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REQUEST FOR EXPRESSION OF INTEREST FOR EXTERNAL AUDIT SERVICES

BACKGROUND:

ACROSS is a faith-based organization that was originally founded in 1972 by four mission societies: Africa Inland Mission (AIM), Sudan United Mission (SUM), Sudan Interior Mission (SIM), and Mission Aviation Fellowship (MAF).

Currently, ACROSS works in the following thematic areas: Camp management and Coordination (Gorom Camp), Education, Nutrition, Health, Protection & Human Rights, Emergency Shelter & Non-food Items, Food Security & Livelihoods, Water, Sanitation & Hygiene (WASH), Peace & Capacity Building, Church Engagement, and Development.

SCOPE OF WORK

The successful firm will be required to perform a project external audit for PMU-funded projects and express an audit opinion in accordance with relevant donor guidelines and international standard on auditing (ISA) 800/805, on whether the financial reports are in accordance with the accounting records and PMU's requirements for financial reporting (as stipulated in the agreement)

Examine, assess and report on compliance with the terms and conditions of the agreement and applicable laws and regulations regarding accounting and taxes.

The auditor shall determine if supporting documentation relating to reported expenditures is available and if the documentation verifies the reported expenditures. The size of the test sample shall be based on the auditor's risk analysis and shall be stated in the report.

The auditor shall report the amount of funds for which financial reporting does not meet the required standards. If any reported project costs are not documented, or if project funds have been used for purposes other than those described in the approved budget, the auditor is to state in the audit report the identified amounts that are not documented or that have been used for purposes other than those described in the approved budget.

SUBMISSION OF REPORT

The reporting

The auditor shall issue an Audit Report, Management Letter, and a Report of factual findings for the ongoing project and the project concluded and ready for final reporting. Each project shall be audited separately. Projects that are due for final reporting later in the year are not required to be part of the audit, but shall instead be audited in conjunction with the final reporting.

(i) Audit report

The reporting shall contain details regarding the audit methodology used and the scope of the audit. The reporting shall contain an assurance that the audit was performed in accordance with international standards (ISA 800/805) and by a qualified auditor.

The reporting shall contain the number of the project and the responsible auditor's signature, full name, and title (not just the audit firm). The financial report shall be signed by the auditor.

The reporting shall express if the audit refers to a financial report during the implementation of the project or the final report. Upon final reporting, the amount of received contribution for the previous year and the total sum of received contribution for the whole duration of the intervention shall be reported.

The reporting shall contain an audit opinion in accordance with ISA 800/805 on whether the financial report of the local partner's project is in accordance with the local partner's accounting records. The report shall also express an opinion in accordance with ISA 800/805 on whether the financial report is in accordance with the donor agreement with PMU and the instruction for financial reporting stipulated in that agreement, in the financial report template, and relevant parts of section 5 of PMU's Project Manual and in accordance with the budget approved by PMU.

The auditor shall submit an audit report, which shall explicitly corroborate whether the financial report has been produced in accordance with the local partner's accounting principles and in accordance with the project agreement.

(ii) Management letter

The auditor shall submit a Management Letter, which shall contain the audit findings (based on the financial report, not the entire organization), describing any significant observations made during the audit process.

The management letter shall contain the items listed below.

- A description of the scope and content of the audit and the method used by the auditor.
- Information on which measures the local partner has implemented as a result of previous audits and whether or not the measures implemented have been adequate to rectify the reported shortcomings.
- The auditor shall make recommendations to address any weaknesses identified. The recommendations should be presented in order of priority.
- Amounts identified if costs have been incurred within the project that has not been documented, if project funds have been used for purposes other than those described in the approved budget or if project funds have been used outside the project period as provided in the project agreement.
- If the auditor has no findings or observations to report, the auditor shall state this in the management letter.

(iii) Report of factual findings in accordance with ISRS 4400

The auditor shall also submit a Report of factual findings in accordance with ISRS 4400 based on the agreed-upon procedures engagement below.

If the auditor finds that the information in the Report of factual findings includes the information that would have been in the Management Letter, the Management Letter is not required. In this case, it shall be stated in the Report of factual findings that no Management Letter is issued for this reason.

The assignment shall cover the agreed-upon procedures of engagement in accordance with ISRS 4400:

- (a) Examine whether the salary costs debited to the project are regularly entered in the books throughout the year in a systematic way and whether the salary costs can be verified with sufficient verifications.
- (b) Examine that the financial report includes a comparison between the approved budget and actual costs for each aggregated budget line for the period under audit.
- (c) The auditor shall base on materiality and risk, review whether the reported costs have sufficient verifications. Have exchange rate gains/losses been accounted for in accordance with the agreement, including appendices, and in accordance with the Guidelines for Exchange rate management
- (d) Examine whether the local partner follows the national laws concerning taxes, and that social-security contribution are paid.
- (e) Examine whether there is compliance with the procurement rules according to the agreement.
- (f) Examine that the previous year's closing balance equals the balance brought forward. If the local partner uses a modified cash basis as an accounting principle, the auditor shall report on whether the chosen accounting principle is acceptable for the prepared financial report.
- (g) Verify the closing balance to be repaid to PMU at the end of the intervention (only applicable at the last year of the intervention). Regardless of materiality, quantify the number of reported expenditures with insufficient verifications.
- (h) The reporting shall not exceed 20 pages, be written in English or French, and be presented to the local partner in hard copies and in digital format for onward transmission to PMU, by the stated date.

BID EVALUATION

The criteria for evaluation and selection of the Auditor or an Audit firm will include but not be limited to legal conformity, technical experience, and capacity to deliver on time.

In the bids, the firms are expected to:

- Provide an exposition of your technical expertise in audit and advisory services;
- Demonstrate experience in auditing International Non-Governmental Organizations
- Provide references of recent experiences in performing external audit services which should be a sample list of past clients including the name of the organization, contact person, contact number and email address, designation, nature, and value of service, and period of the appointment;
- Provide value-added services besides the contracted services;
- Have a partnership base of not less than two full-time partners with affiliation to internationally accredited audit firms.

EVALUATION CRITERIA

For the evaluation criteria of the Expression of interest, the Contracting Authority shall take the following criteria into consideration, with the indicated score:

Technical evaluation and Ranking		%
1	Past Performance	
1.1	Quality of the firm's work.	5%
1.2	Quality of the firm's audit reports.	5%
1.3	Timeliness of finishing the audit and submitting the audit reports.	10%
Sub-total		20%
2	Past Experience	
2.1	Relevant audit experience comparable in size and complexity to the PMU Approved Budgets.	10%
2.2	Ability to conform to the PMU audit guidelines.	10%
2.3	Understanding of relevant PMU accounting and financial management regulations/requirements	2.5%
2.4	Demonstrated organizational ability to plan, implement, and support an audit program	2.5%
Sub-total		25%
3	Compliance	
3.1	Auditor's practicing license	10%
3.2	Firm registration certificate with a recognized accounting body	10%
3.3	Latest tax compliance certificate	5%
3.4	Legal registration certificate	5%
Sub-total		30%
4	Audit Team proposed	
4.1	An appropriate mix of the audit team and the level of involvement each has in conducting the engagement (partner, team leader, manager, audit senior, audit juniors, or special expertise).	5%
4.2	Audit and accounting qualifications and level of experience of the proposed personnel	5%
4.3	Experience in internal control and financial systems evaluation as well as institutional and organizational development assessment.	5%
4.4	Appropriate experience in auditing PMU -funded projects, or similar projects/programs.	5%
4.5	An adequate number of staff on the proposed audit team so that the team could finish the engagement timely.	5%
Sub-total		25%
Total Score		100%

QUALIFICATION / REQUIREMENTS

Applicants Must Submit an Expression of Interest which must include:

1. A Company profile and proof of legal certificates and registrations.
2. Cover letter expressing interest to carry out the external audit services.
3. Resume/CV of the Lead Auditor to be assigned to the audit.
4. A Practicing license of the auditor

All applicants must be a member of the Institute of Certified Public Accountants / Chartered Accountants of a recognized accounting body.

Affiliations with international audit firm is an asset.

Following a review of the Expression of Interest, the selected firm will be invited to submit a technical and financial proposal.

SUBMISSIONS

Bids should be sent by email to procurement@across-ssd.org and Cc to headoffinance@across-ssd.org, financeanalyst@across-ssd.org making reference in the subject line as follows:

Subject: "**Provision of External Audit services**".

Hard copies in a sealed envelope can be dropped at our office located in Buluk off ministries Road Next to UNHCR during working days Monday – Friday 8:00 AM – 4:00 PM

ACROSS reserves the right to reject any application(s) without disclosing the reasons

The deadline for application submission is at **1700Hrs Friday 25th November 2022**. NB: All inquiries concerning the EOI should be addressed to procurement@across-ssd.org no later than 15th November 2022