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Terms of reference for Annual Audit of Project/programme support

Project Name: **WWF Finland partnership programme: Resilience for People and Biodiversity**

Introduction

World Wide Fund for Nature (WWF) is one of the leading International Organizations working on the environment in the world. In the Greater Mekong sub-region, WWF has its offices and field activities in Cambodia, Laos, Myanmar, Thailand and Vietnam under a program named WWF-Greater Mekong (WWF-GM).

I. Objectives and scope of the audit

Auditor is going to conduct the annual audit report of the Development Co-operation Project WWF Finland partnership programme: **Resilience for People and Biodiversity**. According to the Ministry for Foreign Affairs of Finland's general conditions regarding support to non-governmental organizations and municipalities, the receiving organization must observe principles related to good governance and anti-corruption activities. State support shall be used only to cover expenses considered necessary and reasonable in carrying out the project activities. The support-receiving organization shall in its accounting follow the generally accepted national accounting principles (GAAP). The audit should be carried out in accordance with the International Standards on Related Services 4400 applicable to agreed-upon procedures engagements taking into account the conditions set out in the discretionary government transfer decision and in the additional conditions for programme/project support and relevant national legislation and standards.

The nature of a Development Co-operation Programme/Project is as follows:

- A project is not a legal entity but an accounting subject
- It can include transactions in more than one legal entity (e.g. Partner or Subsidiary)
- It does not prepare statutory Financial Statements
- The statements under audit are the Financial Programme/Project Report and the List of Fixed Assets
- Fixed Assets are not capitalized but recorded as cost when purchased
- The Materiality Level in each audit finding is the equivalent of 200 Euros or 0,15 % of total reported expenses, if it is higher than 200 Euros.

II. The Reporting

Templates of Engagement Letter and Auditor's Report are attached to this Audit Instructions. We ask you to further send the Auditor's Report to the co-operation partner in Finland by email or by regular mail. The

Agreed-upon Procedures are listed in the template of the Auditor’s Report. The report has to be in English (or in another language exceptionally agreed with the Finnish partner organization) and include the findings of all of the agreed-upon procedures. ISRS 4400 report is not meant to be a standard report so each auditor should in any case adjust the report to reflect the procedures carried out and the observations made during the procedures.

III. Project information for auditing

1. Project Name

WWF Finland partnership programme: **Resilience for People and Biodiversity**

2. Project Donor

Primary Donor: Ministry for Foreign Affairs of Finland (MFA)

Network Donor: WWF Finland

Primary Donor Funding Source Agreement Number: 89892264

3. Project Location

Laos

4. Project Duration

1.3.2022 – 31.12.2025

5. Total expenditure

Country	CY 2022
WWF-Laos	76,984.71
Total	76,984.71

6. Expected time for receiving audit proposal

23 March 2023 COB

7. Expected time needed for the audit (included audit field work)

Late February or early March 2023

8. Expected time to receive audit report

First draft: 10st Mar 2023

Final draft: 15th Mar 2023

Final report: No later than 23th March 2023

9. Total Audit for” WWF Finland partnership programme: Resilience for People and Biodiversity” project in Laos

Financial audit report per calendar year; due March 31, in accordance with the Audit Instructions of Primary Donor (Attachment 3)

10. Audit Deliverables

- Independent Auditor's Report (audit certificate)
- Engagement Letter

All audit deliverables shall be issued in physical copies and digital copies. The digital copies must be sent to WWF Finland by Audit firm.

11. Supporting documents are available at

- WWF-Laos: P.O. Box. 7871 House No.39, Unit 05, Saylom village, Chanthabouly district, Vietiane, Lao PDR;
Tel: +856 21216 080; Fax: +856 21251 883

IV. Audit proposal Guideline

Language of the Proposal: The Proposals prepared by the bidders and all correspondence and documents relating to the Proposal exchanged by the bidders and WWF-GM shall be written in the English language. Any printed literature furnished by the bidders may be written in another language so long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Proposal, the English translation shall govern.

Proposal Currencies: All prices shall be quoted in USD.

Period of Validity of Proposals: Proposals shall remain valid for 60 days after the date of Proposal submission indicated in the table above.

Submission Deadline: 14 February 2023

Proposal: The proposal to be submitted shall include but not limited to the below information:

A - TECHNICAL PROPOSAL

- The audit firm is familiar with the International Standards on Related Services 4400 applicable to agreed-upon procedures engagements taking into account the conditions set out in the discretionary government transfer decision and in the additional conditions for programme/project support and relevant national legislation and standards.
- Experience in auditing ODA projects/Public funds
- Understanding of the audit requirements
- Understanding the deliverable of the requirements
- Approach and methodology to be used
- Initiatives (if any) for improving audit implementation plan
- Implementation plan (starting time and total time needed)
- Human resources arrangement: Team leader should be qualified independent auditors.

B - FINANCIAL PROPOSAL

Financial proposal are prepared based on the technical proposal in accordance with the requirements and provisions in the request for proposal, including summary of cost and out of pocket expenses.

Submission of Proposals

The proposals shall be submitted documents to the email address: procurement-laos@wwf.org.la , containing the Technical Proposal(s) and the Financial Proposal(s). Below is detailed instructions;

- The title shall be clearly marked “**Proposal for Audit of the WWF Finland partnership programme: Resilience for People and Biodiversity**”
- The proposal shall be separated in two files: one for technical proposal and one for financial proposal.
- The file shall be in the form of MS word or MS excel (MS Office 2007 at least) or PDF version 7.
- Please be aware that bids or proposals emailed to WWF-Laos will be rejected if they are received after the deadline for bid submission. As an email may take some time to arrive after it is sent, especially if it contains a lot of information, we advise all bidders to send email submissions well before the deadline.
- Maximum size for electronic submission: The maximum size per email that WWF-Laos can receive is **8MB**. Bidders may need to split proposals into parts to fit this limit.

Please note that the proposal must be arrive in the aforementioned mailbox before the submission deadline

Criteria for Selection:

a) Evaluation of Technical Proposal:

The evaluation panel will fully evaluate the Technical Proposals. The panel will determine which of the Technical Proposals pass the minimum agreed technical score specified below.

After the evaluation of Technical Proposals has been completed, WWF-Laos will notify those auditor whose proposals did not pass the minimum technical score or were considered to be non-responsive to the TOR.

b) Evaluation of Financial Proposal:

The financial evaluation shall be based on the lowest price of those bidding firms which submitted responsive Technical Proposals. The formula for determining the financial scores is the following:

$S_f = 100 \times F_m / F$, in which S_f is the financial score, F_m is the lowest price and F the price of the proposal under consideration.
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c) Final evaluation and negotiations:

The final ranking of the proposals will be based on the quality of technical proposals and lowest cost. The total score will be calculated as the weighted sum of the technical and financial scores, with the weights given to the technical and financial scores being:

70/30 where the technical proposal = 70 and the financial proposal = 30.
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With regard to contract negotiations WWF-Laos reserves the right to invite the next-ranked firm to negotiate, if negotiations with the first-ranked firm do not result in a contract.

Bidders who pass the minimum score, but are unsuccessful based on the calculation of the technical and financial scores, will be notified after the contract with the winner has become effective.

Technical Evaluation Criteria:

Criteria	Score
Technical	100
The auditor must be a chartered or registered public accountant.	15
Experience in auditing MFA funded project	15
Experience in auditing ODA projects/public funds	10
Understanding of the audit requirements	10
Understanding the deliverable of the requirements	10
Approach and Methodology to be used	10
Implementation plan (starting time and total time needed)	10
HR arrangement; Team leader and team member hold CPA or ACCA, CFA or MBA qualification experience with audit of ODA funded projects	15
Initiatives (if any) for improving audit implementation plan	5

Note: The acceptable threshold for technical proposals is set at a **minimum score of 70 points out of 100 points**. Technical proposals which do not reach this minimum score will not be considered for financial evaluation.