

# TERMS OF REFERENCE

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## **AUDIT CONSULTANT** **Office of Audit and Investigations (OAI) - Roster**

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### **Background**

The Office of Audit and Investigations (OAI) reports to the UNDP Administrator and is responsible for internal audits and investigations. The general objectives of OAI audits are to evaluate and contribute to the improvement of governance, risk management, and control processes, and report thereon.

OAI has a decentralized organizational structure with Regional Audit Centres (RAC) in the five regions covered by UNDP in addition to units based at UNDP headquarters in New York, USA: The five Regional Audit Centres are located in:

- Dakar, Senegal
- Istanbul, Turkey
- Kuala Lumpur, Malaysia
- Panama City, Panama; and
- Pretoria, South Africa

As part of its mandate, UNDP funds development projects some of which are implemented by non-governmental organizations or national institutions. There are referred to as NGO/NIM projects. As part of their monitoring of oversight of these projects, UNDP country offices periodically hires the services of an audit firm to carry out a financial audit of the NGO/NIM projects in their portfolio. The resulting financial audit reports are then submitted by UNDP country offices to OAI for review and assessment.

The NGO/NIM financial audits are conducted their audits in line with International Standards on Auditing and address specific requirements such as:

- certifying, and expressing an opinion on the statement of expenses, the statement of cash position and the statement of assets and equipment;
- providing the monetary value of the financial impact of the qualification when a modified opinion is expressed on any of the above statements;
- indicating the risks associated with the audit findings and providing a categorization by risk (high, medium, low).

The audit reports are submitted by UNDP country offices to OAI through a web-based database system – CARDS (Comprehensive Audit Report and Recommendations Database System). These audit reports are reviewed by OAI and their results summarized in review letters to:

- inform senior management of the results of the audits in a particular country and highlight areas that require their attention;
- input into the planning for country office audits;
- input into the annual audit risk assessment for country offices and projects;
- provide assurance to the External Auditors of the UN Board of Auditors (BoA) on the true and fair view of the financial statements of UNDP as a whole.

OAI seeks to compile a Roster with suitably skilled and experienced Audit Consultants to be part of the team responsible for the review of the audit reports during the period 1 April to 31 July of a specific year. The Roster will be made of three groups based on full proficiency in the following languages:

- Group 1: English
  - Group 2: French and English
  - Group 3: Spanish and English
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### **Scope of work**

The consultant will support the OAI Regional Centre team in preparing financial audit review letters that summarize the results of audits conducted on projects in a particular country.

The number of audit reports will vary depending on the countries assigned (usually as a minimum of one report to a maximum of 40 per country). The number of action plans will always be one or two per country.

The consultant will be required to:

1. Access the CARDS system for each country assigned and select the assigned audit reports to be reviewed in-depth;
2. Review the assigned/selected audit reports. The review tasks include :
  - summarize audit opinions for projects and reasons for any qualifications and quantify their financial impact;
  - assess if the auditors conducted the audit in accordance with the terms of reference, including adequacy of coverage;
  - assess if the country office has adequately administered the audit exercise, such as timeliness of submission of audit reports and follow-up action plans, etc.;
  - assess the adequacy of actions taken to address prior year audit observations and those planned to be taken to address current year audit observations;
  - ensure that all observations and recommendations raised in the audit report have been captured and correctly entered in the system;
  - ensure that observations are classified by impact or severity (risk) and properly classified by audit area.
3. Review the prior and current year action plans to address audit recommendations of the assigned country. The actions plans are also submitted in the CARDS system. The tasks of review of actions plans include:
  - assess the adequacy of the current action planned to determine to what extent the proposed action will serve to address, partly address or not address the observations;
  - verify and/or determine that the status for the project actually represents the result of the action that has been taken (or not) to address the specific prior year audit observation.

### **Deliverables**

- 1) A review letter for the approval and signature of the Chief of the OAI Regional Centre that will include the following:

- transmittal memo with highlights/executive summary of results of audits
- detailed review
- net financial impact of qualifications
- audit observations/outcome
- adequacy of audit scope
- administration of the audit exercise
- actions taken to address prior year audit observations; and
- planned actions to address current year audit observations.

## 2) Working papers

The consultant will be required to:

- enter the data about the review process in the CARDS tracking system (with pre-built template), for each country, and
- generate the related reports in CARDS for the purpose of preparing the Review Letter in accordance with the established templates and guidelines.

## **Institutional arrangements**

The consultant will work under the supervision of a designated auditor from one of the OAI Regional Audit Centres. The designated auditor will:

- provide access to CARDS to the consultant;
- assign a specific country with audit reports for review;
- verify deliverables produced by the consultant;
- certify payment invoice submitted by the consultant

## **Duration of work**

The consultant will be engaged on an “as needed” basis. In other words, OAI requires the services of the consultant based on, inter alia, the number of audit reports submitted by specific countries and the consultant’s language capacity.

The review of audit reports normally takes place during the period **April 1<sup>st</sup> to July 31<sup>st</sup>** of every year for approximately 50 workdays per yearly assignment, not to exceed three assignments over three years.

## **Duty Station**

The assignment will be completed remotely (home based) and will not require any travel.

## **Qualifications of the successful candidate**

- Master’s degree in accounting, finance, business administration or first level of degree in combination with certification in accounting or audit (CA, CPA, ACCA, CIA);
- Minimum seven years of professional experience in audit or related field (such as accounting, financial reporting, risk management, internal controls);
- Experience in audit quality assurance activities (four years or more), including the review of audit reports;
- Experience in working with international or not-for-profit organizations;

- Is able to read and understand reports written in **French** or **Spanish** and write clearly in English;
- Has good presentation skills;
- Produces timely, quality outputs;
- Exercises sound judgment/analysis;
- Ability to handle multiple tasks;
- Proven knowledge and experience in the field of auditing;
- Demonstrated ability to use Microsoft WORD and EXCEL and database systems;

### **Terms of payment**

Fees are be paid on the basis of:

- The number of financial audit reports reviewed
- The number of follow-up action plans reviewed in CARDS (prior or current year, or both years)

As follows:

- US\$110 per actual number of audit report reviewed
- US\$330 per actual number of follow-up action plans reviewed in CARDS (prior or current year, or both)

Fees are paid monthly upon:

- submission of invoices specifying the above
- verification of satisfactory result by the OAI

### **Language requirements**

- Group 1: Fluency in English
- Group 2: Fluency in French and English
- Group 3: Fluency in Spanish and English

### **Applying for the Roster:**

Interested individual consultants must submit the following documents/information in his/her application:

1. **Cover Page** explaining why you are applying for the roster and highlighting any factors that are particularly relevant to your application;
2. **Completed P-11** form including past relevant experience and contact details of three referees

**Assessment of applicants:**

Individual consultants will be evaluated based on the following methodology:

Step 1: CV assessment: weighting of 70%

Candidate must obtain a minimum of 45 out of 70 points to be *invited* to take a written test.

Step 2: Written test: weighting of 30%

Candidate must obtain a minimum of 25 out of 30 points.

**Note:**

Candidates must obtain a minimum total point of 70 (of which a minimum of 25 points for the written test) to be qualified for the Roster.

**Selection of applicants for Roster:**

Based on the result of assessment, OAI will establish a Roster of all qualified audit consultants. Roster's consultants are included into 3 groups in accordance with language requirements, namely:

- Roster Group 1: English
- Roster Group 2: French and English
- Roster Group 3: Spanish and English

**Selection of consultant:**

The consultant will be engaged on an "*as needed*" basis. In other words, as and when OAI requires the services of one or more contract consultants, a competitive selection will be made from the Roster that takes into account the TOR requirements, their qualifications, their language abilities, and availability to undertake the assignment within the required period.

The selected consultant will be awarded an individual contract with specific TOR for assigned audit reports/action plans of specific country(ies).

Approved by:



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