

THE REGIONAL ENVIRONMENTAL CENTRE FOR THE CAUCASUS

Terms of Reference (TOR) for External Auditors

These Terms of Reference are intended to define the scope and objectives of external audits, along with reporting requirements.

Background:

The Regional Environmental Centre for the Caucasus (“RECC” or “REC Caucasus”) was registered on 24 March 2000 by the Ministry of Justice of Georgia by Degree N 4/5. RECC is a non-commercial, non-for-profit organization established on the basis of the Civil Code of Georgia, which undertakes its activities in accordance with Georgian legislation and accepted international legal norms.

Headquarters of REC Caucasus are located in Tbilisi, Georgia. The organisation has also branch offices in Yerevan, Armenia and Baku, Azerbaijan. REC Caucasus is managed by the Executive Body – a collegial Troika consisting of representatives of Armenia, Azerbaijan and Georgia. REC Caucasus is directed by the Board of Directors which comprises representatives from the governments of the three founding states, representatives of NGOs from all three states, a donor representative and a science/business representative.

The aim of the REC Caucasus is to assist in the solving of environmental problems in the Caucasus region through the promotion of co-operations at national and regional levels among non-government organization (“NGO”), stakeholders, local communities, and other environmental organizations, in order to develop a free exchange of information, in line with the principles of the Aarhus convention; offer assistance to all environmental NGO’s and other stakeholders; increase public participation in the decision-making process, thereby assisting the states of the Caucasus in the further development of a democratic civil society.

Objective of the Audit:

1. The objective of the audit of RECC's financial statements is to express an independent professional opinion on the financial position separately for Tbilisi office. Audit for the period of one fiscal year ending on 31 December 2025.
2. Grant Projects to be audited:

N	Donor Organization	Number of Transactions	Country of Implementation	Audit Period
1	GEF/UNEP (KUT)	500-600	Georgia	1 Jan, 2026 – 31 December 2026
2	GEF/UNEP (BIO)	600-700	Georgia	1 Jan, 2026 – 31 December 2026
3	GEF/UNEP (DEDOP)	500-600	Georgia	1 Jan, 2026 – 31 December 2026

4	UNEP/Minamata	200-250	Georgia	26 January 2026 – 31 December 2026
5	GEF/UNEP (CBIT)	400-500	Georgia	30 March 2026 – 31 December 2026
6	GEF/UNIDO (PoPs)	500-600	Georgia	1 Jan, 2026 – 31 December 2026

Scope of the Audit:

1. The audit of RECC's financial statements shall be carried out in accordance with the International Auditing Standards (IAS) and shall include tests and verification procedures as the auditors deem necessary.
2. The audit of grant projects shall be carried out with the International Auditing Standards. The audit of statements of expenditures, which are prepared on cash basis, shall be performed under the grant agreement requirements.

Audit Timeline

The tentative schedule for the audit process is outlined below:

- **Annual Financial Statements Audit:** The audit is expected to commence on **1 August 2026**, with an approximate duration of **1 month**.

- **Project Audits:** The audit for the grant projects is scheduled to start on **1 February 2027** and is expected to be finalized by **31 March 2027**.

Qualification of the Audit Firm:

The audit firms operating in Georgia, who have monitoring results of I and II category according to the Service for Accounting, Reporting and Auditing Supervision, shall be eligible to apply.

Audit Fees:

The audit fees will be determined through a competitive bidding process.

Deadline:

The deadline for receiving offers is 3 July, 2026.

Interested parties please send us a confirmation of your willingness to participate as well as your questions to the email address listed below (to provide more details about grant projects and annual results).

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