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## RE-ADVERTISEMENT

### REQUEST FOR PROPOSALS TO CARRY OUT EXTERNAL AUDIT TO CCARDESA SECRETARIAT

#### 1. SUMMARY AND BACKGROUND

The Centre for Coordination of Agricultural Research and Development for Southern Africa (CCARDESA) is a Sub-Regional Research Organization (SRO) established in 2010 by Member States of the Southern African Development Community (SADC). CCARDESA is a subsidiary organization of SADC and has the mandate of coordinating matters of agricultural research, technology dissemination and agricultural development in the SADC region.

The CCARDESA mandate is aligned to the objectives of the SADC Regional Indicative Strategic Development Plan, SADC Regional Agricultural Policy, the Comprehensive Africa Agricultural Development Programme (CAADP) Pillar4 and the Malabo Declaration Commitment. CCARDESA closely works with regional and international partners to facilitate generation and use of essential agricultural technologies. It also supports the exchange of information and technologies among Member states.

Its main funding is from SADC Member States and international cooperating partners (ICPs). Furthermore CCARDESA Secretariat is implementing projects that are funded by different donors.

It is against this background that CCARDESA Secretariat intends to engage an independent external audit firm for the three financial years 2017, 2018 and 2019.

The audit shall be carried out in accordance with international audit standards issued by International Organization Federation of Accountants (IFAC). The audit shall be carried out by an external, independent and qualified auditor (Certified Public Accountant/Authorized Chartered Accountant) accredited with BICA (Botswana Institute of Chartered Accountants

#### 2. PROPOSAL GUIDELINES

Proposals will be accepted until **26<sup>th</sup> January 2018 at 16.00hours Botswana time**. Any proposals received after this date and time will be returned to the sender. All proposals must be signed by an official agent or representative of the firm. All costs included in the proposals must be all inclusive and must be itemized to include an explanation of all fees

and costs. Contract terms and conditions will be negotiated upon selection of the most suitable bidder for this assignment. All contractual terms and conditions will include scope, budget, schedule, and other necessary items pertaining to the assignment.

### 3. SCOPE OF THE AUDIT

3.1 The audit scope will include such tests and verification procedures as the auditors consider necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

- (a) All funds have been used in accordance with the conditions of the financing agreement, with due attention to economy and efficiency and only for the purposes for which the funds were provided;
- (b) Member States funds have been properly maintained in the designated reserves fund account;
- (c) Goods, works and services have been procured in accordance with the procurement manual in accordance with the CCARDESA rules and procedures; and have been properly accounted for;
- (d) Appropriate supporting documents, records and books of accounts relating to all project activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented;
- (e) Bank accounts have been maintained in accordance with the provisions of the financing agreements;
- (f) Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions and ensure safe custody of project-financed assets and that they are being used for the intended purposes; and
- (g) Ineligible expenditures identified during the audit will be reflected in a separate paragraph of the audit report and if material, the point should be reflected in the auditors' opinion.

3.2 In accordance with International Standards on Auditing, the auditors shall pay attention to the following:

- (a) ***Fraud and Corruption:*** In accordance with **ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements)** the auditors shall identify and

evaluate risks related to fraud, obtain or provide sufficient evidence of analysis of these risks and assess properly the risks identified or suspected;

(b) **Laws and Regulations:** In preparing the audit approach and in executing the audit procedures, the auditors shall evaluate the CCARDESA Secretariat's compliance with the provisions of laws and regulations that might impact significantly the PFSs as required by **ISA 250 (Considerations of Laws and Regulations in an Audit of Financial Statements)**;

(c) **Governance:** Communicate with the CCARDESA Secretariat Management responsible for Governance regarding significant audit issues related to governance in accordance with ISA 260: (Communication with those charged with Governance); and

(d) **Risks:** With a view of reducing audit risks to a relatively low level, the auditors will apply appropriate audit procedures and handle anomalies/risks identified during their evaluation. This is in accordance with ISA 330 (The Auditor's Responses to Assessed Risks).

#### **4.0 MANAGEMENT LETTER**

In addition to the audit report, the auditors will prepare a "management letter" in which they will:

(a) Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit;

(b) Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement;

(c) Report on the degree of compliance with each of the financial covenants on the Loan/Grant agreement and give comments, if any, on internal and external matters affecting such compliance;

(d) Report on the implementation status of recommendations pertaining to previous period audit reports;

(e) Communicate matters that have come to their attention during the audit; and

(f) Bring to the Board/donor's attention any other matters that the auditors consider pertinent.

## 5.0 TEAM COMPOSITION

The Auditor will employ adequate staff with appropriate professional qualifications and suitable experience with IFAC standards, in particular International Standards on Auditing and with experience in auditing the accounts of entities comparable in size and complexity to the entity. In addition the audit team as a whole will have:

- Appropriate experience with audits of external aid operations financed by the donors. At least one senior member of the fieldwork team either a manager/supervisor should have such experience;
- Demonstrate sufficient knowledge of relevant laws, regulations and rules. This includes but is not limited to taxation, social security and labour regulations, accounting and reporting.

The team of auditors required for this engagement will be composed of a level 1 auditor who has the ultimate responsibility for the audit and signing of the opinion and an audit team which is composed of an appropriate mix of level 2 – 4 auditors and who have the qualifications and experience as set out below.

### Level 1 – Audit Partner

An audit partner must be a highly qualified expert with a relevant university or professional qualification and assuming or having assumed senior and managerial responsibilities in public audit practice. He/she should be a member of a national accounting or auditing body or institution. He/she must have professional experience as an auditor or accountant in public audit practice and experience.

An audit partner, or another person in a position similar to that of a partner, is the person of the audit firm who is responsible for the audit and its performance, and for the report that is issued on behalf of the firm. He/she has the appropriate authority from a professional, legal or regulatory body and is authorized to certify accounts by the laws of the country in which the audit firm is registered.

### Level 2 - Audit Manager

An audit manager must be a qualified expert with a relevant university or professional qualification. He/she must have experience as a professional auditor or accountant in public audit practice including relevant managerial experience of leading audit teams.

### Level 3 –Audit supervisor

An auditor supervisor must be a qualified expert with a relevant university or professional qualification and at least professional experience in external aid audits or audit practice.

#### Level 4 –Senior Auditor

A senior auditor must be a technical and administrative staff of at least 3 years standing with the audit firm or a qualified expert with a relevant university or professional qualification and less than 3 years professional experience in public audit practice.

#### *Curricula Vitae (' CVs')*

The Auditor will provide the CCARDESA Secretariat with CV's of the partner or other person in the audit firm who is responsible for the audit and for signing the report together with the CVs of the audit manager, supervisor and staff proposed as part of the audit team. CVs will include appropriate details on the type of audits carried out by the staff indicating capability and capacity to undertake the audit as well as details on relevant specific experience.

#### **5. REQUEST FOR PROPOSAL AND ASSIGNMENT TIMELINE**

All proposals in response to this RFP are due no later than **16.00hours** Botswana time on **26<sup>th</sup> January 2018**

#### **6. PROPOSAL EVALUATION CRITERIA**

Specific experience: 20points

Adequacy of the proposed methodology and work plan: 50 points

Key professional staff qualifications and competence for the assignment: 30points

Technical required to pass: 60%

#### **7. PROPOSAL SUBMISSION**

Each bidder must submit one original and 4 copies of their proposal to the address below by **26<sup>th</sup> January 2018 at 16.00hours Botswana time.**

**CCARDESA Secretariat**

**Station Exit Road, Plot No. 4701, Red Brick Building**

**Private Bag 00357**

**Gaborone, Botswana**

**Attention: Grem Salima – Procurement Officer**

**E-mail: [gsalima@ccardesa.org](mailto:gsalima@ccardesa.org)**

**Telephone: (267) 3914997**