

Terms of Reference (ToR) for External Audit

Project Title: The Peacebuilding from the Ground Up in Yemen Project

Project Amount: €1,200,000

Project Duration: September 2021 – September 2024

Location: Yemen-Aden

1. Introduction

Saferworld is an independent international non-governmental organization that operates worldwide in 20 countries across Africa, the Middle East, Asia, and Europe to prevent violent conflict and build safer lives. We have been working in Yemen with civil society organizations, institutions, and local authorities since 2010. We support women, youth, and community groups in their efforts to build social cohesion and respond to the impact of the war.

2. Background

The project, Peacebuilding from the ground up in Yemen, is a three-year project funded by Irish Aid and implemented collaboratively by Saferworld, YWBOD, PASS, and NODS. – The project aims to support communities and civil society organizations, particularly marginalized groups such as women and youth, to engage with local authorities in addressing the root causes of conflict and insecurity .

The project seeks to enable these groups to actively contribute to peace processes at the local, national, and international levels. In the longer term, the project aims to help reduce humanitarian needs by supporting conflict-affected communities be more resilient to shocks and contributing to a more inclusive and sustainable political settlement in Yemen. The Peacebuilding from the Ground Up in Yemen project aims to achieve its goals through four interconnected objectives:

- Enabling communities to work together with authorities in identifying and addressing the key drivers of conflict in their communities;
- Enabling Yemeni CSOs to influence national and international level peace processes through the delivery of joint advocacy and peacebuilding interventions based on community priorities;
- Enabling Yemeni women activists and women's rights organizations to influence peace processes at all levels through the delivery of joint peacebuilding interventions;
- Enabling international stakeholders, including diplomats, policymakers, and INGOs to develop solutions and policy ideas for a more inclusive long-term peace process and to take decisions on key Yemen policies and strategies informed by peace and security priorities identified by communities and CSOs including women.

The project was implemented in the governorates of Taiz and Aden and mainly targeting community members that are part of community groups, local authorities, Yemeni CSOs, women activists, and women-led organizations.

3. Objective of the Audit

The primary objective of the external audit is to provide an independent opinion on the financial statements and to assess whether the project funds have been utilized efficiently and effectively in accordance with the agreed-upon terms of the project.

4. Scope of Work

The external auditor will be required to:

- Review the financial statements of the project for the period from September 2021 to September 2024.
- Assess the internal control systems that govern financial management.
- Evaluate the compliance of project operations with applicable laws, regulations, and donor requirements.

- Verify the accuracy and completeness of financial records.
- Review project financial reporting to ensure alignment with donor specifications.
- Identify any irregularities or issues in the financial management of the project.
- Provide recommendations for improvement in financial management practices.

5. Methodology

The audit will be conducted in accordance with International Auditing Standards (IAS) and will involve the following stages:

- Initial planning and risk assessment.
- Examination of financial statements and records.
- Assessment of internal controls and compliance.
- Interviews with project staff, stakeholders, and management.
- Drafting and delivering the audit report.

6. Deliverables

The external auditor is expected to deliver the following:

- An audit report containing:
- An opinion on the fairness of the financial statements.
- Findings regarding the internal control environment.
- Recommendations for improvements.
- A management letter detailing any identified areas of concern and suggested actions.

7. Timeline

- **Audit Planning:** [4th May 2025 – 22nd June 2025]
- **Draft Report Submission:** [26th June 2025]
- **Final Report Submission:** [8th July 2025]

8. Qualifications of the Auditor:

The external auditor must have:

- Proven experience in conducting financial audits, preferably of similar projects.
- Knowledge of relevant financial regulations and auditing standards.
- Strong analytical and communication skills.
- Capacity to provide objective insights and recommendations.

9. Reporting Structure

The external auditor shall report to Saferworld organization and may be required to present findings to stakeholders at project review meetings.

10. Confidentiality

The external auditor must maintain confidentiality regarding all information accessed during the audit process and ensure that sensitive project data is not disclosed without prior approval.

11. Budget

The budget for the audit services shall be discussed and finalized based on the auditor's proposed methodology, scope of work, and timeline.