly aimed at obtaining assurance regarding these amounts or engagements.

### Scope of Audit

1. Drafting the audit plan  
The auditor should draw up an audit plan which should include an examination of the design and operation of the internal control system, analytical procedures and substantive tests.
2. Implementation
  - 2.1 The auditor should audit the financial report on the basis of the audit plan in order to issue an auditor’s report.
  - 2.2 The auditor should request a letter of representation from IPPF’s management stating that, to the best of its knowledge, the financial report encompasses all transactions and is accurate and complete in all respects.
  - 3.3 The auditor should ensure that the audit working papers contain sufficient documents of an appropriate and relevant nature and should document the audit procedures used and the results obtained in the working papers.
  - 3.4 The auditor should check that the contracts concluded between the grant recipient and other organisations involved in the activities referred to in the decision have been audited.

The steps listed above are not exhaustive or restrictive and may not impose any limitations on the auditor’s professional judgement. Any restrictions on the scope of the audit should be mentioned in the auditor’s report.

### Audit Reports

The detailed report should include the following elements:

1. The aim and scope of the financial audit, the audit criteria applied, where relevant, and any restrictions imposed on the scope of the audit.
2. An audit report clearly indicating the auditor’s opinion. This would include at least the following:
  - The title, addressees, and an opening or introductory paragraph containing a) identification of the financial information audited including the period covered; and b)

statement of the responsibility of the entity's management and the responsibility of the auditor.

- A scope and methodology paragraph describing the nature of the audit referencing a) the accounting standards that have been applied and indicate the effect of any deviations from those standards; and b) the work the auditor performed.
- An opinion paragraph disclosing
  - a) Whether the financial report and supporting schedules fairly present the cash receipts and expenditure in all material respects and that the funds were used for the purposes defined by the work programme;
  - b) A summary assessment of the efficiency of the management and internal control system. The auditor may expand the report to include other information and explanations not intended as a reservation. Audit reports will be provided in English.

### **Management Letter**

The auditor should submit a letter to the management at the completion of the audit. The topics/issues to be covered in the letter should include:

- An assessment of the efficiency of the administration, management and internal control system of IPPF in regard to the specific round of Japan Supplementary Budget (JSB) subject to the audit.
- A description of material and nonmaterial internal control weaknesses noted in the financial management of Japan Supplementary Budget (JSB). Recommendations to resolve/eliminate the internal control weaknesses noted should be included.
- Management comments/response to audit findings and recommendations.

### **Audit working papers**

The audit firm must keep orderly and accessible working papers. These should be kept for a period of seven years from the date of completion of the audit.

### **Costs**

The costs of the audit carried out in accordance with these guidelines shall be borne by AFGA.