

# Call for Offers by Auditors

January 12, 2017. Geneva, Switzerland

CUTS International, Geneva invites reputed and recognised auditors based in Geneva, Switzerland, to send us their offers to conduct three audits of the project PACT EAC2 as per the following schedule:

Period of financial reports to be audited

1 April 2017 – 31 March 2018

1 April 2018 – 31 March 2019

1 April 2019 – 30 September 2019

The audit shall be carried out in accordance with Swiss Law and with International Standards on Auditing (ISA 805).

**Auditors who already audited PACT EAC2 project accounts in the past are not eligible to submit offers in response to this Call.**

## About PACT EAC2 project

The project is entitled “Promoting Agriculture, Climate and Trade Linkages in the East African Community 2 (PACT EAC2).

The overall objective of the PACT EAC2 project is based on the established premise that gains from agriculture, which is the largest employer and income and hard currency generator in the EAC can be boosted through value addition, the project’s **overall objective is *to build capacity of relevant stakeholders (individuals, networks and institutions) to identify and promote appropriate and holistic policies for the development of agro-value-addition in the EAC region, that is climate-friendly, trade-oriented, and contribute to food security.*** Through identification and promotion of such policies, the project aims to create better preconditions for people living in poverty in the EAC. More specifically, the project advocates for the *agro-industrial development in the EAC countries to be conscious of challenges related to climate change, food security, and trade* (CCFST). This overall objective is derived from a multidimensional view of poverty that can only be addressed with a holistic approach based on the principle that the three dimensions of sustainable development – economic, social and environmental – work together and are mutually supportive.

The PACT EAC2 project is being implemented by CUTS International, Geneva from 1 October 2015 to 30 September 2019.

The specific objectives of the project are:

Objective 1: Increasing knowledge and capacity of regional and national stakeholders on agro-value-addition vis-à-vis Climate Change-Food Security-Trade, so that they are able to identify better policy options, make recommendations, advocate for change, and contribute to holistic relevant policies and their implementation

Objective 2: Increasing knowledge and capacity to negotiate in the WTO and UNFCCC on issues related to agro-value-addition in a coherent manner

Objective 3: Improving communication and coordination between and across stakeholders at national, regional and multilateral levels for holistic approaches and regular information flow between and across stakeholders.

The project documents can be shared upon request.  
You will find in Annex 1 Sida's Standard Terms of Reference for Annual Audit of Project/Programme Support.

Any questions and queries should be addressed to [geneva@cuts.org](mailto:geneva@cuts.org) which will be responded immediately.

### **Deadline**

Interested auditors are requested to submit their offers to [geneva@cuts.org](mailto:geneva@cuts.org) latest by **12 February 2018**.

Annex 1

# **Sida's Standard Terms of Reference for Annual Audit of Project/Programme Support**

## **Introduction**

Brief presentation of CUTS International:

CUTS International, Geneva is a non-profit NGO that catalyses the pro-trade, pro-equity voices of the Global South in international trade and development debates in Geneva.

Through our work, we have made a name for linking people and issues in the world of multilateral trade with their counterparts in related policy areas. These include regional integration, agriculture, environment, competition, investment and consumer protection among others.

## **OUR VISION**

To pursue social justice and economic equity within and across borders by persuading governments and empowering people.

## **OUR MISSION**

To establish and promote a pro-trade pro-equity credible Southern NGO voice as well as the means to achieve this in the policy-making circles working on trade and development and other related issues in Geneva.

## **OUR OBJECTIVES**

Improving inclusivity in relevant policy-making processes and decisions through better participation of developing countries' stakeholders including the grassroots.

Building capacity of policy-makers, negotiators, and other important stakeholders through demand-driven and need-based research and analysis.

Contributing to deeper and broader understanding of relevant issues through targeted and research-based outputs.

Enhancing policy coherence at all levels through the analysing of and raising the profile of pertinent issue linkages.

Facilitating mutual learning through information and knowledge sharing in networks.

Stimulating common interests among developed and developing countries through advocacy, dialogues and networking.

## **I. Objectives and scope of the audit**

CUTS International wishes to engage the services of an audit firm for the purpose of auditing the PACT EAC2 project as stipulated in the agreement between CUTS International and Sida. The audit shall be carried out in accordance with international audit standards issued by IAASB1.

The objective is to audit the financial reports for the period [...] as submitted to Sida and to express an audit opinion according to ISA 800/805 on whether the financial report of PACT EAC 2 is in accordance with Sida's instruction for financial reporting as stipulated in the agreement including appendix between Sida and CUTS International.

## **II. Additional assignment; according to agreed upon procedures ISRS 4400, review the following areas in accordance with the Terms of reference below**

- Follow up whether salary costs debited to the project/programme are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.<sup>2</sup>
- Examine whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by Sida for the period.
- Based on materiality and risk the auditor shall examine whether there is supporting documentation related to incurred costs
- Examine whether foreign exchange gains and losses are disclosed in accordance with what is stipulated in the agreement including appendixes.
- CUTS International's compliance with the applicable tax legislation in regard to taxes (e.g.PAYE)<sup>3</sup> and social security fees.
- Follow up whether CUTS International has adhered to the procurement guidelines annexed to the agreement.
- Review if outgoing balance for previous period is the same as incoming balance for the current period.

### **Follow up of funds that are channelled to implementing partners**

The sample test's size of the review of agreements and audit reporting from implementing partners will be specified.

- Does CUTS International have signed agreements with its partner organisations?

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<sup>1</sup> The International Auditing and Assurances Standards Board (IAASB)

<sup>2</sup> If the budget includes salary costs to be debited to the project, the auditor shall always examine salary costs as stipulated here.

<sup>3</sup> Pay As You Earn

- Are the audit requirements in agreements with partner organisations in accordance with the audit requirements as stipulated in CUTS International's agreement with Sida?
- Review whether there is an unbroken chain of audited financial reports according to the requirements as stipulated in the agreement between CUTS International and Sida, for funds disbursed the previous year. The review shall include whether CUTS International makes documented assessments of the audited financial reports submitted to CUTS International and whether these reports are followed-up by CUTS International. The review shall include verification of contributions equivalent of a minimum of [X] % of the total of disbursed funds as well as [X] % of the number of contributions. The review shall also include any observations from auditors that Sida should be informed about.
- Are the same requirements for reporting exchange rate gains/exchange rate losses as stipulated in the agreement between CUTS International and Sida, included in the agreements between CUTS International and its implementing partners?

### **III. The reporting**

The scope of the audit shall be stated in the report and the methodology used shall be presented.

The reporting shall be signed by the responsible auditor (not just the audit firm) and title.

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated, as well as a Management letter with audit findings and weaknesses identified during the audit process. The auditor shall regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation. The auditor shall make recommendations to address the weaknesses identified and the recommendations shall be presented in priority order. If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

Measures taken by the organisation to address weaknesses identified in previous audits shall also be presented in the Management Letter.

The reporting requirement listed below are only applicable if the assignment involves an agreed upon procedure in accordance with ISRS 4400.

The additional assignment according to agreed upon procedures ISRS 4400 under paragraph II, shall be reported separately in a "Report of factual findings".

If the auditor conducts an additional assignment according to ISRS 4400 and assesses that the observations presented in the "Report of factual findings", include the information that would have been included in a Management Letter, a Management Letter does not need to be developed. In such a case, the "Report of factual findings" shall include an explanation of why a Management Letter has not been developed.