

# Terms of Reference (ToR) for Systems and Compliance audit

## 1. Organisation to be reviewed –Ecoaction

The organisation to be reviewed is an environmental civil society organisation in Ukraine which combine efforts to develop expert positions on environmental issues (climate, transport, energy, agricultur, biodiversity protection) and to conduct public outreach, explaining the importance of various decisions and available solutions to environmental challenges.

The organisation is called **Ecoaction** and is registered as a non-profit organisation founded in **2017**.

Last year (2025), the total annual revenue of the organisation amounted to €1 224 014. Estimated total revenue for 2026 is €1 472 726.

There are 6 persons in the board, an executive director and a deputy executive director. The organisation has a total of 40 staff members, 3 of them mobilised into the armed forces.

The main office is located in Kyiv, Pecherskyi district.

## 2. Back donor of the organisation

The back donor of the organisation is the Swedish Society for Nature Conservation (SSNC). SSNC is the largest member based environmental organisation in Sweden, with almost 200,000 individual members and 270 local chapters. Since 1990 SSNC has been implementing international programs to support and collaborate with environmental groups and other organisations working with environment and development issues.

The international department of SSNC oversees the organisation's global program where the majority of the funding comes from the Swedish International Development Agency (Sida). The international department is located at SSNC head office in Stockholm.

Read more about SSNC at the following link: [www.ssnc.se](http://www.ssnc.se)

## 3. Justification and purpose

SSNC aims to increase the efficiency and effectiveness of its international development cooperation. A thorough assessment of the partner organisation is carried out. One part of that assessment is a review of the internal management and control systems of the partner, a systems audit, carried out by external auditors in the country where the organisation is based.

The assessment will provide input for SSNC when deciding on and designing the support to the organisation. The assessment will also serve as a baseline in relation to future capacity building support to the organisation.

## 4. Objectives and scope of the audit

The system audit shall assess whether the organisation has the competence, capacity, systems and routines to achieve its goals and handle grants in a safe and efficient manner. The systems audit is expected to identify possible weaknesses, provide recommendations and suggest measures to address these weaknesses.

The overall scope of the audit is to:

- describe, examine and assess the reliability and relevance of the **governance and decision-making systems and structures** of the organisation;
- describe, examine and assess the reliability and relevance of the **systems for financial management and control and operational management and control** of the organisation,

including to what extent these systems are adopted and implemented at all levels within the organisation

- determine, on the basis of the audit, whether the **financial and narrative reporting** submitted by the organisation to other donors, members and authorities, can be considered to provide reliable information for assessing the partner organisation's operations;
- assess if **policies and internal documents, statutes etc. together with national laws and regulations** provides the necessary framework for the organisations management, decision making, governance, internal democracy, and accountability.
- follow up on contractual obligations to determine the organisations degree of compliance with the current agreement with SSNC. The current agreement covers the period 2025-10-01 to 2028-12-31.

The whole organisation is in scope. The specific questions outlined in these ToR (4.1-4.8 below) should be included as part of the assessment and answered individually.

#### 4.1 Organisational structure, governance and management

In addition to an overall presentation of the organisational structure, governance and management, the following areas shall be described and assessed:

- a. Is the organisation **legally registered** with the adequate authority/-ies? How long is the registration valid? Is the organisation an entity that has the legal capacity to enter into agreements with rights and obligations?
- b. Are there **bylaw/statutes** that clearly stipulate the mandate, responsibilities and control frameworks of the governing board and the organisation as a whole?
- c. Do the organisation's **policies and internal documents**, statutes etc. together with national laws and regulations provide the necessary framework for the organisations management, governance, decision making, responsibilities and accountability as a whole?
- d. Does the **management** have clearly defined roles and authorities, i.e. does the internal policies, guidelines and job descriptions clearly outline the roles and responsibilities of management? Is there an adequate level of **segregation of duties** in the organisation? Describe the decision-making mandates and delegation procedures through the whole organisation;
- e. Present the **composition of the board**, its members competences, the election process and the board's role in the operations of the organisation. How often does the board meet and are the meetings documented? Does the board have sufficient and relevant competence for an organisation of this type and size, including finance competence? What financial management skills and experience do board members have?
- f. Are policies and essential steering documents approved by the board?
- g. Describe the role of the **director** with regards to recruitment, roles and responsibilities and accountability. What financial management skills and experience does the director have?
- h. How does the organisation identify and manage potential **conflicts of interest** at management and board level?
- i. Describe and assess the structures for ensuring internal democracy within the organisation. How is the **target group/beneficiaries** represented in decision making and accountability chains?
- j. Is there an **internal audit** function or similar?
- k. Make a limited **background investigations** (Integrity Due Diligence) for key personnel such as chairman, ED and finance manager. Searches in the media, searches of local sentences and searches in sanction databases such as sancitonsmap.eu should be carried out. Have any of the board members, director or finance manager been condemned for corruption, fraud, theft, embezzlement disloyalty to principal, bookkeeping crime in a court or accused of corruption or fraud in any audit report?
- l. Present the **organisational scheme** including (if relevant) relationship between main office and local/satellite offices?

#### 4.2 Management of operations, monitoring and results

In addition to an overall mapping and presentation of systems and routines for operational planning, monitoring, evaluation and learning, the following systems and criteria shall be described and assessed:

- a. Does the organisation have documented policies, routines and guidelines covering the areas of operational planning, monitoring (including field visits), evaluation and learning (PMEL) of results? Does the organisation use a systematized method to plan, monitor, document and evaluate results and activities? Do these ensure an efficient implementation and are they relevant for the context?
- b. Is there an adequate project management system?
- c. Describe the systems for internal and external reporting (narrative as well as financial) on progress, results and deviations. Do these ensure a qualitative and efficient implementation as well as reliable reports to donors and other stakeholders?
- d. Does the organisation have a system to ensure compliance to internal policies and procedures? Is the compliance regularly checked (and exceptions acted upon)?

#### 4.3 Risk management

The following systems and criteria shall be described and assessed related to risk management:

- a. Are risk analyses performed regularly, and are there routines for identifying, analysing and mitigating risks? Are these analysis and routines adequate? Is risk management an integral part of the daily operations?
- b. Does the organisation have sufficient staffing (resources, competence and professional knowledge) in order to work proactively with all relevant risks?
- c. What current risks has the organisation identified for its operations? Are these risks relevant for the context? Are there other major risks that should be taken into account?

#### 4.4 Anti-corruption<sup>1</sup>

The following shall be described and assessed related to anti-corruption:

- a. Does the organisation have an Anti-Corruption Policy and/or a Code of Conduct? Does the organisation in other ways manifest its work against corruption?
- b. Does the organisation have routines and systems for preventing, detecting and taking measures on corruption? Are they sufficient with respect to the local context and area of work (sector), as well as to the size, legal form and internal structure of the organisation? Is there context analysis and awareness, conflict of interest mitigation etc.?
- c. Include a short context analysis regarding corruption risks for the organisation in their particular location/country and thematic field. Are there any specific situations or activities where there seems to be an increased risk of corruption for the organisation (both internally and in relation to third parties)? Are these risks included in a risk analysis with mitigation activities?
- d. Is anticorruption education provided/offered for staff and board?
- e. According to the organisation, have corruption cases occurred, and if so, when did they occur and how were they handled by the organisation? Do the actions seem adequate?
- f. Is there a whistle blowing function (guaranteeing anonymity and confidentiality) and is it openly advertised and/or communicated to staff and beneficiaries? Are there appropriate routines in place for handling whistle blowers in an appropriate manner?

#### 4.5 Financial management and internal control

Assess and describe to what extent the organisation has documented policies, routines and guidelines covering the area of Financial Management and internal control. Check adherence by reviewing a

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<sup>1</sup> <https://www.transparency.org/en/corruptionary#F>

sample of transactions and documentation. The following systems and criteria shall be described and assessed related to financial management and internal control:

### Accounting

- a. Does the organisation have an accounting software and chart of accounts suitable for an organisation of its size and operations? Is project accounting (use of cost center, or similar) possible in the accounting software? Does the system allow for overwrites or to make changes of previous entries, without those being logged? Do all users have individual log-ins?
- b. Does the organisation have documented regular and adequate accounting reconciliation procedures?
- c. Does the organisation use cash, hybrid or accruals-based accounting method?
- d. Based on sample testing, are the files for supporting documents (bank statements, invoices, payment and receipt vouchers, quotations, etc) well organized, complete and authorized? Are there any indications of problems keeping accounting records, such as missing supporting documents or delay in recording transactions?

### Budget and financial planning and monitoring

- a. Does the organisation have comprehensible routines for budgeting and continuous budget follow-ups? Do they prepare a cashflow forecast? Do project staff and management receive budget monitoring reports regularly?
- b. Does the organisation routinely prepare an annual consolidated, organisation-wide budget (for internal use) that shows all operations, including central support costs, and all sources of income? Are project budgets organised so they can be monitored against the planned activities?
- c. What is the policy and practice for handling different currencies and exchange rate conversions? Do the principles for handling currencies seem relevant and appropriate? Do policy and practice align in implementation? Is the approach transparent and based on systematic and sound principles? Are there any weaknesses in the current approach, and what would be best practice? Do policies and practices differ between donors/projects? If so, are these differences reasonable and justified?
- d. Does the organisation have a sufficiently diversified funding base and a (stable) equity? Is there a finance strategy to outline how the organisation will be funded for the coming years?
- e. What is the policy and practice for allocation of costs among donors/projects? Do the principles for distribution of overhead costs seem relevant? Do policy and practice align in implementation?

### Audit

- a. Is the organisation audited annually according to national/international regulations?
- b. Is the auditor external, independent, and qualified?
- c. How many years has the audit firm been auditing the organisation?
- d. Does the organisation follow up on weaknesses identified in the audits in a systemised way?

### Asset management

- a. Is there relevant segregation of duties, including book-keeping duties and responsibility for petty cash and bank account reconciliation? Check if there are adequate routines with regards to signing of checks and that blank cheques are not signed.
- b. Are all bank accounts in the name of the organisation? Are there accounts in more than one bank? Are there accounts in more than one currency? Does the organisation use dual authorisation process for release of funds from the bank and for signing checks?
- c. Are there sufficient routines with regards to handling of and safe keeping of cash? Are spot checks (counts) made for the petty cash? Does the organisation use bank transfer at all times when cash can be avoided?
- d. Does bank balances on bank accounts for donor's funds equal bank balances in reports to donors? Check by sample.
- e. Are there adequate routines for payments with donor funding and shared costs and are funding from different donors kept separate without risk of being borrowed for other use?

- f. Has the organisation had any problems with liquidity or late payments to staff and suppliers? Has the organisation needed to borrow funding and if so, from whom and for what reason? Are there any current loans to staff or management?
- g. Is there a purchase and procurement policy and does it include adequate rules and regulations for purchase of goods and services? Are thresholds (levels of requirements) reasonable in the local context? How does the organisation manage the risk of conflict of interest when purchasing goods and services? Check adherence to the procurement and purchase policy by reviewing a sample of purchases and procurements.
- h. Does the organisation have a documented fixed asset register and appropriate policies/routines for the use and control of assets?
- i. If the organisation has a vehicle, are the routines related to this sufficient to ensure efficient use and to minimise risks of corruption and unintended use? For example, is there a driving journal/vehicle log book with milage tracking for the usage of the car? Is there an adequate system for fuel receipts with relevant information including registration number that synchronises with the milage use for the car? Are there sufficient routines to prevent unauthorised use of the car for private use?

#### Other

- a. Is there a clear authorisation order, showing who is allowed to authorise what? Do the document state rules of delegation, i.e. who can authorise in the absence of one of the main signatories and under what circumstances these exceptions are accepted? Are there different levels of authorisations? Does the organisation (and its systems) prevent staff and management from authorising their own transactions and also prevent subordinates from authorising the transactions of a superior (due to the dependency position)? Is the authorisation/delegation order approved by the board?
- b. Does the organisation comply with national laws regarding taxes, social security payment and labour laws governing the activities of the organisation?
- c. Is there a travel/office manual or equivalent stipulating rules and policies regarding travel advances, travel classes, accommodation, travel reports etc., and how have they been adhered to? Is travel in 1<sup>st</sup> or business class prohibited?

#### 4.6 Forwarding of funds to third parties

If the organisation channels funds to other implementing organisations, the following aspects should be considered.

- a. Does the organisation forward funds to third parties? In what form (i.e. as reimbursement of expenses, as advance payments, or to be used for activities at the third party, who is to implement, account for and audit parts of the Project with SSNC, so called sub-granting)?
- b. Does the organisation assess recipient organisation's capacity in regard to competence, resources, internal management and control and work on anti-corruption? How is the assessment made and documented? Do the measures seem relevant and sufficient in relation to size and complexity of the recipient and funds as well as in relation to the obligations for forwarding of funds in the agreement with SSNC?
- c. Are these assessments documented and completed before an agreement is signed?
- d. Are there signed agreements between the organisation and recipient organisations? Are the rights and obligations of the recipient partner organisations stipulated in the agreements and do they seem relevant and sufficient for the activities planned?
- e. Is a signed agreement always required before funds are released?
- f. What reporting requirements do the organisation place on its recipient organisations?

#### 4.7 Human resource management

- a. To what extent does the organisation have documented policies, routines and guidelines covering the area of human resource management? Are there documented guidelines for how to record, account for and follow up staff costs? Are there adequate systems (software) for managing HR and salaries?
- b. To what extent does the organisation have guidelines and policies regarding salary levels, salary increases, remunerations, tax payments and social insurance. Describe the process for

salary increases for staff and management. Describe the approval system for salaries and remunerations for staff and management. Review compliance with policies based on a sample documentation of previous increases.

- c. Is there a policy for employment and process of employing (methods for choosing the candidate(s)) and is the recruitment process unbiased and objective? How are potential risks for conflict of interest handled in the recruitment process?
- d. How are staff costs and related expenses budgeted for? Review by sample, including how the cost allocation between donors is made. Are there systems in place to ensure that there is no risk for double funding but still assuring full cost coverage for core costs?
- e. Review a sample of salary and remunerations paid to staff and management to verify consistence between time sheet, employment contract, budget allocation, taxes and net salary paid and accounted for.
- f. Part from salary, what other allowances and benefits do staff receive?
- g. Does the organisation use per diems during travel? Are per diems rules and rates documented and do they seem reasonable?
- h. Is the staffing adequate in terms of competence and professional skills for the organisations size and sector? Is there a finance manager and accountant with relevant qualifications?
- i. Are there staff registers including applications, CV:s, work descriptions, employment agreements, salary data, salary schemes, working conditions etc?
- j. Are all staff members legally employed by the organisation and have employment contracts?
- k. Are salary levels and wage distribution within the organisation reasonable for an NGO of this size, and in this local context? Are board members remunerated? Are there systems for severance pay and/or retirement?

#### 4.8 Additional Information Requested

- a. Have the contractual obligations in the current agreement with SSNC been complied with during 1<sup>st</sup> Oct 2025 - Starting date of the system audit?
- b. Provide an overview (list) of what laws and regulations (other than the organisations internal) governs the organisation with regards to governance, internal routines and control and accountability.

## 5. Expected results of the audit and use of the report

The expectation is to receive a qualitative evidence-based report from the auditor which can serve as a base for decision making by providing a comprehensive overview, and assessment, of the organisations' systems for management and internal control.

The report will be a base for dialogue between Ecoaction and SSNC in terms of capacity development, institutional strengthening, and other areas of improvement. Relevant findings from the audit may be included as agreement conditions between Ecoaction and SSNC to be followed up in subsequent reporting and/or audits.

Ecoaction's response should be included in the report, and the auditor should also review the action plan made by Ecoaction after the audit report is finalised.

## 6. Method

The assignment shall be performed through collection and analysis of data (review of documentation), which will be provided, essentially, by the organisation. In addition to that, interviews shall be conducted with staff at different positions within the organisation. Interviews should also be conducted with the ordinary financial auditor of the organisation as well as with Board members. The audit process shall take place mainly at the office of the organisation.

Other aspects relating to the definition and choice of methods for the implementation of the assignment shall be further elaborated in the tender.

The consultant shall be assisted by relevant staff of the organisation in order to be able to carry out the assignment. During the course of the assignment, the auditors should keep Ecoaction updated on the progress and any problems or material issues that arise.

As an estimate, we believe that the work of reviewing the organisation should take between 80 and 100 working hours all in all.

## 7. Preparation meeting before the audit

After signing the contract, the auditor will contact the organisation to set up an introductory meeting. The auditors will also facilitate the organisation with a list of the documents known to be needed from the organisation during the whole audit in order to have a good process of preparation and delivery.

After/during the meeting, the auditors should also make a time schedule for the audit and together with the organisation list the persons needed for interviews etc. and when they need to be available.

## 8. Closing meeting after the audit

The auditor should set up a meeting with the organisation when the audit has been concluded, to verify that factual descriptions are correct and to discuss findings and conclusions.

Once the final audit report has been submitted, Ecoaction will arrange a one hour digital meeting with the auditor and SSNC, to discuss the report and findings. The digital meeting should preferably take place within two weeks after the date of submitting the final report.

## 9. Time schedule

The process with the System and Compliance Audit should in total preferably take part between the dates set below.

The set dates when the audit/evaluation will be carried out at the organisations office are the following (where the auditor can decide on the one of the weeks which is more convenient for them):

### 2026.05.04 to 2026.05.22

Activity	Deadline
Invitation to tender	2026-03-16
<b>Submission of tender to Ecoaction</b>	<b>2026-03-31</b>
Contact by Ecoaction to auditors	2026-04-03
Ecoaction meeting with auditors	2026-04-08
Offer from Ecoaction to winning proposal/audit firm	2026-04-10
Signing of contract	2026-04-17
Introductory meeting	To be decided between organisation and auditor
Start of audit at the organisation's office (see options about dates mentioned above), approx. 5 working days	2026-04-20 to 2026-05-22
Draft report to Ecoaction and SSNC	2026-05-29
Comments by the organisation to auditor	2026-06-12
Final report from auditor to Ecoaction and SSNC	2026-06-26
Presentation for Ecoaction staff	2026-07-02
Responses by the organisation to recommendation (shared to the auditor and included in the report)	2026-07-17
Closing meeting with Ecoaction and SSNC	To be decided between organisation, auditor and SSNC
Action plan drafted by the organisation and thereafter commented on by the auditor	2026-07-31

## 10. Reporting

The report with the results from the audit shall be written in English and submitted to Ecoaction and SSNC in electronic copy. The report should include a letter head with the audit firm's logo and the signature of the auditor. It shall include a description of the method used, showing that the Terms of Reference presented above have been adhered to, and follow the structure below:

- Observations
- Analysis
- Conclusions
- Recommendations

The reports shall present clear recommendations and write down the suggested importance (high-medium-low). The auditor should also number each of the observations and recommendations in a structured way.

To avoid any factual errors and misunderstandings, a draft report written in English shall be submitted to the organisation and SSNC according to the time schedule above.

The final report, written in English and proof-read with correct English, shall be submitted to the organisation and SSNC according to the time schedule above.

*Annexed to the report, the auditor should submit a list of central documents that has been used during the evaluation and a list of persons interviewed during the audit.*

## 11. Specification of the proposal and qualification requirements

*1. Tenderers shall specify the leader of the assignment.*

*2. Tenderers shall specify which other personnel will be allocated to the assignment.*

Ecoaction expects the audit team to be composed by independent, qualified, senior auditors with in-depth knowledge of Ukraine and language proficiency in English. The audit team shall have experience working with civil society organisations and of auditing organisations with international development co-operation funding (non-profit). The tender shall therefore include CV of the personnel. Proposals with reference to a “pool of auditors” will not be considered as a valid tender.

*3. Tenderers shall specify the costs for the assignment.*

Tenderers shall specify the [cost of the assignment](#) in the form of an hourly fee for each category of personnel and number of hours per category; reimbursable expenses (e.g. travel costs) and the total fee for the whole assignment.

If preferred, the consultant can receive an advance payment. The consultant can receive a payment of 50 % of the total fee upon signing the contract, if sending an invoice. Ecoaction will pay the final quota of the fee when the assignment is finalised and products (e.g. reports) are approved by Ecoaction, and after receiving the final invoice.

*4. Tenderers shall specify the methodology*

Tenderers shall explain their methodology and how the work will be planned, implemented and monitored. The method described shall include a time schedule.

*5. Tenderers shall include references*

Tenderers shall include a list of [relevant](#) audit assignments carried out by the audit company e.g. audit of NGOs, System and Compliance Audits, other experiences from development cooperation sector etc. Ecoaction may ask for contact details to references of previous assignments.

*6. Formal requisites*

Tenderers shall attach to the proposal a copy of the company’s registration number.

*7. Previous assignments with the organisation or any of its related parties*

Tenderers should specify the content and purpose of any previous assignments with the organisation or any of its related parties.

The winning proposal must firstly fulfil the stated qualification requirements. [The selection](#) will be made based on the following factors and in the following order:

- experience of System and Compliance Audits or Internal Audit; (CV of auditors)
- experience in the field of auditing NGO’s (CV of auditors)
- experience of auditing in international development sector (CV of auditors)
- country knowledge (culture, language, laws);
- method for carrying out the assignment;



➤ costs

Contact persons at Ecoaction: Mariia Bielkina [mb@ecoaction.org.ua](mailto:mb@ecoaction.org.ua) , Olexi Pasyuk  
[op@ecoaction.org.ua](mailto:op@ecoaction.org.ua)

Contact person at SSNC: Johanna Gruvsjö ([johanna.gruvsjo@ssnc.se](mailto:johanna.gruvsjo@ssnc.se))

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Submit the proposal/tender to: [konkurs@ecoaction.org.ua](mailto:konkurs@ecoaction.org.ua)

**Please submit your proposal on 2026-03-31 the latest**

A confirmation e-mail will be sent to each tenderer when receiving a proposal.

Please confirm to Ecoaction even if you are not going to submit any tender.