



## TERMS OF REFERENCE - RE-ADVERTISEMENT

### CONDUCTING AN EXTERNAL AUDIT FOR THE BENGO PROJECT “SUSTAINABLE USE OF MANGROVES IN THE WIO REGION”

#### 1. INTRODUCTION

The Western Indian Ocean Mangrove Network (**WIOMN**) in collaboration with WWF Tanzania Country Office is implementing a three-year Regional Project named “Sustainable Use of Mangroves in the Western Indian Ocean Region” in Tanzania at Kilwa and Pemba sites. This project seeks to address the causes behind the degradation and loss of mangroves by; -

- i. Conducting mangrove resource assessments and development of collaborative management plans to guide sustainable utilization
- ii. Conducting socio-economic surveys and identifying economically viable and sustainable uses of mangroves (both existing as well as potential alternatives) and developing sustainable use schemes
- iii. Conducting community training and giving communities the tools and capacity to manage the mangrove ecosystems they depend on for their livelihoods
- iv. Creating enabling conditions for coastal communities to continue their livelihoods, which are closely linked to mangrove ecosystems as well as ensure food security and resilience against increasing climate change impacts

As part of project quality control to ensure that the project is being managed in accordance with established financial guidelines and regulations, Western Indian Ocean Mangrove Network through Bengo Project wishes to engage a competent and qualified audit firm to provide consultancy service for its Annual Audit for the year 2023.

#### 2. OBJECTIVES / SCOPE OF THE CONSULTANCY

##### (a) Overall objective

The main objective of the consultancy is to ensure that the project’s funds are used properly for the purpose for which they are intended and accounted for in accordance with donors’ procedures. Additionally, the consultancy aims to engage an external audit firm to provide a continuous and critical appraisal of the functioning of the project, with a view to suggesting improvements and adding value to strengthen the overall project’s functioning.

##### (b) Scope of work

Specifically, the external audit should focus but not be limited to:

- i. Verifying accounting records for correctness and completeness
- ii. Verifying the financial report in which all project-related revenues and expenditure must be shown and for which it must be confirmed that receipts are provided for all revenues and expenditure
- iii. Verifying how the provided project funds have been managed. This includes; -
  - Project funds transferred to the project partner in the current budget year or during the project term
  - Interest earned in the current budget year or during the project term from project funds transferred to the project partner
  - Other revenues from the project activity
- iv. Verifying to what extent the funds have been used appropriately for the purpose of carrying out the planned project objectives and activities
- v. Verifying the cost-effectiveness of expenditure with regard to financial resources (to be used economically and as effectively as possible)
- vi. Verifying the personnel costs and social security contributions to ensure that they are in line with local standards, legal in the respective project country and, above all, that they comply with contracts and that the contributions required by law are being withheld
- vii. Verifying that the cost plan is being adhered to by means of a comparison of objectives and effects (based on the most recent valid budget)
- viii. Verifying the economic use of project equipment
- ix. Verifying the procured inventory, where it is being held and whether it has been/is being used appropriately for the purpose of carrying out the planned project objectives and activities.
- x. Verifying and confirming that project-relevant documentation is complete and correct
- xi. Verifying that all agreements fundamental to the project are being adhered to (contracts, German private executing agency guidelines, BMZ funding requirements, BNBEST-P/private executing agencies and BMZ contract award guidelines)

### **3. CONTRACT DURATION AND PLACE OF WORK**

The audit work shall be completed within two (2) weeks from the date of commencement of the audit

**Working station:** Zanzibar

### **4. EXPECTED OUTPUT AND DELIVERABLES**

The final audit certificate must state the following (minimum requirements); -

“We hereby certify that we have audited the statement of accounts of [name of project partner in developing country] regarding the financing of the project [Bengo Project]. Our audit was carried out on the basis of the following requirements pertaining to the use of funding: [List of relevant contracts and documents]. To this end, we have inspected the books and receipts. Based on our audit, we confirm that:

- All income and expenditure have been properly documented by means of receipts

- The documented expenditure complied with its application and project approval and was in keeping with the appointed purpose and the most recent budget. Any deviations from the budget have been explained separately
- Documented income that is accounted for as contributions made by the project partner, the target group and/or other agencies in the project country has been specified correctly and its origin explained in accordance with specifications
- The donor's conditions that were specified in the project agreement were met (were not met in the following points)
- Special remarks

## 5. PROPOSED STRUCTURE OF THE AUDIT REPORT

The report of the external audit must include the following; -

- Presentation of the audit assignment and scope with extensive comments on the audit findings. The auditor must also state which documents were used for the audit of appropriate use of funds and compliance within the project term
- Recommendations in case of complaints
- Comment on how audit observations from previous years were followed up on, if required
- Budget (most recent version), with the structure used for the financial report, provided for the final report and presented like the attached template to this guide (see page 7-8). The comparison of planned and actual expenditure is shown in the currency in which the expenditure was incurred. The audit will not convert these amounts to Euros
- Deviations of actual expenditure from the planned expenditure in the most recent budget that exceed 30% of individual budget items, (main items in the budget), must be explained and reasoned
- Deviations of actual expenditure from the planned expenditure in the current budget that exceed 30% of individual budget sub-categories, reasons must be given
- The final audit opinion in the audit certificate must state the following (minimum requirement), which is to be worded clearly by the external auditor and adapted if appropriate

Following this, the audit firm should provide specific statements on the following questions; -

- To what extent has all income and expenditure been properly documented by means of receipts?
- To what extent has documented expenditure complied with its application and project approval and to what extent is it in keeping with the appointed purpose and the most recent budget? Have any deviations from the most recent budget been explained separately?
- To what extent has documented income, that is accounted for as contributions made by the local project partner, the target group and/or other agencies in the project country been specified correctly and its origin explained in accordance with specifications?
- To what extent were the donor's conditions that were specified in the project agreement met? What response was there to these conditions? Which of these conditions were not adhered to and were reasons given for this?

- v. Which special aspects – positive or negative – should be mentioned with regard to this project?

## 6. QUALIFICATIONS AND SKILLS

The audit firm should have qualified auditors with; -

- (a) Full internationally recognized accounting qualification such as CPA/ACCA or CA. Minimum of five years' post qualification experience
- (b) At least five years' relevant experience in finance and/or audit, working with government, non-Government or donor agencies or similar environment at a senior level
- (c) Up to date knowledge of changes in international accounting and auditing standards
- (d) Proficiency in accountancy and audit software packages and a high level of computer skills in Microsoft Office software, particularly Word, Excel Spreadsheets, databases, e-mail and internet sufficient for the performance of above duties
- (e) Proven financial management, risk management, advisory, planning and monitoring skills
- (f) Proven record showing a very high degree of integrity and trustworthiness
- (g) Proven ability to collate and distil large amounts of information, summarizing findings to be used for management decisions and planning
- (h) Excellent interpersonal and communication skills (including fluency in verbal and written English and Kiswahili languages) and credibility in dealing with senior members of staff over financial and risk issues
- (i) Specific experience and qualification in internal and/or external audit would be an advantage
- (j) Good interpersonal and tactful negotiation skills and the ability to work independently and as part of a team

## 7. HOW TO APPLY

Interested Auditing firms are required to submit the following:

- i. **Technical proposal** comprising the following; -
  - a) Include a listing of staff to be assigned to the engagement including their level of seniority and experience, the plan for quality management, monitoring, and auditing including proven experience with similar audit tasks.
  - b) Workplan/activity plan and foreseen meetable
  - c) Methodology based on the indication provided according to the attached ToR
  - d) Any direct or indirect conflict of interest should be declared.
- ii. **Financial proposal:** indicating the all-inclusive contract value in currency (quotes should be in TZS for local applicants), supported by the respective costs' breakdown for professional fees, institutional fee (when relevant) and reimbursables.

All applicants should direct their proposal to the WIOMN Regional Secretary: e-mail at [regional.secretary@wiomn.org](mailto:regional.secretary@wiomn.org) cc; [sabour@wiomn.org](mailto:sabour@wiomn.org). The Deadline for submission is **28<sup>th</sup> June 2024 at 16:00 PM EAT.**

Only shortlisted applicants will be contacted for further procedures