

Expression of Interest (EOI) to Pre-qualify Audit firms

1. Job Description

The UNDP Country Office invites Expressions of Interest (EOI) in order to pre-qualify international and national audit firms to conduct audit services for the following categories of Projects:

1. Projects Directly Implemented by UNDP
2. Projects Implemented by National and International NGOs including CSOs

2. Audit Objectives – Purpose of Audit

The overall scope and purpose of the audit will be as follow:

1. The audit will cover the period from 1st January 2013 to 31st December 2013.
2. To determine the regularity of the receipt, custody, expenditure, and accounting for UNDP resources; and
3. To assess the overall operational and internal control system for the management of the projects.
4. The selected audit firm shall conduct the audit in accordance with International Standards of Auditing to achieve the following objectives: A Financial Audit to express an opinion on the project's financial statements that includes:
 - Expression of an opinion on whether the statement of expenses presents fairly the expense incurred by the project over a specified period in accordance with UNDP accounting policies (IPSAS) and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of the Government/NGO or UNDP; and (iv) supported by properly approved vouchers and other supporting documents. The Combined Delivery Report (CDR) is the mandatory and official statement of expenses to be certified. Other forms of statement of expenses that may be prepared by a project office are not accepted.).
 - Whether the result of the prior year's audits resulting in modified audit opinions on the UNDP CDR had conclusive actions to properly address an audit qualification in the previous year audit and the related Net Financial Impact (NFI). If there is a lack of conclusive actions, the auditors must take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.
 - Expression of an opinion on the value and existence of the project's statement of assets and equipment as at a given date. This statement must include all assets and equipment available as at 31 December 2013, and not only those purchased in a given period. Where a NGO/NIM project does not have any assets or equipment, it will not be necessary to express such an opinion, however, this should be disclosed in the audit report.
 - Express an opinion on the value and existence of the cash held by the project as at a given date, i.e. 31 December 2013. Where a dedicated project bank account is opened and used solely for the cash transactions of a NGO/NIM project, e.g. if the project is in a remote location. The Audit Firm is required to express an opinion on

the Statement of Cash Position where a dedicated bank account for the NGO/NIM project has been established and/or the project holds petty cash. Where the project does not hold any cash, this should be disclosed in the audit report.

The Financial Audit will be conducted in accordance with International Standards of Auditing (ISA).

- (a) An audit to assess and express an opinion on the project's internal controls and systems.

The deliverable will be an audit report similar to a long form management letter that covers the internal control weaknesses identified and the audit recommendations to address them.

The management letter should be attached to the audit report and cover the following topics/issues:

- A general review of a project's progress and timeliness in relation to progress milestones and the planned completion date, both of which should be stated in the project document or Annual Work Plan (AWP). This is not intended to address whether there has been compliance with specific covenants relating to specific performance criteria or outputs. However, general compliance with broad covenants such as implementing the project with economy and efficiency might be commented upon but not with the legal force of an audit opinion.
- An assessment of a project's internal control system with equal emphasis on: (i) the effectiveness of the system in providing the project management with useful and timely information for the proper management of the project; and (ii) the general effectiveness of the internal control system in protecting the assets and resources of the project.
- A description of any specific internal control weaknesses noted in the financial management of the project and the audit procedures followed to address or compensate for the weaknesses. Recommendations to resolve/eliminate the internal control weaknesses noted should be included.

The audit of internal controls and systems will be conducted in accordance with the International Standards for Audit (ISA).

3. Scope of Work

1. The audit shall cover all activities of the projects from 01/01/2013 to 31/12/2013.
2. The audit shall cover all the geographical locations where the projects are being implemented within Sudan
3. AUDIT SERVICES REQUIRED

The scope of audit services shall be in accordance with International Standards for Audit (ISA) and cover the overall management of the project's implementation, monitoring and supervision. The audit work should include the review of work plans, progress reports, project resources, project budgets, project expenses, project delivery, recruitment, operational and financial closing of projects (if applicable) and disposal or transfer of assets. To this effect, the scope of the audit shall cover the following areas as they are performed at the level of the project:

Human resources

The audit work shall cover the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel and include performance appraisal, attendance control, calculation of salaries and entitlements, payroll preparation and payment, and management of personnel records.

Finance

The audit work shall cover the adequacy of the accounting and financial operations and reporting systems. These include budget control, cash management, certification and approving authority, receipt of funds, and disbursement of funds, recording of all financial transactions in expense reports, records maintenance and control.

Procurement

The audit work shall cover the competitiveness, transparency and effectiveness of the procurement activities of the project in order to ensure that the equipment and services purchased meet the requirement of either the government (or NGO) or UNDP and include the following:

- As applicable, delegations of authorities, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders
- Receiving and inspection procedures to determine the conformity of equipment with the agreed specifications and, when applicable, the use of independent experts to inspect the delivery of highly technical and expensive equipment
- Evaluation of the procedures established to mitigate the risk of purchasing equipment that do not meet specifications or is later proven to be defective
- Management and control over the variation orders.

The audit work in the area of procurement shall also cover the use of consulting firms and the adequacy of procedures to obtain fully qualified and experienced personnel and assessment of their work before final payment is made.

Asset Management

The audit work shall cover equipment (typically vehicles and office equipment) purchased for use of the project. The procedures for receipt, storage, and disposal shall also be reviewed.

Cash Management

The audit work shall cover all cash funds held by the project and review procedures for safeguarding of cash.

General Administration

The audit work shall cover travel activities, vehicle management, shipping services, office premises and lease management, office communications and IT systems, and records maintenance.

4. Requirements

The auditor should be experienced in applying either ISA or INTOSAI audit standards, whichever is applicable for the audit. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA or INTOSAI standards, including experience in auditing the accounts of entities comparable in size and complexity to the entity being audited.

Qualified firms meeting the following requirements are invited to submit an expression of interest:

- The audit firm must be registered with the Professional Accounting Body or with the Government relevant authority which issues licence as practicing auditor in their respective country/countries.
- Minimum of 10 years of progressive experience in the provision of audit services;
- Operational capacity to manage the audit exercise in the different locations at an agreed upon time period involving large number of projects (more than 100 projects);
- Minimum of 5 years of relevant experience in the provision of audit services to international development agencies.
- Experience in auditing UN project is desirable.

Submission of the EOI

The Expression of Interest should include the following details:

- Total number of audit professionals employed which should be distinguished by designation - audit partners, audit managers, audit seniors and audit assistants;
- A brief description of the nature and extent of the audit services rendered to 5 major audit clients in last three years; and
- A description of the firm's experience in providing audit services to international development agencies or organizations, and the nature of the audit services rendered. A specific listing and description of engagements, current or prior, in UN or UNDP funded activities, if any.
- Copy of the firm registration.

This EOI will pre-qualify audit firms to receive Requests for Proposal for Audit Services to enter into long-Term Agreements (LTAs) with UNDP. The initial contract will be for one year which will be extended under LTA for a maximum period of another two years based on the satisfactory performance of the auditors/firm.

Pre-qualified firms will be contacted directly in due course regarding the procurement process and Request for Proposals for the audit of the two categories of projects.

All documents should be submitted to:

United Nations Development Program
Reference: EOI/KRT/13/012 – Audit Services for UNDP Projects
UNDP Procurement Unit
Procurement Specialist
House 7 Block 5 Gama'a Avenue, Khartoum – Sudan
Fax no. + 249 (1) 83 773 128
P.O. Box 913 Khartoum Sudan

For enquiries send e-mail to Khalid Ibrahim khalid.ibrahim@undp.org not later than **1st May 2013**.

For more information on UNDP in Sudan, please consult the CO Website Sudan (<http://www.sd.undp.org>).

Deadline for submission of EOI is 08 May 2013 at 14:00 p.m.

If you already submitted a proposal please do not send again this is just a re - advertisement