

Terms of References (ToR)

MARKET EXPLORATION FOR EXTERNAL AUDITOR

Contracting body:	MED-EL Elektromedizinische Geräte Gesellschaft m.b.H.
Project:	Hearing Healthcare Alliance - Empowering the Hearing Healthcare Sector in Developing and Emerging Countries
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The Hearing Healthcare Alliance “Empowering the Hearing Healthcare Sector in Developing and Emerging Countries”, initiated by MED-EL and co-financed by the Austrian Development Agency, is looking for an external auditor with proven experience in conducting expenditure verifications of public private partnership projects.

Main Stakeholders

MED-EL Medical Electronics (hereinafter referred to as “MED-EL”) is a family-owned and globally active medical device company. While the entire production takes place in Austria, the company is active in over 120 countries with more than 30 subsidiaries and branches. As one of the leading manufacturers of hearing systems, MED-EL accompanies patients throughout their hearing journey, from assessments and surgery to the fitting of the processors and after sales measurements such as rehabilitation.

The **Austrian Development Agency** (hereinafter referred to as “ADA”) is the operational unit of the Austrian Development Cooperation. The ADA seeks to ensure that sustainable development works to the benefit of all people. The ADA co-finances projects of European companies in Africa, Asia, and Southeast Europe.

ICEP Social Impact GmbH (hereinafter referred to as “ICEP”) is an independent Austrian development organisation with a business-oriented focus. As a sub-grantee of the Strategic Partnership between MED-EL and ADA, ICEP provides social impact and donor management expertise.

Context

On the 1st of February 2022, MED-EL and ADA launched the Hearing Healthcare Alliance (hereinafter referred to as “HHA”), a Strategic Partnership that invest heavily in the hearing-healthcare sector of developing and emerging economies. The emphasis of the interventions is put on education, infrastructure, and workforce development (e.g., training for hearing professionals such as audiologists, speech therapists, ENTs, or nurses). As a result, the care of people with hearing-impairment will be significantly improved.

The four key intervention areas are:

1. Capacity development for sustainable structures in the hearing healthcare sector
2. Early diagnosis for people with hearing impairment
3. Qualification of local hearing healthcare experts
4. Communication, research and gender equality

Project activities take place in 14 countries, divided into three regions:

- SSA:
 - FR-speaking: Benin, Cameroon, Côte d’Ivoire, Mali, Senegal
 - EN-speaking: Ethiopia, Kenya, Nigeria, Tanzania, Uganda
- SAARC East: Bangladesh, Bhutan, Nepal
- PAK: Pakistan



The project budget is of EUR 3.897.000,00 (MED-EL and ADA contributing EUR 1.948.500,00 each) for a project period of three years (01.02.2022-31.01.2025).

Reporting Guidelines

Every six months, a narrative and financial progress report must be submitted to the ADA. ICEP assists MED-EL in compiling these reports according to the ADA requirements. MED-EL is responsible for providing complete and qualitative information that can be used by ICEP without further ado.

The reports must contain a financial statement (consisting of a summary and a detailed breakdown) on the consumption of funds (own funds and grant funds) to date. The financial statement must further include a comparison of actual vs budgeted expenditure and a detailed voucher list classified according to the relevant ADA budget lines.

With every second progress report, the correctness of the financial statement must be confirmed by an audit report of a certified auditor. The objective of this audit report is to confirm the annual accounts of the expenditures incurred to implement the project.

As a result of this market exploration, an auditor shall be engaged by MED-EL in the role of a contractor. The best bidder will be engaged to conduct of total of three external audits over a period of three years, with each audit covering a project period of one-year. The audit report must be available no later than 2 months after the end of the respective reporting period:

External Audit	Reporting Period	Due Date Audit
1 st audit	01.02.2022-31.01.2023	31.03.2023
2 nd audit	01.02.2023-31.01.2024	31.03.2024
3 rd audit	01.02.2024-31.01.2025	31.03.2025

Tasks to be performed

Based on the original documents provided by MED-EL, the contractor shall verify that:

- the financial report accurately presents the actual expenditure incurred
- the financial flows are clearly presented; supported by bill confirmations and bank statements
- the project funds have been used in conformity with the Grant Agreement
- it is plausible that the expenditure for a selected item was necessary for the project implementation
- individual expenditures made from grant funds are clear evident from the project bookkeeping
- the expenditures are assigned to the correct budgeted items as specified in the approved Grant Application
- the costs declared in the financial statement are justified by the relevant supporting documents in form of genuine and original invoices, receipts and vouchers bearing all necessary information; these original supporting documents are clearly associated with the project and the project's time frame
- the conversion of currency has been calculated correctly, in particularly the conversion into EUR has been calculated in accordance with the General Terms and Conditions and is evidenced by currency exchange receipts and/or respective bank account statements
- equipment or services produced or provided by MED-EL have been charged at cost only (without any markup), if applicable
- regulations on travel expenses have been followed; based on the travel charge regulations for federal employees ("Reisegebührevorschrift für Bundesbedienstete")
- the claimed projects are net cost and free of any VAT
- applicable procurement regulations of the General Terms and Conditions have been complied with

For a complete list of procedures to be performed by the contractor, please refer to the "Guidelines for Expenditure Verification of projects (co-)financed by the ADA" (Annexe 1).

Minimum eligibility

The contractor must comply with the minimum requirements for auditors as well as the auditing standards outlined in the “Guidelines for Expenditure Verification of projects (co-)financed by the ADA” (see Annexe 1). In any case, the auditor must be an authorised auditing firm.

Moreover, the contractor must possess proven experience in the following areas:

- Appropriate professional qualifications and suitable experience with IFAC standards
- Min. 10 years experience in conducting audits of development cooperation projects (at least 5 reference projects)
- Min. 10 years experience in conducting audits of public private partnerships (at least 5 reference projects)
- Experience in verifying financial information of projects comparable in size and complexity
- Excellent oral and written English skills, French skills an advantage

Period of services

The contract and service period starts on the 1st of January 2023 and lasts until the 30th of April 2025.

Submission of bid

The offer must contain the following documents:

- a. Company profile
- b. Cost plan/price offer (in EUR)
- c. CV (name, function and qualification) of the staff to be employed
- d. Reference projects (as specified in the minimum eligibility section)

The documents (technical and price proposal) must be submitted **by 2nd of December 2022** via e-mail (PDF only!) to bircan.akdemir@medel.com.

Selection

The received offers are analysed objectively based on a decision-making matrix. MED-EL reserves the right to negotiate the proposals with the shortlisted candidates as well as the right not to select any candidate if no offer is deemed satisfactory. The selection of the external auditor must be agreed with the ADA before the auditor is engaged.

Confidentiality

All information concerning the HHA submitted in the context of this market consultation must be treated as strictly confidential and must not be divulged to any third party. Applicants agree not to disclose or publish any information. Similarly, any documents provided by the contractor will be treated as confidential.

Annexe

- Annexe 1: Guidelines for Expenditure Verification of projects (co-)financed by the ADA
- Annexe 2: Allgemeine Vertragsbedingungen der ADA
- Annexe 3: ADA Grant Application Strategic Partnership (incl. Budget and Stakeholder Overview)