



ERASMUS+ Programme  
HEALING Project Number: 610134-EPP-1-2019-1-JO-EPPKA2-CBHE-JP

## Terms of Reference for the Financial Auditor

The following are the terms of reference ('ToR') to engage audit firm 'the Auditor' to perform an Audit and to report in connection with the Agreement with the EACEA concerning the HEALING project, where in these ToRs the 'Contracting organization' refers to The University of Jordan.

### Auditor's role:

The auditor's role is to report factual findings and form an independent opinion on the compliance of the costs declared in Final Financial Report with the provisions of the grant agreement. The auditor is required to submit Report of Factual Findings on the Final Financial Report – Type II, using the provided reporting format as indicated in the enclosed GUIDANCE NOTES. The subcontractor will deliver two reports:

- 1) Intermediate report which covers the period 17.02.2019 until 14.07.2021
- 2) Final evaluation report which covers the period 17.02.2019 to 14.01.2023 (if the project period wasn't extended) according to EACEA requirement

Both reports will be produced in English.

The auditor shall ensure that the work has been undertaken:

- in accordance with the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the International Auditing and Assurance Standards Board (IAASB) of IFAC;
- in compliance with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA) of IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Agency requires that the auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*.

The Report of Factual Findings on the Final Financial Report – Type II is composed of two documents:

- the auditor's Report of Factual Findings to be issued on the auditor's letterhead and dated, stamped and signed by the auditor (or competent public officer)
- The cost breakdown relating to the Action (conforming to the template provided by the Agency, i.e. the Excel Final Financial Statement), compiled,

dated and signed the beneficiary and countersigned<sup>1</sup> by the auditor (or competent public officer): [https://www.eacea.ec.europa.eu/grants/2014-2020/erasmus/capacity-building-field-higher-education-2020\\_en#ecl-inpage-506](https://www.eacea.ec.europa.eu/grants/2014-2020/erasmus/capacity-building-field-higher-education-2020_en#ecl-inpage-506)

#### Necessary background information

The Contracting organization shall provide the auditor with background information on the project, such as the website, the technical annex of the project, and any other material that is considered important to be taken into account.

In addition to the normal supporting documents needed to perform the required testing procedures, the following documents may serve as a basis for certification (the list is not exhaustive):

- Call for proposals
- Project application
- Grant Agreement signed between the beneficiary and the Agency, or Grant, including the General Conditions (in particular part B, which sets out the financial provisions), any amendments, and the Annexes, i.e. 'Description of Work', 'Budget', etc.
- Guidelines for the Use of the Grant, Programme Guide, Frequently Asked Questions
- The present guidance notes

#### Eligibility

The external auditor, have to meet the following requirements:

- the external auditor must be **independent** from the beneficiary;
- the external auditor must be **qualified** to carry out statutory audits of accounting documents in accordance with national legislation implementing the Directive on statutory audits of annual accounts and consolidated accounts<sup>2</sup> or any European Union legislation replacing this Directive. A beneficiary established in a third country must comply with equivalent national regulations in the audit field.

In accordance with Article II.23 of the Grant Agreement, public bodies have the choice between an external auditor and a competent public officer. The financial auditor should meet at least one of the following competency criteria:

1) **Professional experience:** minimum three years' professional experience in one of these fields: accounting, financial, taxation and auditing;

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<sup>1</sup> i.e. by counter-signing, dating and stamping the copy of the list of invoices the auditor (or competent public officer) will confirm that the costs and the revenues declared in the Final Financial Report respect the provisions of the agreed-upon-procedure.

2) **Qualifications:** a level of education which corresponds to completed university studies of at least 4 years attested by a diploma in the accounting, finance and/or auditing field, or professional training/a professional qualification of an equivalent level relevant to these fields.

In choosing an auditor to draw up the Report on the Final Financial Report, the beneficiary must also ensure that no conflict of interest exists between the chosen auditor and the beneficiary. A conflict of interest arises when the auditor's objectivity in drawing up the Report is compromised in fact or in appearance because, for instance, the auditor:

- was involved in the preparation of the Final Financial Report;
- stands to benefit directly should the Report of Factual Findings be accepted;
- has a close relationship with any person representing the beneficiary;
- is a director, trustee or partner of the beneficiary;
- is in any other situation that compromises his/her independence or ability to establish the Report impartially.

### Selection criteria

1. Professional experience and previous Erasmus plus auditing.
2. Qualifications of the team.
3. Cost.

### Price of the contract

The price charged for certification is subject to the general eligibility criteria of the Grant Agreement and should take account of relevant market prices for similar services. Excessive or reckless audit expenditure will be rejected.

The provided services for the project is exempted from taxes (including VAT).

The auditor invoices the beneficiary directly, giving a breakdown of the amount of fees charged.

### Dates on which the agreement begins and ends:

- Start date: 1/07/2021
- End date: 14/03/2023 (if the project period wasn't extended)

### Delivery of the agreed work

- The subcontractor will start the auditing as soon as they have received the needed documents that have been agreed above and will deliver his/her report as per the schedule
  1. Intermediate Report: July, 2021
  2. Final Report: March, 2023 (if the project period wasn't extended), According to the EACEA requirements.