sci_logo_2016

REQUEST FOR PROPOSALS FOR THE RECRUITMENT OF AN AUDIT FIRM /CONSULTANTS GROUP

1. **Purpose**

The purpose of is to audit the expenses incurred on a specific award (Parc Macaya) to enable the lead auditor to issue the following:

* ISA 805 opinion on the award with Source Of Funds (SOF) **57800609/57810663** financed by Norway Ministry of Foreign Affair (NMFA) with implementation period from 01.01.2017 to 31.12.2017
* **1.1 Materiality (ISA 320)**

Materiality should be calculated as 1% of total expenditures for the award. Please note that the same level of materiality should be applied to classification errors as to other types of errors.

1. **Summary of work to be performed by the auditor**

Your procedures will include, but not be limited to:

* Perform a minimum substantive procedure as specified in Appendix 1, including a comparison of actual expenses against the budget as set out in contract for the SOF.
* confirm that
  + “Partner expenditure audit summary form” is complete and has been properly prepared by the Country Office, by completing the ISRS 4400 procedures template agreed upon in Appendix 6.
  + That all ***significant*** ***sub-awarded*** ***partner implemented expenditures*** funded by Save the Children Norway (SCN) have been audited either through;
    - an external audit of the local partner organisation covering the relevant period and specifying the Save the Children Norway (SCN) funded expenses per award/SOF(Source of Funds) in the Notes or
    - a specific sub-award or audit of the expenses funded by the award(s) listed above performed by another external auditor or
    - As appointed auditor, you have included the partner expenses in your sample when performing the audit of the respective SOFs or
    - a combination of above
    - Significant is NOK 100.000 or more funded by Save the Children Norway, per sub-awarded partner, per year.
* As the auditor, you must obtain an understanding of whether the partner auditor understands and comply with relevant ethical requirements, is independent and competent and that you will be able to be involved in the work of the partner auditor to the extent necessary to obtain sufficient appropriate audit evidence.
* Partner audit is not needed for partner expenditures where the local partner gets their expenses **refunded** from the Country Office (CO) based on detailed original supporting documentation, and the supporting documentation for the expenditures then stays with the Country Office (CO).
* An assessment of the internal controls and the fraud awareness at the CO, filling out the questionnaire in Appendix 4
* Obtaining a written representation letter from CO management
* Issuing an ISA 805 audit report on the reported expenditures charged to the award, in donor currency.

1. **Selection Criteria**
   1. **Overall capabilities of the firm (10%)**

* Affiliation with worldwide firm–nature of professional quality assurance and other interactions to ensure that international auditing standards are maintained as they are evolving;
* Types of clients/sectors, number of large clients/client spread;
* Overall experience of the audit firm.
  1. **Professional Team assigned (20%)**
* Organization of the Team: (Lead partner, Number of Manager level Staff and junior Staff);
* The curriculum vitae of lead partner, Manager Level staff, and Junior staff including qualification, years of experience and copy of diploma or certification.
  1. **Qualification of the audit firm (20 %)**
* Registration according to national laws;
* Number of years of experience in audit of not-for-profit organizations/international organizations/enterprises according to international financial reporting standards.
  1. **Proposed Methodology (20%)**
* Clear description of the approach that will be used to perform the audit;
* Number of hours allocated to the assignment, breakdown between draft and final audit report ;
* Number of visits to the CO for the audit Approach to reviewing the financial reports, procedures and system.
* Ability to audit against ISA standards.

**Costs (30%)**

* Proposed fees and division by items;
* Relationship to the number of hours (should not be neither excessive nor too low that the quality of the audit or ability of the firm is doubted).

1. **Reporting**

**Your report will be used by the auditor of SCN, in performing their audit work to be able to issue an ISA 805 on the total of the award, and by SCN, in order to comply with the donor reporting requirements**.

**All reporting, especially management letter issues and modifications in your audit opinion, needs to be agreed with CO management in advance of issuing final reporting to CO management and member auditors**.

The following matters should be reported **immediately**;

* problems in complying with any of the terms set out in the audit instructions or if reporting deadlines are likely to be missed.
* material issues, including significant internal control weaknesses either at the CO or in the partner organization.
* details of improper or questionable transactions or unauthorized transactions with Country Director and/or related parties.
* any identified act of fraud, corruption and serious negligence regardless of materiality.
* other issues that might result in a qualification of your audit opinions.

1. Submission

All submission should be sent to :[recruitmenthaiti@savethechildren.org](mailto:recruitmenthaiti@savethechildren.org)

Each submission should include:

Un (1) original of the technical proposition and two (2) copies

Un (1) original of the financial proposition and two (2) copies

Deadline for submission: December 20th, 2017.

Communication and reporting process and timetable

|  |  |  |
| --- | --- | --- |
| **Date** | **Key deliverable** | **Reference** |
| Immediately upon receipt | Confirmation of compliance with instructions and independence |  |
| 15.03.2018 | Financial report (s) in donor currency on the expenses charged to the award (s) listed above.  The Financial report(s) produced by the CO shall include all expenses covered by the award/SOF for the period 01.01.2017 – 31.12.2017 and should be comparable to the budget lines as set out in the contract for the applicable award SOF.  The Financial report can be a Financial Statements for the CO as a whole as long as the awards listed above are separated in notes of the statements. |  |
| 15.03.2018 | **Draft** “Partner expenditure audit summary” form completed by the CO | Appendix 6 |  |
| 15.03.2018 | Representation letter from the CO, including summary of audit differences. | Appendix 5 |  |
| 15.03.2018 | Evaluation of internal financial controls and fraud awareness – single report covering what is funded by Save the Children Norway in the country office. | Appendix 4 |  |
| 15.03.2018 | Management letter – single report covering what is funded by Save the Children Norway. Or an explicit confirmation that this is not applicable and that there are no significant findings. | Appendix 3 |
| 15.03.2018 | ISA 805 audit opinion per award/SOF on the reported expenditures charged to the award, in donor currency. | Appendix 2 |
| 11.04.2018 | **Final** “Partner expenditure audit summary” form completed by the CO and  Signed ISRS 4400 | Appendix 6 |

1. Representation letter

You should obtain a written representation letter from CO management as it relates to the audit procedures you are performing. **Appendix 5**. If applicable a summary of audit differences should be attached to the representation letter to ensure that these have been agreed with local management.

**Appendices**

**Appendices**

1 Minimum audit procedures to be performed

2 Independent auditors report template

3 Summary of Control Deficiencies /Management letter template

4 Evaluation of internal financial controls and fraud awareness

5 Management representation letter, including Summary of Audit Differences

6 Partner audit requirements

Appendix 1

Minimum audit procedures - Substantive Testing

Below is the list of minimum substantive testing that must be performed by CO auditors in order to ensure compliance with donor requirements.

|  |  |
| --- | --- |
| **Significant accounts and disclosures and their relevant assertions** | **Substantive testing (include description of substantive procedures)** |
| Expenses (CE) | Review management’s comparison of actual expenses against the budget set out in part 2 in the contract for the SOF. Any significant differences need to be explained. Comment on variance +/- 10% on individual budget lines. |
| Expenses (CEA) | Ensure that the Financial Report(s) reconciles to Agresso.  There should be no difference between the Financial Reports and Agresso. |

Appendix 2

Independent audit report



Appendix 3

Summary of Control Deficiencies /Management letter and summary of audit differences

Please use the attached format or report with the same information in your own format.



Appendix 4

Evaluation of internal financial controls and fraud awareness



Appendix 5

Management representation letter



Appendix 6

Partner expenditure audit summary and ISRS 4400

