



TERMS OF REFERENCE FOR EXTERNAL AUDITING SERVICES

WETLANDS INTERNATIONAL EASTERN AFRICA

YEAR 2018

BACKGROUND

Wetlands International is a non-profit leader organization in its field, dedicated to the conservation of wetlands and their rational use as a contribution to sustainable development. The organization has 250 employees in 20 offices worldwide and works with an active global network of scientists, project managers and conservation experts. Wetlands International works with partners in government, NGOs, and the private sector. Wetlands International Global Office is based in the Netherlands; in Africa there are Regional Offices in Senegal and Mali.

Wetlands International Eastern Africa with a hub in Nairobi, Kenya has a diverse project portfolio in Kenya, Uganda, Tanzania, Ethiopia and South Sudan funded by different donors. Some of the projects are directly linked to the Office in Senegal while others are linked to the Global Office in the Office. The office also works with a vast network of partners, allies, researchers, and practitioners across the continent.

OBJECTIVE AND SCOPE OF THE AUDIT

The objective of the audit is to obtain assurance that the financial statements reflect the financial position of Wetlands International Eastern Africa (Kenya, Uganda, South Sudan, Ethiopia and Tanzania).

The auditors:

1. The auditors shall provide an independent professional opinion on the financial position of Wetlands International Eastern Africa and ensure that the funds utilized for activities have been used for their intended purposes.
2. The audit shall be carried out in accordance with the International Auditing Standards and will include tests and verification procedures, as the auditors deem necessary.

3. The auditors shall assess the organisations compliance with the relevant regulatory authorities including the Kenyan NGO Board Regulations. They shall ensure that proper books of accounts as required by law have been maintained by Wetlands International Eastern Africa and also maintain adequate internal controls and supporting documentation for transactions. The books of accounts of Wetlands International Eastern Africa provide the basis for preparation of the Financial Statements.
4. In addition to the audit report, the auditors will prepare a Management Letter on completion of the audit in which they will:
 - a. Provide comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - c. Report on the implementation status of recommendations pertaining to previous audit reports.
 - d. Communicate matters that have come to their attention during the audit, which might have a significant impact on the sustainability of the organization.
 - e. Bring to the Director's attention any other matters that the auditors deem pertinent
5. The audit reports
 - a. Shall contain the details of the method and scope of the audit and assurance that the audit was performed in accordance with the International Standards of Auditing and by a qualified auditor
 - b. Shall contain the audited annual Financial Statement
 - c. Shall be signed by the Auditor

SCOPE OF THE AUDIT

1. All resources were used in accordance with the provisions of existing grant agreements with due concern for thrift and efficiency, and only for the purposes for which they were intended;
2. Goods and services funded were procured in accordance with the relevant procurement procedures as established.
3. Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented
4. Project assets are properly accounted for and secured;
5. Expenditures are according to the funding agreements;
6. Required justifications and supporting documents are available.
7. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions. The auditor will examine in particular the internal control system and a review of the financial, technical and

general organization, to assess the quality of the system and identify potential risks, if any. The review will provide a good understanding of administrative, accounting, financial and budget management rules and procedures put in place, and ensure that these rules and procedures are adequate and reliable, implemented, and functioning properly. The auditor should also review the rules governing the use of resources made available to the program and monitor their implementation.

8. A review of the financial statements in order to express an opinion whether they are fairly presented in all materials aspects.
9. Include in their reports an appraisal on compliance with procedures designed to provide reasonable assurance of detecting errors or fraud that are material in the financial statements.
10. Conduct entry and exit meeting with the Director, Eastern Africa.

DELIVERABLES

At the end of the audit, the auditor will be required to provide:

- a) The financial audit report in **Kenya Shillings** and in **Euro** in which the auditor:
 - (i) Will Provide the Audited Financial Statements indicating if accounting standards have been applied and whether they reflect a true and fair view of the financial position of the Organization.
 - (ii) Will attach as Appendices all documents and information necessary to substantiate his opinion, including a report on anomalies identified.
- b) Management Letter where matters that are not material to the financial statements, but which the auditors wish to communicate to Wetlands International may be reflected for management action

The auditor will submit interim and final reports in three (03) copies in addition to one electronic copy.

AUDIT DURATION

The audit work shall be completed within two weeks from the date of commencement of the audit.

QUALIFICATIONS OF THE AUDIT FIRM

The selected auditor will be a firm duly established in Kenya, registered and possessing all necessary licenses to operate. The firm should have relevant experience and must have been in existence for at least 10 years with at least 5 years of experience in auditing similar organisations (Non-governmental Organisations). The firm will be required to set up an appropriate team, that will be available and able to cover all the tasks described in the terms of reference within the required time lines.

The team must include at least:

- A team leader: a chartered accountant with 10 years of experience. Good experience of auditing non-governmental organisations funded by international donors.
- A senior accountant: chartered accountant or equivalent with at least 5 years of professional experience in auditing non-governmental organisations funded by international donors.

The following documents must be attached to the application:

- ICPAK certificate of good standing
- Company profile and detailed CVs of the firm's partners and staff that will be taking part in the assignment
- A copy of the certificate of registration/incorporation
- Tax compliance certificate

In addition, the following will be provided:

- A list of similar non-profit organizations served by your firm. The firm will be required to provide at least two recommendation letters from the past audited clients
- Proposed fee for the engagement including a schedule for additional services that may be necessary beyond the scope of the audit engagement.
- Detailed audit plan/methodology including the audit firm's approach to risk and fraud detection
- Estimated number of hours to complete the audit
- Detail of expenses expected to be incurred, i.e. mileage, per diem, telephone, etc.
- Time Requirements.

APPLICATION

To submit an application, interested firms must send a full technical and financial offer in electronic version at the following address: kenya@wetlands-africa.org with a copy to jmulonga@wetlands-africa.org. Deadline for submission is 11th January 2019.