

REQUEST FOR PROPOSALS

(PROCUREMENT OF SERVICES)

SERVICES FOR

*Expenditure Verification of EU Election Observation
Mission projects in the context of the
Multiple Framework Contract for the Support to EU
Electoral Missions – Lot 1*

Prepared by

*IOM Regional Office
Rue Montoyer 40, B-1000
Brussels
23 April 2021*



REQUEST FOR PROPOSALS

Reference No.:

RO.21/OL/RT/067

Mission: *IOM Regional Office for the European Economic Area, the EU
and NATO in Brussels, Belgium*

Project Name: *EU Election Observation Missions*

WBS: *Project specific*

Title of Services: *Expenditure Verification*

Letter of Invitation for the Submission of Proposals

The International Organization for Migration – Regional Office for the European Economic Area, the EU and NATO in Brussels (hereinafter referred to as “IOM”) is an intergovernmental humanitarian organization established in 1951 and is committed to the principle that humane and orderly migration benefits both migrants and society.

IOM intends to contract a service provider for the expenditure verification of EU Election Observation Missions (EU EOMs) for which this Request for Proposals (RFP) is issued. IOM now invites Service Providers/Consulting Firms to provide Technical and Financial Proposals for the services outlined in the terms of reference in this RFP and the appropriate annexes (Section IV of this RFP), and related to the EU Multiple Framework Contract for Support to EU Electoral Missions – Lot 1.

If you are interested in responding to this RFP, please send an email by 30 April 2021 to the address ROBrusselsBEACEOM@iom.int indicating your interest in this RFP.

The Service Provider/Consulting Firm will be selected under a Quality – Cost Based Selection procedure described in this RFP and it is intended to enter into a zero-value Framework Service Agreement (hereinafter referred to as “Contract”) with the selected Service Provider/Consulting Firm for two years. An extension of the Contract for two additional years can be agreed upon with the expressed agreement of both parties at the end of the first 2-year cycle. Specific Purchase Orders will then be issued based on the financial offer for each specific assignment.

The RFP includes the following documents:

- Section I. Instructions to Service Providers/Consulting Firms
- Section II. Technical Proposal – Standard Forms
- Section III. Financial Proposal – Standard Forms
- Section IV. Description of Required Services
- Section V. Standard Form of Contract.

The Proposals must be **delivered by e-mail** to the address ROBrusselsBEACEOM@iom.int on or before 14 May 2021, 5pm (time zone: UTC +1). Late proposals shall not be accepted.

Request for clarifications can be submitted to the above indicated e-mail address on or before 5 May 2021, 5pm (time zone: UTC +1).

IOM reserves the right to accept or reject any proposal and to annul the selection process and reject all Proposals at any time prior to contract award, without thereby incurring any liability to affected Service Providers/Consulting Firms.

 Ola Henrikson
Regional Director

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Section I - Instructions to Service Providers/Consulting Firms

1. Introduction

- 1.1* To be considered eligible, Service Providers/Consulting Firms, must meet at least one of the following criteria:
- The Service Provider/Consulting Firm is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC).
 - The Service Provider/Consulting Firm is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Service Providers/Consulting Firm commits to undertake this expenditure verification in accordance with the IFAC standards and ethics set out in the ToR included in Section IV of this Request for Proposals (RFP).
 - The Service Provider/Consulting Firm is registered as a statutory auditor in the public register of a public oversight body in an European Union's member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state)¹.
 - The Service Provider/Consulting Firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).
- 1.2* Only eligible Service Providers/Consulting Firms may submit a Technical Proposal and Financial Proposal for the services required. The Technical and Financial Proposals shall be the basis for the Contract negotiations and ultimately for a signed Contract with the selected Service Provider/Consultant Firm.
- 1.3* Service Providers/Consulting Firms should familiarize themselves with local conditions and the implementation of EU Election Observation Missions (EOMs) and take them into account in preparing the proposal. Service Providers/Consulting Firms are encouraged to visit the IOM website (<https://eea.iom.int/election-support>) and the EU Foreign Policy Instrument webpage on election observation missions (https://ec.europa.eu/fpi/what-we-do/election-observation-mission-democracy_en) before submitting a proposal.
- 1.4* The Service Providers/Consulting Firms costs of preparing the proposal and of negotiating the Contract are not reimbursable as a direct cost of the assignment.
- 1.5* Service Providers/Consulting Firms shall not be hired for any assignment that would be in conflict with their prior or current obligations to other procuring entities, or that may place them in a position of not being able to carry out the assignment in the best interest of the IOM.
- 1.6* IOM is not bound to accept any proposal and reserves the right to annul the selection process at any time prior to contract award, without thereby incurring any liability to the Service Providers/Consulting Firms.

- 1.7 IOM shall provide at no cost to the Service Provider/Consulting Firm awarded the contract the necessary inputs and facilities, and make available relevant project data and reports (see Section IV of this RFP).

2. Corrupt, Fraudulent, and Coercive Practices

- 2.1 IOM Policy requires that all IOM Staff, bidders, manufacturers, suppliers or distributors, observe the highest standard of ethics during the procurement and execution of all contracts. IOM shall reject any proposal put forward by bidders, or where applicable, terminate their contract, if it is determined that they have engaged in corrupt, fraudulent, collusive or coercive practices. In pursuance of this policy, IOM defines for purposes of this paragraph the terms set forth below as follows:

- Corrupt practice means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the action of the Procuring/Contracting Entity in the procurement process or in contract execution;
- Fraudulent practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, the Procuring/Contracting Entity in the procurement process or the execution of a contract, to obtain a financial gain or other benefit to avoid an obligation;
- Collusive practice is an undisclosed arrangement between two or more bidders designed to artificially alter the results of the tender procedure to obtain a financial gain or other benefit;
- Coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any participant in the tender process to influence improperly its activities in a procurement process, or affect the execution of a contract.

3. Conflict of Interest

- 3.1 All bidders found to have conflicting interests shall be disqualified to participate in the procurement at hand. A bidder may be considered to have conflicting interest under any of the circumstances set forth below:

- A Bidder has controlling shareholders in common with another Bidder.
- A Bidder receives or has received any direct or indirect subsidy from another Bidder.
- A Bidder has the same representative as that of another Bidder for purposes of this bid.
- A Bidder has a relationship, directly or through third parties, that puts them in a position to have access to information about or influence on the Bid of another or influence the decisions of the Mission/Procuring Entity regarding this bidding process.
- A Bidder submits more than one bid in this bidding process.
- A Bidder who participated as a consultant in the preparation of the design or technical specifications of the goods and related services that are subject of the bid.

4. Clarifications and Amendments to RFP Documents

- 4.1 At any time before the submission of the proposals, IOM may, for any reason, whether at its own initiative or in response to a clarification amend the RFP. Any amendment made will be made available to all Service Providers/Consulting Firms who have indicated interest in this RFP.
- 4.2 Service Providers/Consulting Firms may request clarification(s) on any part of the RFP by electronic mail. The request for clarification(s) must be submitted to IOM to the e-mail address indicated in the Letter of Invitation no later than 5 May 2021, 5pm (UTC +1 hour). IOM will respond by electronic mail to the said request and the response will be made available to all Service Providers/Consulting Firms who have indicated interest in this RFP and without identifying the source of the inquiry.

5. Preparation of the Proposal

- 5.1 A Service Provider/Consulting Firm's Proposal shall have two (2) components:
 - a) the Technical Proposal; and
 - b) the Financial Proposal.
- 5.2 The Proposal, and all related correspondence exchanged by the Service Providers/Consulting Firms and IOM, shall be in English.
- 5.3 The Service Providers/Consulting Firms are expected to examine in detail the documents constituting this RFP. Material deficiencies in providing the information requested may result in rejection of a proposal.

6. Technical Proposal

- 6.1 When preparing the Technical Proposal, Service Providers/Consulting Firms must give particular attention to the following:
 - a) If a Service Provider/Consulting Firm deems that it does not have all the expertise for the assignment, it may decide to obtain a full range of expertise by associating with individual consultant(s) and/or other consultants or entities in a joint venture or sub-consultancy, as appropriate. In case of a joint venture, all partners shall be jointly and severally liable and shall indicate who will act as the leader of the joint venture.
 - b) For assignment of the staff, the proposal shall be based on the number of staff-days estimated by the firm.
 - c) Technical/Managerial Staff assigned by the Service Provider/Consulting Firm to the team auditing projects must, at a minimum, include one team member with minimum three years' experience in verifying expenditures of EU funded projects, and specifically fee-based service contracts.
- 6.2 The Technical Proposal shall provide the following information using the attached Technical Proposal Standard Forms, from TPF 1 to TPF 7 (see Section II of this

RFP):

- a) A brief description of the Service Provider/Consulting Firm's organization and an outline of recent experience on assignments of a similar nature (TPF 2), and if it is a joint venture, for each partner. For each assignment, the outline should indicate the profiles of the staff proposed, duration of the assignment, contract amount, and firm's involvement.
- b) A description of the approach, methodology and work plan for performing the assignment (TPF 3). This should normally consist of maximum five (5) pages including charts, diagrams, and comments and suggestions, if any, on the Terms of Reference and expenditure verification staff and facilities. The work plan should be consistent with the work schedule (TPF 7).
- c) The list of proposed Technical/Managerial Staff team by area of expertise, the position and tasks that would be assigned to each staff team members (TPF 4).
- d) Latest CVs signed by the proposed Technical/Managerial Staff and the authorized representative submitting the proposal (TPF 5). Key information should include number of years working for the firm and degree of responsibility held in various assignments during the last two years.
- e) A time schedule estimate of the total staff input (Technical/Managerial Staff and Support Staff), indicating staff time needed to carry out the assignment, supported by a bar chart diagram showing the time proposed for each Technical/Managerial Staff and Support Staff team members (TPF 6). The schedule shall also indicate when experts are working in the company office and when they are working on location at the IOM office in Brussels.
- f) A time schedule (bar chart) showing the time proposed to undertake the activities indicated in the work plan (TPF 7).

63 The technical proposal shall not include any financial information.

7. Financial Proposal

In preparing the Financial Proposal, Service Providers/Consulting Firms are expected to take into account the requirements and conditions outlined in the RFP. The Financial Proposal shall follow the Financial Proposal Standard Forms (from FPF 1 to FPF 5 – please refer to Section III of this RFP).

7.1 The Financial Proposal shall include all costs associated with the assignment, including (i) remuneration for staff (FPF 4) (ii) reimbursable/out of pocket expenses (FPF 5) such as local travel expenses if applicable. If appropriate, these costs should be broken down by activity (FPF 3) as described in the Technical Proposal and should be priced separately; activities and items in the Technical Proposal not priced separately shall be understood to be included in the prices of the other activities and/or items.

7.2 The Service Provider/Consulting Firm may be subject to local value added tax

(VAT) on amounts payable under the assignment for a specific contract. If such is the case, IOM will provide the Service Provider/Consulting Firm with a VAT exemption form. Therefore, the financial proposal should be net of VAT.

- 7.4 Service Providers/Consulting Firms shall express the price of their services in *Euro*.
- 7.5 The Financial Proposal shall be valid for 60 calendar days. IOM will make its best effort to complete negotiations and determine the award within the validity period. If IOM wishes to extend the validity period of the proposals, the Service Provider/Consulting Firm has the right not to extend the validity of the proposals.

8. Submission, Receipt, and Opening of Proposals

- 8.1 Service Providers/Consulting Firms may only submit one proposal. If a Service Provider/Consulting Firm submits or participates in more than one proposal for this RFP, all relevant proposals shall be disqualified.
- 8.2 For the electronic submission, the Technical Proposal and the Financial Proposal should be sent in separate PDF files and titled respectively as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL”. The subject line of the submission emails should indicate: Service Provider/Consulting Firm name– Technical Proposal, Service Provider/Consulting Firm name – Financial Proposal.
- 8.3 Proposals must be received by IOM no later than the date and time indicated in the Letter of Invitation. Any Proposal submitted by the Service Provider/Consulting Firm after the deadline for receipt of Proposals prescribed by IOM shall be declared “Late” and shall not be accepted by IOM; IOM will inform the concerned Service Provider/Consulting Firm accordingly.
- 8.4 After the deadline for the submission of Proposals, all the Technical Proposals shall be evaluated first by the IOM Bids, Evaluation and Awards Committee (BEAC)¹. The Financial Proposal will be analysed for the Financial Evaluation only if the Technical Proposal obtains the minimum technical score of 70 points, according to the specifications set forth in paragraph 10 of this RFP.

9. Evaluation of Proposals

- 9.1 After the Proposals are submitted and during the evaluation period, Service Providers/Consulting Firms are prohibited from communicating with any IOM staff member for the purpose of this RFP regarding any matter related to their Proposals. Any effort by the Service Providers/Consulting Firms to influence IOM in the examination, evaluation, ranking of Proposals, and recommendation for the award of the Contract may result in the rejection of the Service Provider/Consulting Firm’s Proposal.

10. Technical Evaluation

¹ The BEAC is a committee established within the IOM Regional Office in Brussels, Belgium for the sole purpose of evaluating the proposals received under this RFP.

10.1 The BEAC shall evaluate the Proposals on the basis of their responsiveness to the Description of Required Services (Section IV of this RFP), compliance to the requirements of the RFP and by applying the evaluation criteria, sub criteria and point system. Each responsive proposal shall be given a technical score (TS). The proposal with the highest score shall be identified as the Highest Rated Proposal.

10.2 A Proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve **the minimum qualifying technical score of 70 points**.

10.3 The Technical Proposals of Service Providers/Consulting Firms shall be evaluated based on the following criteria and sub-criteria:

	<u>Points</u>
(i) Specific experience relevant to the assignment:	0 - 25
<u>Total points for criterion (i):</u>	<u>0 - 25</u>
(ii) Adequacy of the proposed methodology and work plan in response to the Terms of Reference:	
a) Technical approach and methodology	0 - 15
b) Work plan	0 - 15
c) Organization and staffing	0 - 10
<u>Total points for criterion (ii):</u>	<u>0 - 40</u>
(iii) Key professional staff qualifications and competence for the assignment:	
a) Team Leader	0 - 15
b) Expenditure Verifier	0 - 10
c) Expenditure Verifier	0 - 10
<u>Total points for criterion (iii):</u>	<u>0 - 35</u>

The number of points to be assigned to each of the above positions shall be determined considering the following three sub-criteria and relevant percentage weights:

1) General qualifications	25%
2) Adequacy for the assignment	45%
3) Expenditure verification experience with fee-based contracts	30%
Total weight:	100%

The minimum technical score required to pass to the evaluation of the Financial Proposal stage is 70 Points.

10.4 A Technical Proposal shall not be considered for evaluation in any of the following cases:

- a) late submission, i.e. after the set deadline
- b) failure to submit any of the technical requirements and provisions provided under the Instruction to Service Provider/Consulting Firm and Terms of

Reference.

11. Financial Evaluation

- 11.1* After completion of the Technical Proposal evaluation, IOM shall notify those Service Providers/Consulting Firms whose proposal did not meet the minimum qualifying score or were considered non-responsive based on the requirements of this RFP.
- 11.2* The BEAC shall determine the completeness of the Financial Proposal and whether all the Forms are present and the items required to be priced are so priced.
- 11.3* The BEAC will correct any computational errors. In case of a discrepancy between a partial amount and the total amount, or between words and figures, the former will prevail. In addition, activities and items described in the Technical Proposal but not priced separately, shall be understood to be included in the prices of other activities and/or items.
- 11.4* The lowest Financial Proposal (F1) of Service Providers/Consulting Firms who passed the qualifying technical score shall be given a financial score (FS) of 100 points. The FSs of the other Financial Proposals shall be computed based on the formula:

$$\text{FS} = 100 \times \text{F1} / \text{F}$$

Where:

FS - is the financial score of the Financial Proposal under consideration

F1 - is the price of the lowest Financial Proposal, and

F - is the price of the Financial Proposal under consideration.

The proposals shall then be ranked according to their combined technical (TS) and financial (FS) scores using the weights (T = the weight given to the Technical Proposal = 0.80; F = the weight given to the Financial Proposal = 0.20; T + F = 1).

$$\text{OVERALL SCORE} = \text{TS} \times \text{T\%} + \text{FS} \times \text{F\%}$$

The firm achieving the highest combined technical and financial score will be invited for negotiations.

12. Negotiations

- 12.1* The aim of the negotiation process is to reach an agreement on all points and sign a Contract.
- 12.2* Negotiations will include: a) discussion and clarification of the Terms of Reference and Scope of Services; b) Discussion and finalization of the

methodology and work program proposed by the Service Provider/Consulting Firm; c) Consideration of appropriateness of qualifications and pertinent compensation, number of man-months and the personnel to be assigned to the job, and schedule of activities (manning schedule); d) Discussion on the services, facilities and data, if any, to be provided by IOM; e) Discussion on the financial proposal submitted by the Service Provider/Consulting Firm, but only if there are justified reasons for changing the number of personnel or staff for a specific assignment and/or the number of days required for a specific assignment; and f) Provisions of the Contract. IOM shall prepare minutes of the negotiation, which will be signed both by IOM and the Service Provider/Consulting Firm.

12.3 The financial negotiations will include clarification on the tax liability and the manner in which it will be reflected in the Purchase Order and will reflect the agreed technical modifications (if any) in the cost of the services. Unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff nor other proposed unit rates.

12.4 Having selected the Service Provider/Consulting Firm on the basis of, among other things, an evaluation of proposed key technical/managerial staff, IOM expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, IOM shall require assurances that the experts shall be actually available. IOM will not consider substitutions during contract negotiation unless both parties agree that the undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. If this is not the case and if it is established that staff were referred in a proposal without confirming their availability the Service Provider/Consulting Firm may be disqualified. Any proposed substitution shall have equivalent or better qualifications and experience than the original candidate.

12.5 All agreement(s) in the negotiation will then be incorporated in the description of services and form part of the Contract.

12.6 The negotiations shall conclude with a review of the draft form of the Contract which forms part of this RFP (see Section V). To complete negotiations, IOM and the selected Service Provider/Consulting Firm shall initial the agreed Contract. If negotiations fail, IOM shall invite the second ranked Service Provider/Consulting Firm to negotiate a Contract. If negotiations still fail, IOM shall repeat the process for the next-in-rank Service Providers/Consulting Firms until the negotiation is successfully completed.

13. Award of Contract

13.1 Following successful negotiations and subsequent post-qualification with the Service Provider/Consulting Firm with the Highest Rated Responsive Proposal, IOM shall promptly notify the other Service Providers/Consulting Firms, whose Technical Proposals were eligible, that they were unsuccessful.

13.2 While reasonable flexibility is expected from both parties regarding commencement of individual assignments under the Contract, the selected Service Provider/Consulting Firm is expected to be available to commence individual assignment(s) within fourteen (14) calendar days after the signature

of the Contract.

14. Confidentiality

- 14.1* Information relating to the evaluation of proposals and recommendations concerning awards shall not be disclosed to the Service Provider/Consulting Firm who submitted a Proposal or to other persons not officially concerned with the process. The undue use by any Service Provider/Consulting Firm of confidential information related to the process may result in the rejection of its Proposal and may be subject to the provisions of IOM's anti-fraud and corruption policy.

Section II – Technical Proposal Standard Forms

TPF-1: Technical Proposal Submission Form

[Location, Date]

To

International Organization for Migration (IOM) Regional Office for the European Economic Area, the EU and NATO in Brussels

Attn.: Ms. Giovanna SOLARI

40 Rue Montoyer

B-1000 Brussels

Ladies/Gentlemen:

We, the undersigned, offer to provide the Services for *[insert Title of consulting services]* in accordance with your Request for Proposal (RFP) dated *[insert Date]* and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal.

If negotiations are held after the period of validity of the Proposal, we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We acknowledge and accept IOM's right to inspect and audit all records relating to our Proposal irrespective of whether we enter into a contract with IOM as a result of this proposal or not.

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Firm:

Address:

TPF-2: Service Providers/Consulting Firms Organization

[Provide here brief (two pages) description of the background and organization of your firm/entity and each associate for the assignment (if applicable)]

TPF-3: Description of the Approach, Methodology and Work Plan for Performing the Assignment

[The description of the approach, methodology and work plan should normally consist of ten pages, including charts, diagrams, and comments and suggestions, if any, on Terms of Reference, counterpart staff and facilities]

TPF-4: Team Composition and Task Assignments

1. Technical/Managerial Staff		
Name	Position	Task

2. Support Staff		
Name	Position	Task

TPF-5: Format of Curriculum Vitae (CV) for Proposed Technical/Managerial Staff

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____

Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of the staff member's experience and training most pertinent to the tasks on assignment. Describe the degree of responsibility held by the staff member on relevant previous assignments and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of the staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in the last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

Date: _____

Date: _____

[Signature of staff member and authorized representative of the firm] Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

TPF-6: Time Schedule for Technical/Managerial Personnel

			Days (in the Form of a Bar Chart)													
Name	Position	Reports / Activities	1	2	3	4	5	6	7	8	9	10	11	12	...	Number of Work Days
																Subtotal (1)
																Subtotal (2)
																Subtotal (3)
																Subtotal (4)

Full-time: _____

Part-time: _____

Signature of Authorized Representative: _____

Full Name: _____

Title: _____

TPF-7: Activity (Work) Schedule

A. Meetings and Physical expenditure verification														
No.	Activity/Work Description	Duration (in work days)												
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
1														
2														
3														
4														
5														
6														
...														

B. Completion and Submission of Reports

Reports	Date
1. Draft Report	
2. Final Report	

Section III - Financial Proposal - Standard Forms

FPF-1: Financial Proposal Submission Form

[Location, Date]

To
International Organization for Migration (IOM) Regional Office for the European
Economic Area, the EU and NATO in Brussels
Attn.: Ms. Giovanna SOLARI
40 Rue Montoyer
B-1000 Brussels

Ladies/Gentlemen:

We, the undersigned, offer to provide the expenditure verification services for *[insert Title of consulting services]* in accordance with your Request for Proposal (RFP) dated *[insert date]* and our Proposal (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of *[Amount in words and figures]*. This amount is exclusive of the local taxes, which we have estimated at *[Amount(s) in words and figures]*.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of *[insert validity period]* of the Proposal.

We acknowledge and accept the IOM right to inspect and audit all records relating to our Proposal irrespective of whether we enter into a contract with the IOM as a result of this Proposal or not.

We confirm that we have read, understood and accept the contents of the Instructions to Service Providers/Consulting Firms, the Terms of Reference (ToR), the Draft Contract, the provisions relating to the eligibility of Service Providers/ Consulting Firms, any other attachments included in the RFP.

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorized
Signature:
Name and Title of Signatory:
Name of Firm:
Address:

FPF-2: Summary of Costs

Costs	Currency/ies	Amount(s)
I - Remuneration Cost		
II - Reimbursable Cost		
Total Amount of Financial Proposal¹		

¹ Indicate total costs, net of local taxes, to be paid by IOM in each currency. Such total costs should coincide with the sum of the relevant subtotal indicated in the other FP forms provided with the Proposal.

Authorized Signature: _____

Name and Title of Signatory: _____

FPF-3: Breakdown of Costs by Activity¹

Group of Activities: ²	Description: ³	
Cost Component	Costs	
	Currency	Amount
Remuneration ⁴		
Reimbursable Expenses ⁴		
Subtotals		

¹ This table is to be filled in case the Service Provider/Consulting Firm applies different modes of billing and payment to some of the activities. In such case, the Service Provider/Consulting Firm shall fill a separate Form FPF-3 for each group of activities.

² The names of activities should be the same as - or corresponds to - the ones indicated in Form TPF-7.

³ Short description of the activities whose cost breakdown is provided in this Form.

⁴ For each currency, Remuneration and Reimbursable Expenses must coincide with relevant Total Costs indicated in the other FP Forms.

Authorized Signature: _____

Name and Title of Signatory: _____

FPF-4: Breakdown of Remuneration

Name of Staff	Position	Daily rate in €	No. of estimated work days	Total in €
Technical/Managerial Staff				
1.				
2.				
3.				
4.				
5.				
Support Staff				
1.				
2.				
3.				
4.				
5.				

Authorized Signature: _____

Name and Title of Signatory: _____

FPF-5: Breakdown of Reimbursable Expenses

Description ¹	Unit	Unit Cost ²	Total reimbursable cost
1. Subsistence Allowance			
2. Transportation Cost			
3. Communication Costs			
4. Printing of Documents, Reports, etc			
5. ...			
6. ...			

¹ Delete items that are not applicable or add other items according to the Instruction to Service Providers/Consulting Firms.

² Indicate currency and unit cost per line.

Authorized Signature: _____

Name and Title of Signatory: _____

Section IV - Description of Required Services

1. Introductory Section

Background

The International Organization for Migration (IOM) is a service provider to the European Commission for the Multiple Framework Contract for Support to EU Election Observation Missions – Lot 1.

The objective of the multiple framework contract (hereafter referred to as “FWC”) is to provide, through specific contracts, logistical, financial and security support to the Contracting Authority, i.e. the European Commission, in deploying election observation missions. This involves the deployment of IOM staff, the organisation of travel (including payment for travel costs), insurance and accommodation for the Mission’s election team composed of core team experts and observers, the provision of necessary local services (transport, translation, etc.), office and communication facilities, security support, including in case of emergency or eventual evacuation, payment of fees, per diems and allowances, etc.

Within the mentioned FWC, the contracts related to the specific projects (hereafter referred to as ‘specific contracts’) are fee-based.

As per Article 28 of the General Conditions regulating the overall FWC, before any payments are made in relation to a specific contract, an external auditor must examine and verify the invoices and the financial reports sent by IOM to the European Commission. For this reason, each specific contract foresees a maximum of Euro 16,000 (*sixteen thousand*) for the provision of the expenditure verification services. This amount cannot be exceeded.

The external expenditure verifier therefore shall:

- a) Examine all documentation and financial reports submitted by IOM for a specific contract.
- b) Submit to IOM an expenditure verification report in accordance with the model provided (see Annex 2 to the ToR available in par. 2 of this Section IV).
- c) Share a draft report with IOM and consult with IOM in order to allow for clarifications prior to the submission of the expenditure verification’s final report.

Context of the Services required

Considering the size and scope of recent EU Election Observation Missions (EU EOMs), it has to be noted that these Missions are generally limited to, in average, 5-6 IOM personnel (staff and consultants), 6-7 Core Team personnel, 20 national staff, 24 Long-term and around 32 Short-term Observers deployed along a period of 12 weeks on average. The exact number of EU EOMs member might vary within each mission; the numbers provided above are therefore to be considered indicative.

With reference to past EU EOMs and expenditure verification thereof, it is recommended to anticipate the man-hours required to complete the expenditure verification, considering that verification of some budget lines depends on the number of invoices, tickets, persons – such as international flights – while other budget lines do not depend on the size of the EU EOM – such as for example the lease agreement for the EU EOM headquarters. Please find below a summary list of budget lines per budget type (fee and/or incidental) where a non exhaustive list of

reference documents is also provided.

Sample of Budget lines	Budget type	Indicative list of reference documents
Experts	<i>Fee-budget</i>	Contract/Time sheet/payment documents
IOM staff and consultants (daily allowance, incl. double accommodation allowance)	<i>Incidental budget</i>	Contracts/Payroll
Chief Observer (daily allowance)	<i>Incidental budget</i>	Agreement/Travel claim
Core Team Elections Experts (fees and allowances)	<i>Incidental budget</i>	Letter of Assignment/Time sheet/Payroll
Observers (allowances and other costs)	<i>Incidental budget</i>	Letter of Assignment/Time sheet/Payroll and travel claims, where relevant
National personnel	<i>Incidental budget</i>	Contract/Time sheet/Payroll
Flight Tickets	<i>Incidental budget</i>	Invoices
Local transport vehicles, incl. nightshifts & driver bonuses	<i>Incidental budget</i>	Invoices / Receipts
Other local transportation (buses, etc.)	<i>Incidental budget</i>	Invoices
In-country medical evacuation	<i>Incidental budget</i>	Invoices
EU EOM HQ office rent, set up and running costs	<i>Incidental budget</i>	Contract / Invoices
Office equipment and furniture	<i>Incidental budget</i>	Invoices
Other services (e.g. security guards, etc)	<i>Incidental budget</i>	Agreement/Invoices
Public relations activities	<i>Incidental budget</i>	Invoices
Events and trainings	<i>Incidental budget</i>	Invoices/contracts

It is also important to note that the workload depends on the number of line items and supporting documents. Below are two examples from past EU EOM projects:

EU EOM Project	Line items in the financial report	No of supporting documents
Nigeria 2019	5979	850
Fee part of the Budget	136	56
Incidental Budget	5844	794
Tunisia 2019	2014	513
Fee part of the Budget	96	67
Incidental Budget	1919	446

In addition to the verification of the individual budget groups and incurred expenditures, the expenditure verifier is furthermore required to verify the actual financial report prepared by IOM, which shall then be submitted by IOM to the European Commission.

Reports and Time Schedule

Indicatively, the time schedule foreseen for the expenditure verification process is as follows:

Action	Day
Introductory meeting with IOM	+1
Expenditure verification process within IOM premises	+2 to +8
Consultation on initial findings at IOM premises	+8
Clarification and/or additional documents provided by IOM	+10
Submission of draft expenditure report to IOM	+12
Clarification, if any, provided by IOM to auditors	+14
Submission of final expenditure verification report to IOM	+16

Facilities provided by IOM during the expenditure verification

IOM will ensure that responsible project and finance management staff will be available for

clarifications during the expenditure verification process and, especially, during the auditors' presence in the IOM premises. IOM will hence provide the auditors with a designated office or office space in the premises of the IOM Regional Office, Brussels during the inspection of documents and files on location. IOM will provide the auditors access to the wireless internet connection free of charge.

It is common practice that documents are shipped from the beneficiary countries where the EU EOM has taken place to Brussels, Belgium so that extended duty travel of the auditors to beneficiary countries will not be necessary.

In the following paragraph, we have reported the Terms of Reference (ToR) that the Expenditure Verifier will have to apply. The ToR are those issued by the European Union and they will be part of the Contract signed between IOM and the selected Expenditure Verifier.

2. Terms of Reference for an Expenditure Verification of a Service Contract (fee-based) – External Actions of the European Union

How to use these Terms of Reference Model (this also applies to Annex 1 of these ToR)

- **insert** the information requested between <...>.
- **choose** the optional text between [...] highlighted in grey when applicable or delete.
- **delete** all yellow instructions and the present text box.

The present terms of reference apply to the verification of expenditure declared in financial reports under the following contracts:

1) Service Contract¹ number and title of the action <...>

[2) Service Contract² number and title of the action <...>]

<Repeat contracts/reports as applicable>

Detailed information is provided at the cover page of Annex 1.

1 Contract in relation to which the financial report subject to verification is issued. The contract established with the expenditure verifier is identified as "Verification Contract"

2 Contract in relation to which the financial report subject to verification is issued. The contract established with the expenditure verifier is identified as "Verification Contract"

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1. Introduction

The present document and the Annexes listed in its section 8 are the Terms of Reference ('ToR') on which the Contractor³ agrees to engage 'the Expenditure Verifier' to perform a verification of expenditure reported by Reporting Entities.

Where in these ToR the 'Contracting Authority' is mentioned, this refers to the < European Commission or name of another contracting authority>, which has signed the Service Contract⁴ with the Contractor and finances the services.

The Contracting Authority is not party to this agreement.

These ToR will become an integral part of the contract concluded between the Contractor and the Expenditure Verifier.

They apply to expenditure verifications contracted by the Commission or by the Contractor and cover the verification of expenditure incurred under the EU financed contracts on the cover sheet.

2. Objectives and context

The Expenditure Verifier is expected:

- to carry out the agreed-upon procedures listed in section 6, and
- to issue reports based on the template in Annex 2 which will support the Contracting Authority's conclusions on the eligibility of the reported expenditure and the related follow-up.

The expenditure verification will be performed as [<Choose either one or both> a desk review or/and fieldwork at the location indicated in Annex 1.]

The Expenditure Verifier is not expected to provide an audit opinion.

3. Standards and Ethics

The Expenditure Verifier shall undertake this engagement in accordance with:

- the International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
- the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards.

Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the Expenditure Verifier is independent from the Reporting Entity and complies with the independence requirements of the IFAC Code of Ethics for Professional Accountants.

³ In these ToR, the 'Contractor' is to be intended as IOM.

⁴ In these ToR, the 'Service Contract' is to be intended as the EU Multiple Framework Contract for Support to EU Electoral Missions – Lot 1.

4. Requirements for the Expenditure Verifier

By agreeing these ToR, the Expenditure Verifier confirms meeting at least one of the following conditions:

- The Expenditure Verifier is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC).
- The Expenditure Verifier is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Expenditure Verifier commits to undertake this expenditure verification in accordance with the IFAC standards and ethics set out in these ToR.
- The Expenditure Verifier is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state)⁵.
- The Expenditure Verifier is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

5. Scope

5.1 Contracts and Financial Reports covered by these ToR

The Contract(s) and Financial Reports subject to this expenditure verification are indicated on the cover sheet and in Annex 1.

5.2 Conditions for Eligibility of Expenditure

As per the Article 28.3 of the General Conditions of Service Contracts, the Expenditure Verifier must satisfy itself that relevant, reliable and sufficient evidence exists that:

- (a) the experts employed by the Contractor for the contract⁶ have been working as evidenced on the contract (as corroborated by independent, third-party evidence, where available) for the number of days claimed in the contractor's invoices and in the financial reporting spreadsheet submitted with the interim progress reports; and
- (b) the amounts claimed as incidental expenditure have actually and necessarily been incurred by the contractor in accordance with the requirements of the terms of reference of the contract.

The conditions for eligibility are stipulated in the contracts which are provided in Annex 1 (including riders).

On the basis of its verification, the Expenditure Verifier submits to the contractor an

⁵ Directive 2006/43 of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253 EEC.

⁶ In these ToR, the term 'contract' refers to the contracts signed between IOM and the EU for specific EU EOMs.

expenditure verification report in accordance with the model in Annex 2.

6. Verification Process and Methodology

6.1 Preparation of the Verification

The Expenditure Verifier shall prepare the verification and agree on the timing for carrying out the expenditure verification, notably with regard to fieldwork (if any) (see section 6.2. for applicable maximum time lags). The Expenditure Verifier will then also confirm with the Contractor the location(s) indicated in Annex 1 and ensure that relevant supporting documents as well as key staff are available during the verification.

6.2 Preparatory Meeting, Fieldwork, Desk Review

[The Contractor foresees a preparatory meeting with the Expenditure Verifier which will be held <Choose either one or both> by conference call or at <name and address of the meeting place should be clearly stated>.]

The field work or desk review shall commence as soon as possible and not later than <number> calendar days after the signature of the verification contract or the date of availability of the Financial Report (i.e. financial report, supporting documents and other relevant information).

Engagement Context, Materiality, Risk Analysis, Sampling

The Expenditure Verifier's procedures should include:

- obtaining a sufficient understanding of the engagement context including the contractual conditions, the Contractor and the applicable EC laws and regulations which are set out in section 5 above. The Expenditure Verifier should pay specific attention to the contractual provisions relevant for the Service contract. The understanding should be sufficient to identify and assess the risks of material errors or misstatements in the expenditure stated in the Financial Report in order to determine the size and structure of the expenditure sample to be tested, whether caused by error or fraud, and sufficient to design and perform further verification procedures.
- performing a risk analysis. This work involves an assessment of the inherent risks that:
 - The Financial Report is not reliable, i.e. that it does not present, in all material aspects, the actual expenditure incurred in conformity with applicable conditions.
 - Expenditure declared in the financial report has not, in all material aspects, been incurred in conformity with applicable contractual conditions.
 - Fraud and irregularities have occurred which could have had an impact on expenditure reported under the contract.

The Expenditure Verifier should assess the inherent risk based, inter alia, on the number and complexity of the transactions, the complexity of the activities provided for by the contract, the number of implementing entities involved and the environment where the contract is implemented.

In addition the Expenditure Verifier, based inter alia on the information provided in Annex 1 to the ToR (*Engagement Context / Key Information*) will consider the control risk, i.e. whether the design of the Internal Control System sufficiently mitigates the identified inherent risks and whether it is plausible that it is operating effectively. The outcome of the risk analysis has to be clearly described in the Verification Report (Annex 2, section 2.1).

- determining the sample size. For the purpose of determining what the overall material misstatement or error is, the Expenditure Verifier will apply a materiality threshold of 2% of the total amount of the gross reported expenditure with a confidence level of 95%.

- establishing the sample and selecting the individual items for testing. The link between the risk assessment and the size and composition of the sample, as well as the sampling method (statistical/non-statistical) must be clearly described in the Verification Report (Annex 2, section 2.2).
- Performing the expenditure checks relevant to the eligibility requirements applicable to the contract.

Fieldwork / Desk Review

The main task during the fieldwork or desk review will be to perform the substantive tests. Key information about the testing process must be provided in the Verification Report (Annex 2, section 4).

Debriefing Memo and Closing Meeting

At the end of the fieldwork or desk review, the Expenditure Verifier should prepare a debriefing memo, organise a closing meeting with the Contractor in order to discuss the findings, obtain its initial comments and agree on any additional information to be provided at a later date.

Documentation and Verification Evidence

Evidence to be used for performing the expenditure verification tests is all financial and non-financial information which makes it possible to examine the expenditure declared in the Financial Report.

The Expenditure Verifier documents matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISRS 4400 and these ToR.

6.3 Reporting

Structure and Content of the Report

The use of the Expenditure Verification Report template in Annex 2 of these ToR, including the annexed tables, is **compulsory**.

If the verification scope covers Financial Reports related to different contracts, a separate and specific report should be issued for each contract.

The report should provide basic information about the contract and should describe the outcome of the risk analysis and its implications on the sampling. The report should also give an overview of the substantive testing and fully disclose the information regarding the items included in the expenditure population and in the sample. The report should finally detail the findings identified through the performance of the agreed-upon procedures.

The report should be presented in <language>. The Expenditure Verifier will submit within < number of working days to be indicated by the Contractor > working days of the conclusion of the field work a draft report to the Contractor for comments to be received within < number of working days to be indicated by the Contractor > working days. This delay expired, the Expenditure Verifier will provide the final report to the Contractor within < number of working days to be indicated by the Contractor > working days from the receipt of the comments (if any).

Expenditure Verification Findings and Recommendations

The factual findings shall be reported in accordance with the formats and criteria specified in the Expenditure Verification Report template (Annex 2). The description of findings will

include the standard applied (e.g. art. xx of the General Conditions of the Contract), the facts and the analysis of the Expenditure Verifier.

The verification report should include all financial findings made by the Expenditure Verifier, regardless of the amount involved. Changes in the financial findings occurring between the draft and final report as a result of the consultation procedure should be clearly and sequentially reported.

7. Other Matters

7.1 Subcontracting

The Expenditure Verifier will not subcontract without prior written authorisation from the Contractor.

8. Annexes

Annex 1 - Engagement Context / Key Information

Annex 2 - Model for Expenditure Verification Report

Annex 1/<...⁷>: Engagement Context / Key Information

Contract⁸ and report summary

[Annex to be completed by the Contractor]

Information about the Service Contract	
Reference number and date of the Service Contract	< Contracting Authority's reference for the Contract>
Service contract title	
Country	
Contractor	<Full name and address of the Contractor as per the Service Contract>
Start date of the contract	
End date of the contract	
Financial Report(s) subject to verification:	<DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY>
Total amount of the invoice and invoice date	<Total amount as per the Contractor's invoice subject of this verification and the invoice date>
Total amount invoiced to the Contracting Authority to date	<Total amount invoiced by the Contractor, the number of invoices and the invoice dates and references>
Total amount received to date by the Contractor from Contracting Authority	<Total amount received as per dd.mm.yyyy>
Contracting Authority	[<Name, position/title, phone and E-mail of the contact person at the Contracting Authority>. (To be completed only if the Contracting Authority is not the Commission.)]
European Commission	<Name, position/title, phone and E-mail of the contact person in the Delegation of the European Union in the country concerned, or if applicable at Headquarters>
Auditor	< Name and address of the audit firm and names/positions of the auditors>

⁷ Sequential number. Fill in a separate annex per contract covered.

⁸ Contract in relation to which the financial report subject to verification is issued. The contract established with the expenditure verifier is identified as "Verification Contract".

A Logistics		
Issue	Question	Reply
Locations	1. Where does the Contractor retain the accounting records?	
	2. Where does the Contractor retain the original supporting documents?	
	3. Where were contractual activities carried out?	
	4. Where is key project staff available to provide information and explanations?	
Languages	5. Which is the contractual language?	
	6. Which is the language of the accounting records?	
	7. Which are the languages of supporting documents?	
	8. Which languages are spoken by key project staff?	

B Contractual Conditions		
Contract amount	9. What is the total amount of the contract?	

C Financial Report (enclosed as Annex 1.1)		
Financial report	10. Approximately how many expense transactions have been reported / are expected to be reported in the Financial Report?	
	11. What is the distribution of these transactions (e.g. fees, incidental expenditure, lump sums etc.), Are the transactions few/many of large/small value?	
	12. To what extent have Project transactions been carried out in cash?	[high, medium, low]
	13. In which currencies has expenditure been incurred?	
	14. What is the reporting currency?	
	15. How many other Financial Reports have already been presented by the Contractor under this contract?	

D Previous contracts verifications, audits or monitoring		
Previous verifications, audits or monitoring	16. Which previous experience did the Contractor have with EC Service contracts and associated regulations?	
	17. How many of the previously presented Financial Reports (if any) have been subject to audit/verification by external consultants contracted by the Contractor?	
	18. Have any verification, audit or monitoring exercises other than those referred to under point 17 been carried out with regard to the contract or the Contractor that are relevant for the scope of the current verification?	
	19. Have any significant findings been raised under the exercises referred to under points 17 and 18? If so, what are they?	
	20. Have any instances of fraud or irregularities been previously identified in dealings with the Contractor?	

Annex 1/<...>.1: Financial Report(s) to be verified

E Contact Details			
Contractor: <full name of the entity subject to audit>			
Address		Country	
Phone		Fax	
Website			
<i>Key contact</i>			

Annex 1/<...>.2: Contract and riders

<Other documents to be sent to the Auditor, (e.g. narrative reports, previous audit reports)>

<Annex 2: Model for >Expenditure verification Report

<To be printed on AUDITOR'S letterhead>

Report for an Expenditure Verification of a Service Contract (Fee –Based) External Actions of the European Union

<Title of and number of the Service contract >

How this model should be completed by the Expenditure Verifier

- insert the information requested between <...>
- choose the optional text between [...] highlighted in grey when applicable or delete
- delete all yellow instructions and the present text box

1. Background information

1.1. Short description of the action subject to verification

Contract number and title:	
Contract type	<service contract...>
Financial Report(s) subject to verification	<DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY>
Contractor	< Identify the Contractor and provide key information about their legal form, nationality, size, main field(s) of activity and other elements deemed relevant – max 200 words>
Location(s) where the Contract is implemented	
Contract execution period	
Contract implementation status	< indicate on-going or completed >
General and specific objectives of the Contract	
Synthetic description of the activities, outputs and target group	<max 300 words>

1.2. Basic financial information on the Contract (at the time of the verification)

Expenditure

	Estimated number of working days in the Budget of the contract	Fee rate per working day in the Budget of the contract	Number of working days claimed	Fees claimed (amount)	Amount claimed

FEES (including overheads):					
...					
PROVISION FOR INCIDENTAL EXPENDITURE:					
...					
LUMP SUMS					
PROVISION FOR EXPENDITURE VERIFICATION					
MAXIMUM CONTRACT VALUE					

1.3. Verified Financial Reports/Invoices

See annex 2.1

2. Risk analysis

2.1. Outcome of risk analysis

Based on the risk analysis performed according to the Terms of Reference, provide succinct information about the identified risks that may affect the verified report, regarding the action, the context in which the latter is implemented, the beneficiaries and the target group.

<E.g. of risks are transactions incurred in several currencies, technical complexity, high corruption perception index, instances of political interference, predominance of cash payments, number of parties involved, partners lacking administrative capacity, known weaknesses in internal control systems, lack of involvement or cooperation of the target group, history of fraud cases. (max. 300 words)>

In addition, please identify possible mitigating factors.

< E.g. previous audit or verification work, evidence of close follow up by the contracting authority, good results yielded in the past by the implementing partner, etc. (max. 150 words)>

2.2 Implications on the sampling

Explain how the identified risk factors are reflected in the structure and size of the sample.

<Based on the identified risk factors, describe how the sample was selected (e.g. statistical/judgemental sampling, stratification, etc.), what type of transactions were prioritised (e.g. amount above xx EUR, staff expenditure, incidental expenditure etc.) what is the coverage ratio in amount and number of transaction (max. 200 words)>

3. Transaction population and sample

Sampling Highlights/Overview

The sample size was determined based on a materiality threshold of 2% of the total amount of reported expenditure with a confidence level of 95% and considering the risk analysis presented above.

Report/invoice: <indicate the report/invoice number and cut-off dates>		
	Population	Audited sample
Number of transactions		
Value of transactions EUR		

[If more than one financial report/invoice is verified, repeat as applicable]

A complete list of the transactions included in the population is to be included in Annex 2.3.

4. Substantive testing

Short description of the testing process

Compliance with the Terms of Reference and with the International Standard on Related Services (ISRS) 4400.

<Confirm that the relevant testing procedures were fully applied or disclose any scope limitation. Also confirm that the testing was executed in accordance with the International Standard on Related Services (ISRS) 4400, “Engagements to Perform Agreed-upon Procedures Regarding Financial Information”.>

Provide the key information about the testing process.

<E.g. describe if the verification work took place at the implementing partner's premises, whether qualified representatives of the auditee were present, if they were cooperative, if the supporting documentation was available in full, if additional documents had to be received after the field mission, whether evidence of the equipment transfer is available, if physical inspections were performed, any scope limitations, etc. (max. 300 words)>

5. Summary of findings

5.1. Summary of errors detected

<Description of the main outcomes of the transaction testing (e.g. type of errors detected, type of transactions, geographic scope, sector, involved implementing partners, etc.) (max. 200 words)>

5.2 Audit team

<List names and expert category levels for this report.>

<Name and signature of the Verifier>

<Verifier's address: office having responsibility for the audit>

[for final reports <Date of signature> the date when the **final** report is signed]

Annex 2.1: Financial reports/invoices provided by the auditee

Annex 2.2: Procedures performed

Annex 2.3: Table of transactions - provided as Excel file

Annex 2.4: Table of errors - provided as Excel file

Section V – Pro-forma Contract

***This is a template Agreement only and will need to be modified according to the needs of the particular situation. All Agreements must be checked by Legal Services prior to signature.*

IOM office-specific Ref. No.: xxxx/2017/CTR/RO IOM Project code: EM. LEG Approval/Checklist Code:
--

**Framework Service Agreement
Between
The International Organization for Migration
And
[name of the Service Provider]
On
Expenditure Verification Services**

1. Introduction and Integral Documents

- 1.1 The Service Provider agrees to provide IOM with audit services for EU Election Observation Mission (EU EOM) service contracts, upon IOM's written request for each EUEOM project, in accordance with the terms and conditions of this Agreement and its Annexes, if any.
- 1.2 The following documents form an integral part of this Agreement:
- Annex A: Technical Proposal
 - Annex B: Financial Proposal
 - Annex C: Terms of Reference for an Expenditure Verification of a Service Contract (fee-based) – External Actions of the European Union
 - Annex D: IOM Data Protection Principles
 - Annex E: Purchase Order form
 - Annex F: Template of Representation Letter.

2. Parties

The Parties to this Agreement are the **International Organization for Migration**, an organization which is part of the United Nations system, Regional Office in 1000 Brussels, Rue Montoyer 40, represented by [name], [title/position], hereinafter referred to as IOM, and [name of the Service Provider], [address], represented by [name], [title/position], hereinafter referred to as the Service Provider.

3. Services Supplied

- 3.1 The Service Provider agrees to provide independent expenditure verification service for the EU EOM Projects to the IOM, upon IOM's request, in accordance with the "Terms of Reference" (Annex C) (the "Services"). The Services shall include:
- a) Preparation of the expenditure verification, including a meeting with IOM staff on how to

access documents required for the verification.

b) Verifying and reporting on the Project financial statements, verification of documents and, as necessary, interview with relevant IOM staff.

c) Delivery of a certificate in compliance with Annex C, i.e. *the model provided by the European Commission*).

d) Delivery of a draft final verification report prior to the issuance of the verification certificate in order to enable IOM to provide necessary clarifications or further information. In this context, IOM will provide the Service Provider with a Representation Letter (Annex F).

e) Delivery of the final verification report incorporating all IOM's comments.

f) Debriefing for IOM to present findings as well as recommendations for compliance/improvement.

- 3.2 Each IOM's request for a specific project shall be made using the Purchase Order form (Annex E). The terms of the assignment related to a specific Project (including the Service commencement date, the Service completion date, the assigned personnel, the service fee, etc., shall be agreed by the Parties in writing prior to commencement of each Service.
- 3.3 The Service Provider agrees to provide the Services requested under this Agreement in strict accordance with the specifications of this Agreement and its Annexes, following the terms agreed for each Service, and the International Standards on Auditing.
- 3.4 Nothing in this Agreement shall be interpreted as creating an exclusive relationship between the Parties. IOM does not guarantee and is not obliged to request any minimum quantity of Services during the term of this Agreement.
- 3.5 The Service Provider shall be available to provide the Services from *[date]* and until *[date]*. Upon extension of the Framework Contract between IOM and the EU, such duration may be extended for an additional period of 24 months through a written Amendment in accordance with Article 21.2 of this Agreement. The workplan for the provision of each Service shall be agreed in writing by the Parties based on each Service request through the corresponding Purchase Order form.

4. Charges and Payments

- 4.1 This Framework Service Agreement itself does not incur any Service fee. The all-inclusive Service fee in EUR for the Services requested through individual Purchase Order forms under this Agreement shall be negotiated and agreed in writing in advance in accordance with the Terms of Reference of each specific service contract issued by the European Commission for specific EUEOM projects (Annex C) and the Service Provider's Technical Proposal and Financial Proposal based on the templates attached as Annexes A and B.
- 4.2 The Service Provider shall invoice IOM upon completion of all the Services under each specific Purchase Order. The invoice shall include a description of the Services provided, the applicable rate as agreed for the particular Service, name of staff assigned, any travel and eligible out of pocket expenses as agreed in advance with IOM.
- 4.3 Payments shall become due 30 (thirty) days after IOM's receipt and approval of the invoice, subject to IOM's receipt and approval of the final audit report of the Project. Payment shall be made in Euro by bank transfer to the following bank account:

Account Holder:

Name of Bank:

Address of Branch:

IBAN:

BIC:

- 4.4 The Service Provider shall be responsible for the payment of all taxes, duties, levies and charges assessed on the Service Provider in connection with this Agreement.
- 4.5 IOM shall be entitled, without prejudice to any other rights or remedies it may have, to withhold payment of part or all of the Service fee until the Service Provider has completed to the satisfaction of IOM the services to which those payments relate.

5. Warranties

5.1 The Service Provider warrants that:

- a) It is a company financially sound and duly licensed, with adequate human resources, equipment, competence, expertise and skills necessary to provide fully and satisfactorily, within the stipulated completion period, all Services in accordance with this Agreement;
- b) It shall comply with all applicable laws, ordinances, rules and regulations when performing its obligations under this Agreement;
- c) In all circumstances it shall act in the best interests of IOM;
- d) No official of IOM or any third party has received from, or will be offered by, or will receive from the Service Provider any direct or indirect benefit arising from the Agreement or award thereof;
- e) It has not misrepresented or concealed any material facts in the procurement of this Agreement;
- f) The Service Provider, its staff or shareholders have not previously been declared by IOM ineligible to be awarded agreements by IOM;
- g) It has or shall take out relevant insurance coverage for the period the Services are provided under this Agreement;
- h) The Price specified in the individual Service request in connection with its relevant Annexes shall constitute the sole remuneration in connection with this Agreement. The Service Provider shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Agreement or the discharge of its obligations thereunder. The Service Provider shall ensure that any subcontractors, as well as the personnel and agents of either of them, similarly, shall not receive any such additional remuneration.
- i) It shall respect the legal status, privileges and immunities of IOM as an intergovernmental organization, such as inviolability of documents and archive wherever it is located, exemption from taxation, immunity from legal process or national jurisdiction. In the event that the Service Provider becomes aware of any situation where IOM's legal status, privileges or immunities are not fully respected, it shall immediately inform IOM.
- j) It is not included in the most recent Consolidated United Nations Security Council Sanctions List nor is it the subject of any sanctions or other temporary suspension. The Service Provider will disclose to IOM if it becomes subject to any sanction or temporary suspension during the term of this Agreement.
- k) It must not employ, provide resources to, support, contract or otherwise deal with any person, entity or other group associated with terrorism as per the most recent Consolidated United Nations Security Council Sanctions List and all other applicable terrorism legislation. If, during the term of this Agreement, the Service Provider determines there are credible allegations that funds transferred to it in accordance with this Agreement have been used to provide support or assistance to individuals or entities associated with terrorism, it will inform IOM immediately who in consultation with the donors as appropriate, shall determine an appropriate response. The Service Provider shall ensure that this requirement is included in all subcontracts.

5.2 The Service Provider warrants that it shall abide by the highest ethical standards in the

performance of this Agreement, which includes not engaging in any fraudulent, corrupt, discriminatory or exploitative practice or practice inconsistent with the rights set forth in the Convention on the Rights of the Child. The Service Provider shall immediately inform IOM of any suspicion that the following practice may have occurred or exist:

- (a) a corrupt practice, defined as the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the action of IOM in the procurement process or in contract execution;
- (b) a fraudulent practice, defined as any act or omission, including a misrepresentation or concealment, that knowingly or recklessly misleads, or attempts to mislead, IOM in the procurement process or the execution of a contract, to obtain a financial gain or other benefit or to avoid an obligation or in such a way as to cause a detriment to IOM;
- (c) a collusive practice, defined as an undisclosed arrangement between two or more bidders designed to artificially alter the results of the tender process to obtain a financial gain or other benefit;
- (d) a coercive practice, defined as impairing or harming, or threatening to impair or harm, directly or indirectly, any participant in the tender process to influence improperly its activities, or affect the execution of a contract.
- (e) an obstructive practice, defined as (i) deliberately destroying, falsifying, altering or concealing of evidence material to IOM investigations, or making false statements to IOM investigators in order to materially impede a duly authorized investigation into allegations of fraudulent, corrupt, collusive, coercive or unethical practices; and/or threatening, harassing or intimidating any party to present it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (ii) acts intended to materially impede the exercise of IOM's contractual rights of access to information.
- (f) any other unethical practice contrary to the principles of efficiency and economy, equal opportunity and open competition, transparency in the process and adequate documentation, highest ethical standards in all procurement activities.

5.3 The Service Provider further warrants that it shall:

- a) Take all appropriate measures to prohibit and prevent actual, attempted and threatened sexual exploitation and abuse (SEA) by its employees or any other persons engaged and controlled by it to perform activities under this Agreement ("other personnel"). For the purpose of this Agreement, SEA shall include:
 - 1. Exchanging any money, goods, services, preferential treatment, job opportunities or other advantages for sexual favours or activities, including humiliating or degrading treatment of a sexual nature; abusing a position of vulnerability, differential power or trust for sexual purposes, and physical intrusion of a sexual nature whether by force or under unequal or coercive conditions.
 - 2. Engaging in sexual activity with a person under the age of 18 ("child"), except if the child is legally married to the concerned employee or other personnel and is over the age of majority or consent both in the child's country of citizenship and in the country of citizenship of the concerned employee or other personnel.
- b) Strongly discourage its employees or other personnel having sexual relationships with IOM beneficiaries.
- c) Report timely to IOM any allegations or suspicions of SEA, and investigate and take appropriate corrective measures, including imposing disciplinary measures on the person who has committed SEA.
- d) Ensure that the SEA provisions are included in all subcontracts.
- e) Adhere to above commitments at all times.

5.4 The Service Provider expressly acknowledges and agrees that breach by the Service Provider, or by any of the Service Provider's employees, contractors, subcontractors or agents, of any provision contained in Articles 5.1, 5.2 or 5.3 of this Agreement constitutes a material breach of this Agreement and shall entitle IOM to terminate this Agreement immediately on written notice without liability. In

the event that IOM determines, whether through an investigation or otherwise, that such a breach has occurred then, in addition to its right to terminate the Agreement, IOM shall be entitled to recover from the Service Provider all losses suffered by IOM in connection with such breach.

6. Audit

The Service Provider agrees to maintain financial records, supporting documents, statistical records and all other records relevant to the Services in accordance with generally accepted accounting principles to sufficiently substantiate all direct and indirect costs of whatever nature involving transactions related to the provision of Services under this Agreement. The Service Provider shall make all such records available to IOM or IOM's designated representative at all reasonable times until the expiration of seven years from the date of final payment, for inspection, audit, or reproduction. On request, employees of the Service Provider shall be available for interview.

7. Independent Contractor

The Service Provider, its employees and other personnel as well as its subcontractors and their personnel, if any, shall perform all Services under this Agreement as an independent contractor and not as an employee or agent of IOM.

8. Dispute resolution

- 8.1. Any dispute, controversy or claim arising out of or in relation to this Agreement, or the breach, termination or invalidity thereof, shall be settled amicably by negotiation between the Parties.
- 8.2. In the event that the dispute, controversy or claim has not been resolved by negotiation within 3 (three) months of receipt of the notice from one party of the existence of such dispute, controversy or claim, either Party may request that the dispute, controversy or claim is resolved by conciliation by one conciliator in accordance with the UNCITRAL Conciliation Rules of 1980. Article 16 of the UNCITRAL Conciliation Rules does not apply.
- 8.3. In the event that such conciliation is unsuccessful, either Party may submit the dispute, controversy or claim to arbitration no later than 3 (three) months following the date of termination of conciliation proceedings as per Article 15 of the UNCITRAL Conciliation Rules. The arbitration will be carried out in accordance with the 2010 UNCITRAL arbitration rules as adopted in 2013. The number of arbitrators shall be one and the language of arbitral proceedings shall be English, unless otherwise agreed by the Parties in writing. The arbitral tribunal shall have no authority to award punitive damages. The arbitral award will be final and binding.
- 8.4. The present Agreement as well as the arbitration agreement above shall be governed by the terms of the present Agreement and supplemented by internationally accepted general principles of law for the issues not covered by the Agreement, to the exclusion of any single national system of law that would defer the Agreement to the laws of any given jurisdiction. Internationally accepted general principles of law shall be deemed to include the UNIDROIT Principles of International Commercial Contracts. Dispute resolution shall be pursued confidentially by both Parties. This Article survives the expiration or termination of the present Agreement.

9. Delays, Defaults, and Force Majeure

- 9.1 Time is of the essence in the performance of this Agreement. If the Service Provider fails to provide the Services within the times agreed to in the Agreement, IOM shall, without prejudice to other remedies under this Agreement, be entitled to deduct liquidated damages for delay. The amount of such liquidated damages shall be 0.1% of the value of the total Service Fee per day or part thereof up to a maximum of 10% of the Service Fee. IOM shall have the right to deduct such amount from the Service Provider's outstanding invoices, if any. Such

liquidated damages shall only be applied when delay is caused solely by the default of the Service Provider. Acceptance of Services delivered late shall not be deemed a waiver of IOM's rights to hold the Service Provider liable for any loss and/or damage resulting therefrom, nor shall it act as a modification of the Service provider's obligation to perform further Services in accordance with the Agreement.

- 9.2 In case of failure by the Service Provider materially to perform under the terms and conditions of this Agreement, IOM may, after giving the Service Provider 30 days' written notice to perform and without prejudice to any other rights or remedies, terminate the Agreement with immediate effect without liability.
- 9.3 Neither Party will be liable for any delay in performing or failure to perform any of its obligations under this Agreement if such delay or failure is caused by force majeure, which means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, blockade or embargo, strikes, Governmental or state restrictions, natural disaster, epidemic, public health crisis, and any other circumstances which are not caused by nor within the control of the affected Party.

As soon as possible after the occurrence of a force majeure event which impacts the ability of the affected Party to comply with its obligations under this Agreement, the affected Party will give notice and full details in writing to the other Party of the existence of the force majeure event and the likelihood of delay. On receipt of such notice, the unaffected Party shall take such action as it reasonably considers appropriate or necessary in the circumstances, including granting to the affected Party a reasonable extension of time in which to perform its obligations. During the period of force majeure, the affected Party shall take all reasonable steps to minimize damages and resume performance.

IOM shall be entitled without liability to suspend or terminate the Agreement if the Service Provider is unable to perform its obligations under the Agreement by reason of force majeure. In the event of such suspension or termination, the provisions of Article 20 (Termination) shall apply.

10. Confidentiality

- 10.1 All information which comes into the Service Provider's possession or knowledge in connection with this Agreement is to be treated as strictly confidential. The Service Provider shall not communicate such information to any third party without the prior written approval of IOM. The Service Provider shall comply with IOM Data Protection Principles in the event that it collects, receives, uses, transfers or stores any personal data in the performance of this Agreement. These obligations shall survive the expiration or termination of this Agreement.
- 10.2 Each of the personnel of the Service Provider who perform the Services under this Agreement may be requested to sign a separate confidentiality agreement prior to accessing information, documents, records of IOM.
- 10.3 Notwithstanding the previous paragraph, IOM may disclose information related to this Agreement, such as the name of the Service Provider and the value of the Agreement, the title of the contract/project, nature and purpose of the contract/project, name and locality/address of the Service Provider and the amount of the contract/project to the extent as required by IOM's donors or in relation to IOM's commitment to any initiative for transparency and accountability of funding received by IOM in accordance with the policies, instructions and regulations of IOM.

11. Notices

Any notice given pursuant to this Agreement will be sufficiently given if it is in writing and delivered, or sent by prepaid post or facsimile to the other Party at the following address:

International Organization for Migration (IOM)
Regional Office
40 Rue Montoyer
1000 Brussels
Belgium

[Name of the Service Provider]
Attn: [Name of the Service Provider's contact person]
[Service Provider's address]
Email: [Service Provider's email address]

12. Use of IOM Name, Abbreviation, and Emblem

The Service Provider shall not be entitled to use the name, abbreviation or emblem of IOM without IOM's prior written authorisation. The Service Provider acknowledges that use of the IOM name, abbreviation and emblem is strictly reserved for the official purposes of IOM and protected from unauthorised use by Article 6ter of the Paris Convention for the Protection of Industrial Property, revised in Stockholm in 1967 (828 UNTS 305 (1972)).

13. Intellectual Property

All intellectual property and other proprietary rights including, but not limited to, patents, copyrights, trademarks, and ownership of data resulting from the performance of the Services, including the draft/final verification reports produced under this Agreement, shall be vested in IOM, including, without any limitation, the rights to use, reproduce, adapt, publish and distribute any item or part thereof.

14. Guarantee and Indemnities

- 14.1 The Service Provider shall guarantee any work performed under this Agreement for a period of 12 months after final payment by IOM under this Agreement.
- 14.2 The Service Provider shall at all times defend, indemnify, and hold harmless IOM, its officers, employees, and agents from and against all losses, costs, damages and expenses (including legal fees and costs), claims, suits, proceedings, demands and liabilities of any kind or nature to the extent arising out of or resulting from acts or omissions of the Service Provider or its employees, officers, agents or subcontractors, in the performance of this Agreement. IOM shall promptly notify the Service Provider of any written claim, loss, or demand for which the Service Provider is responsible under this clause. This indemnity shall survive the expiration or termination of this Agreement.

15. Status of IOM

Nothing in or relating to the Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the International Organization for Migration as an intergovernmental organization.

16. Assignment and Subcontracting

- 16.1 The Service Provider shall not assign or subcontract the activities under this Agreement in part or all, unless agreed upon in writing in advance by IOM. Any subcontract entered into by the Service Provider without approval in writing by IOM may be cause for termination of this Agreement.
- 16.2 In certain exceptional circumstances by prior written approval of IOM, specific jobs and portions of the Services may be assigned to a subcontractor. Notwithstanding the said written approval, the Service Provider shall not be relieved of any liability or obligation under this Agreement nor shall it create any contractual relation between the subcontractor and IOM. The Service Provider shall include in an agreement with a subcontractor all provisions in this Agreement that are applicable to a subcontractor, including relevant Warranties and Special Provisions. The Service Provider remains bound and liable thereunder and it shall be directly responsible to IOM for any faulty performance under the subcontract. The subcontractor shall have no cause of action against IOM for any breach of the subcontract.

17. Waiver

Failure by either Party to insist in any one or more instances on a strict performance of any of the provisions of this Agreement shall not constitute a waiver or relinquishment of the right to enforce the provisions of this Agreement in future instances, but this right shall continue and remain in full force and effect.

18. Severability

If any part of this Agreement is found to be invalid or unenforceable, that part will be severed from this Agreement and the remainder of the Agreement shall remain in full force.

19. Entirety

This Agreement embodies the entire agreement between the Parties and supersedes all prior agreements and understandings, if any, relating to the subject matter of this Agreement.

20. Termination

- 20.1 IOM may at any time suspend or terminate this Agreement, in whole or in part, with immediate effect, by providing written notice to the Service Provider, in any case where the mandate of IOM applicable to the performance of the Agreement or the funding of IOM applicable to the Agreement is reduced or terminated. In addition, IOM may suspend or terminate the Agreement upon thirty (30) days' written notice without having to provide any justification.
- 20.2 In the event of termination of this Agreement, IOM will only pay for the Services completed in accordance with this Agreement unless otherwise agreed in writing by the Parties. The Service Provider shall return to IOM any amounts paid in advance within 7 (seven) days from the date of the notice of termination.
- 20.3 In the event of any termination of the Agreement, upon receipt of notice of termination, the Service Provider shall take immediate steps to bring the performance of any obligations under the Agreement to a close in a prompt and orderly manner, and in doing so, reduce expenses to a minimum, place no further subcontracts or orders for materials, services, or facilities, and terminate all subcontracts or orders to the extent they relate to the portion of the Agreement. Upon termination, the Service Provider shall waive any claims for damages including loss of anticipated profits on account thereof.

20.4 In the event of suspension of this Agreement, IOM will specify the scope of activities and/or deliverables that shall be suspended in writing. All other rights and obligations of this Agreement shall remain applicable during the period of suspension. IOM will notify the Service Provider in writing when the suspension is lifted and may modify the completion date. The Service Provider shall not be entitled to claim or receive any Service Fee or costs incurred during the period of suspension of this Agreement.

21. Final clauses

21.1 This Agreement will enter into force upon signature by both Parties. It will remain in force until completion of all obligations of the Parties under this Agreement unless terminated earlier in accordance with Article 20.

21.2 Amendments may be made by mutual agreement in writing between the Parties.

Signed in two copies in English, on the dates and at the places indicated below.

For

For

The International Organization for
Migration (IOM)

[Name of the Service Provider]

(Signature)

(Signature)

(Name)

(Name)

Title:

Title:

Date:

Date:

Place:

Place:

Annex A: Technical Proposal *[to be enclosed upon signature]*

Annex B: Financial Proposal *[to be enclosed upon signature]*

**Annex C: Terms of Reference for an Expenditure Verification of a Service Contract (fee-based) –
External Actions of the European Union**

▪ How to use this terms of reference MODEL
▪ (also applies to Annex 1)

- **insert** the information requested between <...>.
- **choose** the optional text between [...] highlighted in grey when applicable or delete.
- **delete** all yellow instructions and the present text box.

The present terms of reference apply to the verification of expenditure declared in financial reports under the following contracts:

1) Service Contract¹ number and title of the action <...>

[2) Service Contract² number and title of the action <...>]

<Repeat contracts/reports as applicable>

Detailed information is provided at the cover page of Annex 1.

¹ Contract in relation to which the financial report subject to verification is issued. The contract established with the expenditure verifier is identified as "Verification Contract"

² Contract in relation to which the financial report subject to verification is issued. The contract established with the expenditure verifier is identified as "Verification Contract"

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Introduction

The present document and the Annexes listed in Section 8 are the terms of reference ('ToR') on which the Contractor agrees to engage 'the Expenditure Verifier' to perform a verification of expenditure reported by Reporting Entities.

Where in these ToR the 'Contracting Authority' is mentioned, this refers to the < European Commission or name of another contracting authority>, which has signed the Service Contract with the Contractor and finances the services. The Contracting Authority is not party to this agreement

These ToR will become an integral part of the contract concluded between the Contractor and the Expenditure Verifier.

They apply to expenditure verifications contracted by the Commission or by the Contractor and cover the verification of expenditure incurred under the EU financed contracts on the cover sheet.

Objectives and context

The Expenditure Verifier is expected:

- to carry out the agreed-upon procedures listed in Section 6, and
- to issue reports based on the template in Annex 2 which will support the Contracting Authority's conclusions on the eligibility of the reported expenditure and the related follow-up.

The expenditure verification will be performed as [<Choose either one or both> a desk review or/and fieldwork at the location indicated in Annex 1.]

The Expenditure Verifier is not expected to provide an audit opinion.

Standards and Ethics

The Expenditure Verifier shall undertake this engagement in accordance with:

- the International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
- the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards.

Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the Expenditure Verifier is independent from the Reporting Entity and complies with the independence requirements of the IFAC Code of Ethics for Professional Accountants.

Requirements for the Expenditure Verifier

By agreeing these ToR, the Expenditure Verifier confirms meeting at least one of the following conditions:

- The Expenditure Verifier is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC).
- The Expenditure Verifier is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Expenditure Verifier commits to undertake this expenditure verification in accordance with the IFAC standards and ethics set out in these ToR.
- The Expenditure Verifier is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight

set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state)³.

- The Expenditure Verifier is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

Scope

Contracts and Financial Reports covered by these ToR

The Contract(s) and Financial Reports subject to this expenditure verification are indicated on the cover sheet and in Annex 1.

Conditions for Eligibility of Expenditure

As per the Article 28.3 of the General Conditions of Service contracts, the Expenditure Verifier must satisfy itself that relevant, reliable and sufficient evidence exists that:

- (a) the experts employed by the contractor for the contract have been working as evidenced on the contract (as corroborated by independent, third-party evidence, where available) for the number of days claimed in the contractor's invoices and in the financial reporting spreadsheet submitted with the interim progress reports; and
- (b) the amounts claimed as incidental expenditure have actually and necessarily been incurred by the contractor in accordance with the requirements of the terms of reference of the contract.

The conditions for eligibility are stipulated in the Contracts which are provided in Annex 1 (including riders).

On the basis of its verification, the Expenditure Verifier submits to the contractor an expenditure verification report in accordance with the model in Annex 2.

Verification Process and Methodology

Preparation of the Verification

The Expenditure Verifier shall prepare the verification and agree on the timing for carrying out the expenditure verification, notably with regard to fieldwork (if any) (see Section 6.2. for applicable maximum time lags). The Expenditure Verifier will then also confirm with the Contractor the location(s) indicated in Annex 1 and ensure that relevant supporting documents as well as key staff are available during the verification.

Preparatory Meeting, Fieldwork, Desk Review

[The Contractor foresees a preparatory meeting with the Expenditure Verifier which will be held <Choose either one or both> by conference call or at <name and address of the meeting place should be clearly stated>.]

The field work or desk review shall commence as soon as possible and not later than <number> calendar days after the signature of the verification contract or the date of availability of the Financial Report (i.e. financial report, supporting documents and other relevant information).

Engagement Context, Materiality, Risk Analysis, Sampling

The Expenditure Verifier's procedures should include:

- obtaining a sufficient understanding of the engagement context including the contractual conditions, the Contractor and the applicable EC laws and regulations which are set out in

³ Directive 2006/43 of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253 EEC.

Section 5 above (Scope). The Expenditure Verifier should pay specific attention to the contractual provisions relevant for the Service contract.

The understanding should be sufficient to identify and assess the risks of material errors or misstatements in the expenditure stated in the Financial Report in order to determine the size and structure of the expenditure sample to be tested, whether caused by error or fraud, and sufficient to design and perform further verification procedures.

- performing a risk analysis.

This work involves an assessment of the inherent risks that:

- The Financial Report is not reliable, i.e. that it does not present, in all material aspects, the actual expenditure incurred in conformity with applicable conditions.
- Expenditure declared in the financial report has not, in all material aspects, been incurred in conformity with applicable contractual conditions.
- Fraud and irregularities have occurred which could have had an impact on expenditure reported under the contract.

The Expenditure Verifier should assess the inherent risk based, inter alia, on the number and complexity of the transactions, the complexity of the activities provided for by the Contract, the number of implementing entities involved and the environment where the Contract is implemented.

In addition the Expenditure Verifier, based inter alia on the information provided in annex 1 to the Terms of Reference (*Engagement Context / Key Information*) will consider the control risk, i.e. whether the design of the Internal Control System sufficiently mitigates the identified inherent risks and whether it is plausible that it is operating effectively.

The outcome of the risk analysis has to be clearly described in the Verification Report (Annex 2, Section 2.1).

- determining the sample size.

For the purpose of determining what the overall material misstatement or error is, the Expenditure Verifier will apply a materiality threshold of 2% of the total amount of the gross reported expenditure with a confidence level of 95%.

- establishing the sample and selecting the individual items for testing.

The link between the risk assessment and the size and composition of the sample, as well as the sampling method (statistical/non-statistical) must be clearly described in the Verification Report (Annex 2, Section 2.2).

- Performing the expenditure checks relevant to the eligibility requirements applicable to the contract.

Fieldwork / Desk Review

The main task during the fieldwork or desk review will be to perform the substantive tests. Key information about the testing process must be provided in the Verification Report (Annex 2, Section 4).

Debriefing Memo and Closing Meeting

At the end of the fieldwork or desk review, the Expenditure Verifier should prepare a debriefing memo, organise a closing meeting with the Contractor in order to discuss the findings, obtain its initial comments and agree on any additional information to be provided at a later date.

Documentation and Verification Evidence

Evidence to be used for performing the expenditure verification tests is all financial and non-financial information which makes it possible to examine the expenditure declared in the Financial Report.

The Expenditure Verifier documents matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISRS 4400 and these ToR.

Reporting

Structure and Content of the Report

The use of the Expenditure Verification Report template in Annex 2 of these ToR, including the annexed tables, is **compulsory**.

If the verification scope covers Financial Reports related to different Contracts, a separate and specific report should be issued for each Contract.

The report should provide basic information about the Contract and should describe the outcome of the risk analysis and its implications on the sampling. The report should also give an overview of the substantive testing and fully disclose the information regarding the items included in the expenditure population and in the sample. The report should finally detail the findings identified through the performance of the agreed-upon procedures.

The report should be presented in <language>. The Expenditure Verifier will submit within < number of working days to be indicated by the Contractor > working days of the conclusion of the field work a draft report to the Contractor for comments to be received within < number of working days to be indicated by the Contractor > working days. This delay expired, the Expenditure Verifier will provide the final report to the Contractor within < number of working days to be indicated by the Contractor > working days from the receipt of the comments (if any).

Expenditure Verification Findings and Recommendations

The factual findings shall be reported in accordance with the formats and criteria specified in the Expenditure Verification Report template (Annex 2). The description of findings will include the standard applied (e.g. art. xx of the General Conditions of the Contract), the facts and the analysis of the Expenditure Verifier.

The verification report should include all financial findings made by the Expenditure Verifier, regardless of the amount involved. Changes in the financial findings occurring between the draft and final report as a result of the consultation procedure should be clearly and sequentially reported.

Other Matters

Subcontracting

The Expenditure Verifier will not subcontract without prior written authorisation from the Contractor.

Annexes

Annex 1 - Engagement Context / Key Information

Annex 2 - Model for Expenditure Verification Report

Annex 1/<...⁴>: Engagement Context / Key Information

Contract⁵ and report summary

[Annex to be completed by the Contractor]

Information about the Service Contract	
Reference number and date of the Service Contract	< Contracting Authority's reference for the Contract>
Service contract title	
Country	
Contractor	<Full name and address of the Contractor as per the Service Contract>
Start date of the contract	
End date of the contract	
Financial Report(s) subject to verification:	<DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY>
Total amount of the invoice and invoice date	<Total amount as per the Contractor's invoice subject of this verification and the invoice date>
Total amount invoiced to the Contracting Authority to date	<Total amount invoiced by the Contractor, the number of invoices and the invoice dates and references>
Total amount received to date by the Contractor from Contracting Authority	<Total amount received as per dd.mm.yyyy>
Contracting Authority	[<Name, position/title, phone and E-mail of the contact person at the Contracting Authority>. (To be completed only if the Contracting Authority is not the Commission.)]
European Commission	<Name, position/title, phone and E-mail of the contact person in the Delegation of the European Union in the country concerned, or if applicable at Headquarters>
Auditor	< Name and address of the audit firm and names/positions of the auditors>

⁴ Sequential number. Fill in a separate annex per contract covered.

⁵ Contract in relation to which the financial report subject to verification is issued. The contract established with the expenditure verifier is identified as "Verification Contract".

A Logistics		
Issue	Question	Reply
Locations	1. Where does the Contractor retain the accounting records?	
	2. Where does the Contractor retain the original supporting documents?	
	3. Where were contractual activities carried out?	
	4. Where is key project staff available to provide information and explanations?	
Languages	5. Which is the contractual language?	
	6. Which is the language of the accounting records?	
	7. Which are the languages of supporting documents?	
	8. Which languages are spoken by key project staff?	

B Contractual Conditions		
Contract amount	9. What is the total amount of the contract?	

C Financial Report (enclosed as Annex 1.1)		
Financial report	10. Approximately how many expense transactions have been reported / are expected to be reported in the Financial Report?	
	11. What is the distribution of these transactions (e.g. fees, incidental expenditure, lump sums etc.), Are the transactions few/many of large/small value?	
	12. To what extent have Project transactions been carried out in cash?	[high, medium, low]
	13. In which currencies has expenditure been incurred?	
	14. What is the reporting currency?	
	15. How many other Financial Reports have already been presented by the Contractor under this contract?	

D Previous contracts verifications, audits or monitoring		
Previous verifications, audits or monitoring	16. Which previous experience did the Contractor have with EC Service contracts and associated regulations?	
	17. How many of the previously presented Financial Reports (if any) have been subject to audit/verification by external consultants contracted by the Contractor?	
	18. Have any verification, audit or monitoring exercises other than those referred to under point 17 been carried out with regard to the contract or the Contractor that are relevant for the scope of the current verification?	
	19. Have any significant findings been raised under the exercises referred to under points 17 and 18? If so, what are they?	
	20. Have any instances of fraud or irregularities been previously identified in dealings with the Contractor?	

Annex 1/<...>.1: Financial Report(s) to be verified

E Contact Details			
Contractor: <full name of the entity subject to audit>			
Address		Country	
Phone		Fax	
Website			
Key contact			

Annex 1/<...>.2: Contract and riders

<Other documents to be sent to the Auditor, (e.g. narrative reports, previous audit reports)>

<Annex 2: Model for >Expenditure verification Report

<To be printed on AUDITOR'S letterhead>

**Report for an Expenditure Verification of a Service Contract (Fee –Based)
External Actions of the European Union**

<Title of and number of the Service contract >

How this model should be completed by the Expenditure Verifier

- **insert** the information requested between <...>
- **choose** the optional text between [...] highlighted in grey when applicable or delete
- **delete** all yellow instructions and the present text box

1. Background information

1.1. Short description of the action subject to verification

Contract number and title:	
Contract type	<service contract...>
Financial Report(s) subject to verification	<DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY>
Contractor	< Identify the Contractor and provide key information about their legal form, nationality, size, main field(s) of activity and other elements deemed relevant – max 200 words>
Location(s) where the Contract is implemented	
Contract execution period	
Contract implementation status	< indicate on-going or completed >
General and specific objectives of the Contract	
Synthetic description of the activities, outputs and target group	<max 300 words>

1.2. Basic financial information on the Contract (at the time of the verification)

Expenditure

	Estimated number of working days in the Budget of the contract	Fee rate per working day in the Budget of the contract	Number of working days claimed	Fees claimed (amount)	Amount claimed
FEES (including overheads):					
...					
PROVISION FOR INCIDENTAL EXPENDITURE:					
...					
LUMP SUMS					
PROVISION FOR EXPENDITURE VERIFICATION					
MAXIMUM CONTRACT VALUE					

1.3. Verified Financial Reports/Invoices

See annex 2.1

2. Risk analysis

2.1. Outcome of risk analysis

Based on the risk analysis performed according to the Terms of Reference, provide succinct information about the identified risks that may affect the verified report, regarding the action, the context in which the latter is implemented, the beneficiaries and the target group.

<E.g. of risks are transactions incurred in several currencies, technical complexity, high corruption perception index, instances of political interference, predominance of cash payments, number of parties involved, partners lacking administrative capacity, known weaknesses in internal control systems, lack of involvement or cooperation of the target group, history of fraud cases. (max. 300 words)>

In addition, please identify possible mitigating factors.

< E.g. previous audit or verification work, evidence of close follow up by the contracting authority, good results yielded in the past by the implementing partner, etc. (max. 150 words)>

2.2 Implications on the sampling

Explain how the identified risk factors are reflected in the structure and size of the sample.

<Based on the identified risk factors, describe how the sample was selected (e.g. statistical/judgemental sampling, stratification, etc.), what type of transactions were prioritised (e.g. amount above xx EUR, staff expenditure, incidental expenditure etc.) what is the coverage ratio in amount and number of transaction (max. 200 words)>

3. Transaction population and sample

Sampling Highlights/Overview

The sample size was determined based on a materiality threshold of 2% of the total amount of

reported expenditure with a confidence level of 95% and considering the risk analysis presented above.

Report/invoice: <indicate the report/invoice number and cut-off dates>		
	Population	Audited sample
Number of transactions		
Value of transactions EUR		

[If more than one financial report/invoice is verified, repeat as applicable]

A complete list of the transactions included in the population is to be included in Annex 2.3.

4. Substantive testing

Short description of the testing process

Compliance with the Terms of Reference and with the International Standard on Related Services (ISRS) 4400.

<Confirm that the relevant testing procedures were fully applied or disclose any scope limitation. Also confirm that the testing was executed in accordance with the International Standard on Related Services (ISRS) 4400, “Engagements to Perform Agreed-upon Procedures Regarding Financial Information”.>

Provide the key information about the testing process.

<E.g. describe if the verification work took place at the implementing partner's premises, whether qualified representatives of the auditee were present, if they were cooperative, if the supporting documentation was available in full, if additional documents had to be received after the field mission, whether evidence of the equipment transfer is available, if physical inspections were performed, any scope limitations, etc. (max. 300 words)>

5. Summary of findings

5.1. Summary of errors detected

<Description of the main outcomes of the transaction testing (e.g. type of errors detected, type of transactions, geographic scope, sector, involved implementing partners, etc.) (max. 200 words)>

5.2 Audit team

<List names and expert category levels for this report.>

<Name and signature of the Verifier>

<Verifier's address: office having responsibility for the audit>

[for final reports <Date of signature> the date when the final report is signed]

Annex 2.1: Financial reports/invoices provided by the auditee

Annex 2.2: Procedures performed

Annex 2.3: Table of transactions - provided as Excel file

Annex 2.4: Table of errors - provided as Excel file

Annex D: IOM Data Protection Principles

INTERNATIONAL ORGANIZATION FOR MIGRATION

Document Title: IOM Data Protection Principles

Document Type: Instruction

Character: Compliance with this Instruction is **mandatory**

Control No.: IN/00138

Document Owner: LEG

Status: Active

Date of Entry Into Force: 1 May 2009

End Validity Date:

Replaces – *for Archive Replaced by*: IB/00047, IOM Data Protection Principles, issued on 11 November 2008.

Summary: These principles provide institutional safeguards for handling personal data of IOM beneficiaries. It provides a framework for the collection, use, storage, disclosure and disposal of personal data, and should be applied systematically throughout the Organization.

Keywords: Migrant Rights, Human Rights, Data Protection, Data Management, Data Collection, Data Analysis, Migrant Protection, Migration Data, Preventive Measures, Privacy, Confidentiality.

Location: <https://intranetportal/Pages/ControlNo.aspx?controlNo=IN/00138>

Initiated: LEG

Coordinated: TAMM, WIDAM

Authorized: DGO

Distribution: All Missions Worldwide, All Departments at HQ



IOM DATA PROTECTION PRINCIPLES

1. LAWFUL AND FAIR COLLECTION

Personal data must be obtained by lawful and fair means with the knowledge or consent of the data subject.

2. SPECIFIED AND LEGITIMATE PURPOSE

The purpose(s) for which personal data are collected and processed should be specified and legitimate, and should be known to the data subject at the time of collection. Personal data should only be used for the specified purpose(s), unless the data subject consents to further use or if such use is compatible with the original specified purpose(s).

3. DATA QUALITY

Personal data sought and obtained should be adequate, relevant and not excessive in relation to the specified purpose(s) of data collection and data processing. Data controllers should take all reasonable steps to ensure that personal data are accurate and up to date.

4. CONSENT

Consent must be obtained at the time of collection or as soon as it is reasonably practical thereafter, and the condition and legal capacity of certain vulnerable groups and individuals should always be taken into account. If exceptional circumstances hinder the achievement of consent, the data controller should, at a minimum, ensure that the data subject has sufficient knowledge to understand and appreciate the specified purpose(s) for which personal data are collected and processed.

5. TRANSFER TO THIRD PARTIES

Personal data should only be transferred to third parties with the explicit consent of the data subject, for a specified purpose, and under the guarantee of adequate safeguards to protect the confidentiality of personal data and to ensure that the rights and interests of the data subject are respected. These three conditions of transfer should be guaranteed in writing.

6. CONFIDENTIALITY

Confidentiality of personal data must be respected and applied to all the stages of data collection and data processing, and should be guaranteed in writing. All IOM staff and individuals representing third parties who are authorized to access and process personal data, are bound to confidentiality.

7. ACCESS AND TRANSPARENCY

Data subjects should be given an opportunity to verify their personal data, and should be provided with access insofar as it does not frustrate the specified purpose(s) for which personal data are collected and processed. Data controllers should ensure a general policy of openness towards the data subject about developments, practices and policies with respect to personal data.

8. DATA SECURITY

Personal data must be kept secure, both technically and organizationally, and should be protected by reasonable and appropriate measures against unauthorized modification, tampering, unlawful destruction, accidental loss, improper disclosure or undue transfer. The safeguard measures outlined in relevant IOM policies and guidelines shall apply to the collection and processing of personal data.

9. RETENTION OF PERSONAL DATA

Personal data should be kept for as long as is necessary, and should be destroyed or rendered anonymous as soon as the specified purpose(s) of data collection and data processing have been fulfilled. It may however, be retained for an additional specified period, if required for the benefit of the data subject.

10. APPLICATION OF THE PRINCIPLES

These principles shall apply to both electronic and paper records of personal data, and may be supplemented by additional measures of protection, depending inter alia on the sensitivity of the personal data. These principles shall not apply to non-personal data.

11. OWNERSHIP OF PERSONAL DATA

IOM shall assume ownership of personal data collected directly from data subjects or collected on behalf of IOM, unless otherwise agreed, in writing, with a third party.

12. OVERSIGHT, COMPLIANCE AND INTERNAL REMEDIES

An independent body should be appointed to oversee implementation of these principles and to investigate any complaints, and designated data protection focal points should assist with monitoring and training. Measures will be taken to remedy unlawful data collection and data processing, as well as breach of the rights and interests of the data subject.

13. EXCEPTIONS

Any intent to derogate from these principles should first be referred to the IOM Legal Affairs Department for approval, as well as the relevant unit/department at IOM Headquarters.

GLOSSARY

Anonymous data means that all the personal identifiable factors have been removed from data sets in such a way that there is no reasonable likelihood that the data subject could be identified or traced.

Consent means any free, voluntary and informed decision that is expressed or implied and which is given for a specified purpose.

Child means any person under the age of 18 years.

Data controller means IOM staff or an individual that represents a third party who has the authority to decide about the contents and use of personal data.

Data processing means the manner in which personal data is collected, registered, stored, filed, retrieved, used, disseminated, communicated, transferred and destroyed.

Data protection means the systematic application of a set of institutional, technical and physical safeguards that preserve the right to privacy with respect to the collection, storage, use and disclosure of personal data.

Data protection focal point means any IOM staff that is appointed by IOM Regional Representatives to serve as a contact or reference person for data protection and who is responsible for monitoring the data protection practices in the region to which they are assigned.

Data subject means an IOM beneficiary that can be identified directly or indirectly by reference to a specific factor or factors. These factors include a name, an identification number, material circumstances and physical, mental, cultural, economic or social characteristics that can be used to identify an IOM beneficiary.

Electronic record means any electronic data filing system that records personal data.

Inter alia (Latin) means “amongst other things.”

IOM means the International Organization for Migration.

IOM beneficiary means any person that receives assistance or benefits from an IOM project.

IOM headquarters means IOM offices in Geneva, Switzerland.

IOM staff means all persons who are employed by IOM, whether temporarily or permanently, including formal and informal interpreters, data-entry clerks, interns, researchers, designated counselors and medical practitioners.

IOM unit/department means the structure at IOM headquarters responsible for IOM activity areas.

Knowledge means the ability to fully understand and appreciate the specified purpose for which personal data are collected and processed.

Non-personal data means any information that does not relate to an identified or identifiable data subject.

Paper record means any printed or written document that records personal data.

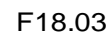
Personal data means any information relating to an identified or identifiable data subject that is recorded by electronic means or on paper.

Third party means any natural or legal person, government or any other entity that is not party to the original specified purpose(s) for which personal data are collected and processed. The third party that agrees in writing to the transfer conditions outlined in principle 5, shall be authorized to access and process personal data.

Vulnerable groups means any group or sector of society, including children, that are at exceptional risk of being subjected to discriminatory practices, violence, natural disasters, or economic hardships.

Vulnerable individual means any IOM beneficiary that may lack the legal, social, physical or mental capacity to provide consent.

Annex E: Purchase Order form

**Headquarters**

PO No. **Rev. No.**
Reference SAP PO No

Manila Administrative Support Office

PO Date
Revision Date

PURCHASE ORDER

[illegible]

<p>Vendor's Acceptance</p> <p><i>I confirm that I am authorized, as a representative of my company, to accept the terms and conditions contained in this Purchase Order. I certify that I have read the terms and conditions and that, on behalf of my company, I accept them unconditionally and agree to be bound by them.</i></p> <p>_____</p> <p><i>Sign Over Printed Name & Date</i></p>	<p>Prepared by: _____</p> <p>Date _____</p> <p>Approved by: _____</p> <p>Date _____</p>
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Standard Terms and Conditions for Purchase Order

1. Agreement

This Purchase Order (PO) becomes the exclusive agreement between IOM and Supplier for the goods, subject to the Standard Terms and Conditions contained herein. Any of the following shall constitute Supplier's unqualified acceptance of this PO: (a) acknowledgement of this PO; (b) furnishing of any goods under this PO; or (c) acceptance of any payment. Additional or different terms and conditions proposed by Supplier shall be void and of no effect unless accepted in writing by IOM. Until so accepted, IOM reserves the right to return goods, at Supplier's expense. In the event of a conflict between the Supplier's terms of acceptance and the PO Terms and Conditions, the PO Terms and Conditions shall govern unless IOM agrees in writing to the Supplier's proposed terms. In the event of a conflict between the terms of Annex(es) to the PO and the PO Terms and Conditions, the PO Terms and Conditions shall prevail.

2. PO Identification

The PO number must appear on all invoices, bills of lading, packing slips, cartons, and correspondence.

3. Delivery

Delivery must be completed within the delivery schedule stated on this PO. Otherwise, IOM reserves the right to (a) cancel this PO without liability and to charge Supplier with any loss incurred as a result of Supplier's failure to make the delivery within the delivery schedule specified; or (b) charge a penalty of [0.1%] of the total price for every day of breach of the delivery schedule by the Supplier.

4. Payment

Supplier shall invoice IOM upon delivery of the goods and payment shall be made within the stated period after receipt of the invoice. Payment shall be made to the Supplier as stated in the "Terms of Payment" of the Purchase Order.

5. Adjustments

IOM reserves the right to change at any time the quantity, packaging, unit size, place and/or time of delivery. Supplier agrees to proceed with this PO in accordance with any such change(s) and to submit a claim request for an equitable adjustment in the PO price or delivery term caused by such change(s). IOM may deem any claim by Supplier for equitable adjustments under this clause waived unless asserted in writing within 10 days from receipt by Supplier of IOM's change(s). No change in, modification of, or revision to this PO shall be valid unless in writing and signed by an authorized representative of IOM.

6. Packaging

Supplier must provide proper and adequate packaging in accordance with best commercial practice, to ensure that the material being shipped to IOM will be free of damage. Packaging must be adequate to allow for rough handling during transit, exposure to extreme temperatures, salt and precipitation during transit and open storage, with consideration for the type of Goods and transportation mode. IOM reserves the right to reject any shipment that is deemed not to have been packaged adequately.

7. Inspection and Acceptance

- a) IOM or its representative shall have the right to inspect and/or test the goods at no extra cost to IOM at the premises of the Supplier, at the point of delivery or at the final destination. The Supplier shall facilitate such inspections and provide required assistance.
- b) IOM shall have 30 calendar days after proper receipt of the goods purchased to inspect them and either accept or reject them as non-conforming with this PO. Based on an inspection of a valid sample, IOM may reject the entire delivery. IOM may also charge the cost of inspecting rejected goods to Supplier. All rejected goods will be returned to Supplier, transportation charges collect, or held by IOM for disposition at Supplier's risk and expense. Supplier agrees that IOM's payment under this PO shall not be deemed acceptance of any goods delivered hereunder. IOM's right to reject the Goods shall not be limited or waived by the Goods having been previously inspected or tested by IOM prior to delivery.
- c) The Supplier agrees that any acceptance by IOM does not release the Supplier from any warranty or other obligations under this Contract
- d) Title to the goods shall pass when they are delivered and accepted by IOM. Risk of loss, injury, or destruction of the goods shall be borne by Supplier until title passes to IOM.

8. Warranties

8.1 Supplier represents and warrants that:

- (a) The goods are conforming to the specifications, drawings, samples, or other descriptions furnished or specified by IOM and are free from defect in material and workmanship. This warranty shall remain valid for twelve (12) months after the Goods have been delivered to and accepted at the final destination. IOM's continued use of such goods after notifying Supplier of their defect or failure to conform will not be considered a waiver of Supplier's warranty.
- (b) It has full title to the goods and is a company financially sound and duly licensed, with adequate human resources, equipment, competence, expertise and skills necessary to carry out fully and satisfactorily, within the stipulated completion period, the delivery of the goods in accordance with this PO;
- (c) It shall comply with all applicable laws, ordinances, rules and regulations when performing its obligations under this PO;
- (d) In all circumstances it shall act in the best interests of IOM;
- (e) No official of IOM or any third party has received or will be offered by the Supplier any direct or indirect benefit arising from the PO or award thereof;
- (f) It has not misrepresented or concealed any material facts in the procuring of this PO;
- (g) The Supplier, its staff or shareholders have not previously been declared by IOM ineligible to be awarded contracts by the IOM;
- (h) It will abide by the highest ethical standards in the performance of this Contract, which includes not engaging in any discriminatory or exploitative practice or practice inconsistent with the rights set forth in the Convention on the Rights of the Child;
- (i) The prices established hereunder shall not exceed those offered for similar goods to Supplier's other customers;
- (j) The remuneration of the Supplier under this PO shall constitute the sole remuneration in connection with this PO. The Supplier shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this PO or the discharge of its obligations thereunder. The Supplier shall ensure that any subcontractors, as well as the personnel and agents of either of them, similarly, shall not receive any such additional remuneration.

8.2 The Supplier further warrants that:

- (a) It shall take all appropriate measures to prevent actual, attempted or threatened sexual exploitation or abuse (SEA) by its employees or any other persons engaged and controlled by it to perform any activities under this Agreement. In addition, it shall take all appropriate measures to prohibit its employees or other persons engaged and controlled by it from exchanging any money, goods, or services at their disposal under this Agreement, for sexual favours or activities.
- (b) It shall strongly discourage sexual relationships between its employees and IOM beneficiaries, and between any other person engaged and controlled by it to perform activities under this Agreement and IOM beneficiaries.
- (c) It shall take all appropriate measures to ensure that its employees or any other persons engaged and controlled by it to perform any activities under this Agreement do not engage in sexual activity with children (persons under the age of 18) regardless of the age of majority or age of consent locally. Mistaken belief regarding the age of a child is not a defence. This prohibition shall not apply where the employee or other person engaged and controlled by it to perform activities under this Agreement is legally married to someone under the age of 18 but over the age of majority or consent in their country of citizenship.
- (d) It shall report all and any complaints or concerns regarding possible SEA by its employees, any other persons engaged and controlled by it to perform any activities under this Agreement, or IOM personnel; and it shall take all appropriate measures to ensure that its employees or any other persons engaged and controlled by it to perform any activities under this Agreement shall report to IOM and/or the Supplier any complaints or concerns regarding possible SEA by its employees, any other persons engaged and controlled by it to perform any activities under this Agreement, or IOM personnel
- (e) It shall take all necessary measures to investigate allegations or suspicions of SEA and take appropriate corrective action, including disciplinary action, against its employee or any other person engaged and controlled by it to perform any activities under this Agreement who is found to have committed SEA.
- (f) Its failure to take preventive measures against SEA, to duly report any complaints or concerns about SEA to IOM, to investigate allegations thereof, or to take corrective action when SEA has occurred, shall constitute grounds for termination of this Agreement.
- (g) In the event of subcontracting approved by IOM in accordance with this Agreement, it shall receive a written confirmation from subcontractors that they accept the standards above and shall include them in all subcontracts.

9. Indemnification

The Supplier shall at all times defend, indemnify, and hold harmless IOM, its officers, employees, and agents from and against all losses, costs, damages and expenses (including legal fees and costs), claims, suits, proceedings, demands and liabilities of any kind or nature to the extent arising out of or resulting from acts or omissions of the Supplier or its employees, officers, agents or subcontractors, in the performance of this Contract. IOM shall promptly notify the Supplier of any written claim, loss, or demand for which the Supplier is responsible under this clause. This indemnity shall survive the expiration or termination of this Contract.

10. Termination and Reprourement

- (a) IOM may terminate this PO at any time with one week written notice to Supplier. Any monies paid in advance by IOM shall be refunded no later than the date of termination.
- (b) If IOM terminates this PO in whole or in part for default on the part of the Supplier, it may acquire elsewhere goods similar to those terminated and Supplier shall be liable for any excess costs to IOM for those goods. Supplier shall not be liable for any excess costs if the failure to perform under this PO arises from causes beyond its control and without fault or negligence of the Supplier.

11. Independent Contractor

The Supplier shall supply goods pursuant to this PO as an independent contractor and not as an employee, partner, or agent of IOM.

12. Audit

The Supplier agrees to maintain records, in accordance with sound and generally accepted accounting procedures, of all direct and indirect costs of whatever nature involving transactions related to the provision of services under this Agreement. The Supplier shall make all such records available to IOM or the IOM's designated representative at all reasonable times until the expiration of seven (7) years after the date of final payment, for inspection, audit, or reproduction for the purpose of verifying services or quantities delivered, or the right of Supplier to any price adjustment or extra charge claimed under this PO. On request, employees of the Supplier shall be available for interview.

13. Settlement of Dispute

Any dispute, controversy or claim arising out of or relating to this PO, or the breach, termination or invalidity thereof shall be settled by negotiation between the Parties. In the event that such negotiation is unsuccessful, either Party may submit the dispute to arbitration. The arbitration will be carried out in accordance with the UNCITRAL Arbitration Rules as at present in force. The arbitral award will be final and binding.

14. Confidentiality

All information which comes into the Supplier's possession or knowledge in connection with this PO is to be treated as strictly confidential. The Supplier should not communicate such information to any third party without the prior written approval of IOM. The Supplier shall comply with IOM Data Protection Principles in the event that it collects, receives, uses, transfers or stores any personal data in the performance of this PO. These obligations shall survive the expiration or termination of this PO.

15. Use of IOM Name

The use of the official logo and name of IOM may only be used by Supplier in connection with this PO and with the prior written approval of IOM.

16. Status of IOM

Nothing in this Agreement affects the privileges and immunities enjoyed by IOM as an intergovernmental organization.

17. Assignment and Subcontracting

The Supplier shall not assign or subcontract the Contract or any work under this Contract in part or all, unless agreed upon in writing in advance by the Organization. Any subcontract entered into by the Supplier without approval in writing by the IOM may be cause for termination of the PO.

18. Waiver

Failure by either Party to insist in any one or more instances on a strict performance of any of the provisions of this PO shall not constitute a waiver or relinquishment of the right to enforce the provisions of this PO in future instances, but this right shall continue and remain in full force and effect.

19. Severability

If any part of this PO is found to be invalid or unenforceable, that part will be severed from this PO and the remainder of the PO shall remain in full force.

Supplier's signature and stamp accepting these terms and conditions:

Date:

Annex F: Template of Representation Letter

(Client Address)

Brussels, Day Month Year

Taking into consideration our responsibilities, as mentioned in the Service Contract with the European Union with reference nr XXX concerning the “EU Election Observation Mission in YYY” (hereafter referred to as “the Project”), and your engagement to perform agreed-upon procedures with respect to the accompanying Financial Report and Invoice for the period covering Day/month/year to Day/month/year, we hereby confirm, to the best of our knowledge and belief, the following representations made to you during your engagement :

- We acknowledge our responsibility for compliance with the Terms and Conditions for the Project as set out in the Service Contract and any legal, regulatory and contractual documents of the European Commission that apply to the Project.
- We acknowledge our responsibility for the fair, complete, accurate and adequate presentation of the Financial Report and the invoice for the Project in accordance with the Service Contract Terms and Conditions.
- The Financial Report and the invoice for the Project is free of material misstatements and errors, including omissions. All transactions undertaken by us have been properly reflected and recorded in the accounting records.
- We have disclosed all revenues we have received from all sources relating to the Project.
- We acknowledge our responsibility for ensuring that the funds provided for the Project are used in accordance with the Service Contract Terms and Conditions.
- The fees reported in the Financial Report are based on actual services delivered by the experts to the Project in accordance with the stipulations of the Service Contract during the period of the Financial Report. The incidental expenditures reported in the Financial Report are incurred in accordance with the stipulations of the Service Contract.
- We acknowledge our responsibility for setting up and maintaining an internal control system which provides for :
 - reasonable assurance that compliance with the Service Contract Terms and Conditions is achieved and that appropriate action is taken whenever a breach of these terms and conditions occurs;
 - an appropriate accounting and financial reporting system, the maintenance of appropriate records for the Project including accounting records, the selection and application of accounting policies and the safeguarding of assets;
 - a reasonable degree of prevention and detection of irregularities and fraud.
- We have no knowledge of any fraud or suspected fraud or irregularities affecting the Project, involving management or employees who have a significant role in the accounting and internal control systems or others that could have a material effect on the financial information reported.

- We confirm that we are not involved in any legal or litigation proceedings which have or may have an impact on the Project.
- We accept that your ability to perform the tests and procedures required by this audit engagement effectively depends upon us providing full and free access to our staff and accounting and other relevant records.
- We have made available to you all records, documents, statements and information that we believe are relevant for the purpose of the agreed-upon-procedures you have performed.
- We are not aware of any events subsequent to period end which require adjustment of or disclosure in the Financial Report and invoice for the period.

Yours faithfully,

Signed on behalf of International Organisation for Migration

Name and position:

(Chief Executive Officer or other title)

Head of the Election Support Unit EU EOM Project Director

(Chief Financial Officer or other title)

Head of Unit EU Financial Liaison and Regional Resource Management