Terms of Reference (ToR) for External Auditors

Asociația Obștească „Lumos Moldova" (AO „Lumos Moldova")

IDNO 1010620006480

Republic of Moldova

Financial Year 2026 (1 January – 31 December 2026)

Version: Draft for Procurement Review

Date:

Prepared by: Mariana Patrașcu

Romanian version: to follow

1. Background

Asociația Obștească „Lumos Moldova" ("Lumos Moldova") is a non-commercial organization established and operating in the Republic of Moldova in the form of a public association (asociație obștească) under Law no. 86/2020 on non-commercial organizations and the Civil Code of the Republic of Moldova. The organization was reorganized and entered in the State Register of Legal Entities administered by the Public Services Agency (Agenția Servicii Publice) on 26 December 2025 under state identification number and fiscal code (IDNO) 1010620006480, with its registered office at 14 Mitropolit Gavriil Bănulescu-Bodoni Street, MD-2012, Chișinău, Republic of Moldova.

Lumos Moldova is non-governmental, non-political and non-profit, and is independent of any political, economic, social or religious authority.

The principal activity of Lumos Moldova is supporting the reform of the child protection and care system in the Republic of Moldova, working with national and local authorities, service providers and communities to enable children to grow up in families. Activities are delivered through direct interventions, technical assistance, capacity building and grant-funded projects.

For the year ending 31 December 2026, Lumos Moldova has an approved budget of 700.000 GBP. Income is generated from restricted and unrestricted funds (grants and donations). Total assets at 31 December 2025 were MDL 3.936.242, comprising non-current assets of MDL 1.877.152 and current assets of MDL 2.059.090.

The accounting records are maintained in the Romanian language and in Moldovan lei (MDL), as required by Article 7 of Law no. 287/2017. The annual financial statements are prepared in accordance with the National Accounting Standards (Standardele Naționale de Contabilitate – SNC) and the Methodological Indications on the particularities of accounting in non-commercial organizations, approved by Order of the Minister of Finance no. 188 of 30 December 2014, as required by Law no. 287/2017 for non-commercial organizations. The audit will be conducted in accordance with the International Standards on Auditing (ISA) as adopted for application in the Republic of Moldova under Law no. 271/2017 on the audit of financial statements.

Audit mandate. Lumos Moldova does not currently meet the medium or large entity criteria set out in Law no. 287/2017 and is therefore not subject to mandatory statutory audit under Article 32 of that law. The audit is commissioned by the governing bodies of Lumos Moldova in order to meet the requirements of its statute, the accountability requirements of Lumos Foundation and good governance practice. The audit is nevertheless to be performed as a full audit of the annual financial statements in accordance with ISA, by an audit entity registered in the Republic of Moldova, and the auditor's report is to comply with the requirements of Law no. 271/2017 on the audit of financial statements.

2. Purpose of this Terms of Reference

Lumos Moldova seeks to appoint an independent external audit firm, registered in the Public Register of Audit Entities maintained by the Public Audit Oversight Council of the Republic of Moldova (Consiliul de supraveghere publică a auditului – CSPA), for the audit of its annual financial statements for the financial year 2026. The purpose of this ToR is to define the expected scope, deliverables, audit standards, required qualifications, proposal requirements and evaluation criteria for the selection of the external auditor.

3. Objective of the Audit

The objective of the audit is for the appointed auditor to express an independent opinion as to whether the annual financial statements of Lumos Moldova present fairly, in all material respects (give a true and fair view of), the financial position, financial performance in accordance with the National Accounting Standards (SNC), the Methodological Indications approved by Order of the Minister of Finance no. 188/2014 and the requirements of Law no. 287/2017 on accounting and financial reporting.

The audit should also provide Lumos Moldova management and governance bodies with practical observations and recommendations on:

- the adequacy and effectiveness of accounting records, procedures, systems and internal controls examined during the audit;
- key control deficiencies and recommended corrective actions;
- compliance with the tax and social contribution obligations of the organization, including the conditions for the income tax treatment applicable to non-commercial organizations under Article 52 of the Tax Code of the Republic of Moldova;
- governance matters relevant to financial reporting, accountability and oversight;
- any financial reporting, compliance or going concern matters that may significantly affect the organization.

4. Scope of Work

The appointed audit firm will perform the following work:

- Audit the annual financial statements of Lumos Moldova for the year ending 31 December 2026.
- Conduct the audit in accordance with the International Standards on Auditing (ISA) as adopted for application in the Republic of Moldova, and in accordance with Law no. 271/2017 on the audit of financial statements.
- Assess whether the financial statements are prepared in accordance with SNC, the Methodological Indications on accounting in non-commercial organizations (MF Order no. 188/2014) and Law no. 287/2017, and whether the set of financial statements and explanatory notes is complete.
- Review the accounting records, supporting documentation, bank reconciliations, cash and petty cash operations, receivables, payables, fixed and intangible assets, inventories, expenditure, income and grant recognition (including the treatment of restricted and

unrestricted funds and of designated financing), foreign exchange translation at the official exchange rate of the National Bank of Moldova, and related disclosures.

- Review internal controls relevant to the preparation and fair presentation of the financial statements, including controls over procurement, payments, payroll, bank and cash management, journal entries, reconciliations, delegation of authority and the financial closing process.
- Review compliance with relevant tax obligations and statutory deductions, as applicable to Lumos Moldova.
- Review payroll and related obligations, including individual income tax withheld at source, compulsory state social insurance contributions (CNAS) and compulsory health insurance contributions (CNAM), employment documentation and the accuracy and timeliness of the periodic returns filed (including form IPC).
- Review related-party transactions and balances, including transactions and balances with Lumos Foundation and other entities of the Lumos network, and their disclosure.
- Evaluate going concern considerations, including donor funding commitments, and subsequent events up to the date of the auditor's report.
- Communicate significant audit findings, risks, internal control deficiencies and recommendations to management and to those charged with governance in accordance with ISA 260 and ISA 265.
- Issue the required auditor's report, management letter and any other agreed deliverables within the agreed timetable and in the required languages.

5. Audit Approach and Timetable

The audit work will be performed in Chișinău, Republic of Moldova, at the premises of Lumos Moldova and/or remotely by agreement. No country programme visits are required. No field visits outside Chișinău are required. The auditor should plan the work to minimize disruption to Lumos Moldova operations while ensuring timely completion of the audit.

The timetable must allow the audited financial statements to be approved by the governing bodies and submitted to the National Bureau of Statistics through the electronic reporting single window (Ghișeul unic de raportare electronică) within 150 days of the end of the reporting period, i.e. by 30 May 2027, in accordance with Article 33 of Law no. 287/2017, and to support publication of the annual activity report within six months of the year end in accordance with Article 7 of Law no. 86/2020.

5.1 Interim audit

For the first year of appointment, the auditor is expected to undertake an interim audit, preferably during January – February 2027. The interim audit should focus on planning, understanding the operations of Lumos Moldova, risk assessment, internal control review, review of opening balances of the reporting period ended 31 December 2025, and early identification of issues that could delay the final audit.

5.2 Final audit

The final audit should be completed in time for the audited financial statements to be approved by the governing bodies by 25 May 2027 and submitted to the National Bureau of Statistics by 30 May 2027. The audit entity should provide a detailed audit timetable as part of its proposal.

Target Timing	Activity
January-April 2027	Audit: planning, risk assessment, internal control review, review of opening balances, field work for FY 2026
By 30 April 2027	Draft audited financial statements, audit findings and management letter
By 25 May 2027	Signed auditor's report and financial statements approved by the governing bodies
By 30 May 2027	Statutory submission of the financial statements (150-day deadline, Law no. 287/2017)

Note: Procurement may update the above dates to reflect the actual launch date and contracting timeline. The statutory deadline of 30 May 2027 may not be moved.

6. Expected Deliverables

- Independent Auditor's Report on the annual financial statements for FY2026, prepared in accordance with ISA 700–706 and containing all elements required by Article 30 of Law no. 271/2017, signed by an auditor entered in the Public Register of Auditors and bearing the identification details of the audit entity.
- Audited annual financial statements of Lumos Moldova for FY2026, in the format required for non-commercial organizations by MF Order no. 188/2014, ready for submission to the National Bureau of Statistics.
- Delivery of the auditor's report and financial statements in Romanian (the version used for statutory purposes in the Republic of Moldova) and in English (for Lumos Foundation and donor reporting). Both language versions to be signed/stamped as agreed.
- Management Letter, including comments and observations on accounting records, procedures, systems and controls examined during the audit.
- Internal Control Report or dedicated internal control section within the Management Letter, identifying deficiencies, risk rating, management responses and practical recommendations.
- Tax Compliance Review Memo or dedicated tax compliance section covering key tax and statutory compliance matters relevant to the organization.
- Governance Recommendations, including matters relevant to financial oversight, risk management, accountability and reporting to the governing bodies.
- Audit completion report or presentation to management and/or the governing bodies summarising significant audit matters, audit adjustments, unadjusted misstatements, internal control findings and recommendations.

7. Applicable Standards and Regulatory Requirements

- The audit shall be conducted in accordance with the International Standards on Auditing (ISA) as adopted for application in the Republic of Moldova and published by the Public Audit Oversight Council (CSPA), and in accordance with Law no. 271/2017 on the audit of financial statements.
- The financial statements shall be audited against the National Accounting Standards (SNC), the Methodological Indications on the particularities of accounting in non-commercial organizations (MF Order no. 188 of 30 December 2014), Law no. 287/2017 on accounting and financial reporting and Law no. 86/2020 on non-commercial organizations.

- The audit entity must be registered and in good standing in the Public Register of Audit Entities maintained by the Public Audit Oversight Council (Consiliul de supraveghere publică a auditului – CSPA), and must meet the ownership and management requirements of Article 8 of Law no. 271/2017.
- The auditor who signs the auditor's report must hold a valid auditor qualification certificate (certificat de calificare al auditorului) issued or recognised by the CSPA and must be entered in the Public Register of Auditors.
- The audit entity must hold valid professional indemnity insurance for audit activity, or have constituted provisions, in accordance with Article 26 of Law no. 271/2017; evidence must be provided.
- The audit entity must apply an internal quality management system consistent with ISQM 1 and ISQM 2 and must comply with the IESBA Code of Ethics for Professional Accountants as applicable in the Republic of Moldova.
- The audit entity must be in good standing in respect of the external quality assurance review carried out by the CSPA, and must disclose the date and outcome of its most recent review.

8. Requirements for Successful Candidates

- Demonstrated experience auditing non-commercial organizations, international non-governmental organizations and/or humanitarian organizations in the Republic of Moldova.
- Experience with donor-funded organizations and audits involving restricted funds, grants, project expenditure and multi-currency operations, including reporting under ISA 800 / ISA 805 where required.
- Strong working knowledge of SNC, the Methodological Indications for non-commercial organizations (MF Order no. 188/2014), Law no. 287/2017, Law no. 86/2020 and the tax regime applicable to non-commercial organizations under the Tax Code of the Republic of Moldova.
- Audit team able to work in Romanian and in English and to issue reports and correspondence in both Romanian and English, and to work in a multicultural environment.
- Partner and manager availability throughout the year for planning, audit execution and discussion of complex audit, accounting or tax matters.
- Proven capacity to meet the statutory reporting deadline of 150 days after year end and to support approval by the governing bodies by the agreed date.

- Use of a secure digital audit platform to raise, track and resolve audit queries, maintain an audit trail and provide clear status reporting, with data handling that complies with Law no. 195/2024 on the protection of personal data.

9. Independence and Conflict of Interest Requirements

The audit entity and all team members assigned to the engagement must be independent of Lumos Moldova in accordance with Article 21 of Law no. 271/2017 and the IESBA Code of Ethics. Bidders must disclose any actual, potential or perceived conflict of interest.

- In accordance with Article 21(7) of Law no. 271/2017, the audit entity may not, during the same reporting period, provide Lumos Moldova with bookkeeping or accounting record-keeping services, preparation of financial statements, tax services, management consultancy, services relating to the design or implementation of internal control systems, or internal audit functions. Bidders must confirm that they will not provide such services during the audit period.
- Firms or audit team members having family relationships up to and including the third degree, or close personal, financial or professional relationships, with members of the governing bodies, senior management or finance staff of Lumos Moldova are not eligible, in accordance with Article 21 of Law no. 271/2017.
- The appointed audit entity must confirm its independence in writing before commencement of each audit engagement.

10. Proposal Requirements

The proposal submitted by each audit entity must include the following information:

- Firm profile, including IDNO, date of registration, extract from (or reference to) the Public Register of Audit Entities maintained by the CSPA, international network affiliation and office location.
- Copies of the auditor qualification certificates of the engagement partner and of the auditors who will be assigned to the engagement, and confirmation of their entry in the Public Register of Auditors.
- Copy of the professional indemnity insurance policy for audit activity, or evidence of provisions constituted under Article 26 of Law no. 271/2017.

- Date and outcome of the most recent external quality assurance review carried out by the CSPA, and a summary of the firm's internal quality management system (ISQM 1).
- One-page statement summarizing the value and benefit of appointing the firm as external auditor of Lumos Moldova.
- Relevant experience auditing non-commercial organizations, international NGOs and donor-funded entities in the Republic of Moldova.
- Three relevant client references, preferably from non-commercial organizations, international NGOs or donor-funded organizations.
- Proposed audit approach, including risk assessment, materiality approach, internal control review, IT/digital audit approach and communication plan.
- Proposed audit timetable showing interim audit, final audit, draft reporting and final reporting milestones, consistent with the 150-day statutory submission deadline.
- Details of audit team members, including partner, manager, supervisory staff and junior staff, with CV summaries, certification details and relevant experience.
- Explanation of how the engagement partner and senior team members will be involved throughout the audit.
- Description of the secure digital audit platform and how audit queries, evidence requests and reporting will be managed, including personal data protection arrangements.
- Sample management letter format or anonymised examples of recommendations, if available.
- Signed declaration of independence and absence of conflict of interest, and confirmation that no prohibited services under Article 21(7) of Law no. 271/2017 will be provided.
- Financial proposal in accordance with Section 11, including billing schedule and any assumptions, exclusions or additional costs.

11. Audit Fees and Pricing Template

Bidders should provide a fixed fee for the FY2026 audit and disclose hourly rates by staff category. Fees must be quoted in Moldovan lei (MDL), stating clearly whether the bidder is registered as VAT payer and whether the quoted amounts include or exclude VAT.

Please note that, under Article 21(7) of Law no. 271/2017, the appointed auditor may not provide tax services, management consultancy, bookkeeping or internal audit services to Lumos Moldova during the audited period. The pricing table below is therefore limited to assurance services that may lawfully be provided by the statutory auditor.

Service Line	FY2026 Fee (excl. VAT)	VAT (if applicable)	Comments / Assumptions
Audit of the annual financial statements for FY2026 (including interim audit and audit of opening balances)			

Personnel	Estimated Hours	Hourly Rate (MDL, excl. VAT)
Partner		
Manager		
Supervisory staff		
Junior staff		
Total		

The bidder should clearly specify what is included in the quoted fees and disclose any additional charges for out-of-scope work, travel, taxes, disbursements, translation of reports.

12. Bid Process and Timeline

The procurement team may update the following dates before issuing the RFP.

Target Date	Action
03/11/2026	RFP and supporting documentation issued to selected bidders
10/11/2026	Deadline for submission of clarification questions

16/11/2026	Clarification responses shared with all bidders
25/11/2026	Deadline for receipt of proposals
30/11/2026	Evaluation and shortlisting
07/12/2026	Presentations/interviews with short-listed firms, if required
December 2026	**Decision and Approval by Lumos Moldova Board**
22/12/2026	Notification of award and contracting

Completed proposals must be returned to: office.moldova@wearelumos.org

Clarification questions must be submitted in writing to: office.moldova@wearelumos.org

Proposals may be submitted in Romanian or in English. Where a document is issued in Romanian only (for example register extracts or certificates), an English summary or translation is not neccessary.

13. Evaluation Criteria

Compliant proposals will be evaluated by a Lumos Moldova-appointed evaluation panel using the following indicative scoring matrix:

Criteria	Weight	Indicative Considerations
Technical capability	35%	Firm capability, audit quality, knowledge of SNC / MF Order no. 188/2014 / ISA, competence in Moldovan statutory reporting and NCO accounting, CSPA quality assurance review

		outcome, quality management processes
NGO and donor-funded experience	20%	Relevant non-commercial organization, international NGO, humanitarian and donor-funded experience, references, sector understanding
Audit methodology	15%	Risk-based approach, internal control review, communication plan, audit timetable meeting the 150-day statutory deadline, practical recommendations
Team qualifications	15%	Partner and manager experience, valid auditor qualification certificate and entry in the CSPA Public Register of Auditors, Romanian and English capability, team stability and senior involvement
Technology platform	5%	Secure audit portal, query tracking, audit trail, data protection compliance and ease of use
Price	10%	Value for money, transparency of fixed fees, hourly rates and assumptions

Lumos Moldova reserves the right to request clarifications, invite shortlisted bidders for presentations, negotiate terms, reject any or all bids, or discontinue the procurement process at any time in accordance with its procurement policies.

14. Supporting Documents to be Shared with Bidders

Extract from the State Register of Legal Entities (Agenția Servicii Publice) and the statute of Lumos Moldova.

Most recent financial statements of Lumos Moldova.

Relevant accounting policies and finance manual extracts, if required.

Any statutory filing requirements or governing body reporting deadlines relevant to the audit.

15. Bidder Acknowledgement

By submitting a proposal, the bidder confirms that it has read and understood this ToR and has the capacity, independence, registration and qualifications required under Law no. 271/2017 to perform the audit.

Firm name	
IDNO and registration number in the CSPA Public Register of Audit Entities	
Authorized representative	
Signature and date	
Official stamp, if applicable	