

REQUEST FOR TENDERS

RFT: 2021/085
File: AP_6/15; FN 1/2
Date: 3 November, 2021
To: Interested suppliers
From: Julie Pillet, Technical Waste Project Coordinator, SWAP

Subject: Request for tenders: Appointment of Auditors for Agence Française De Développement (AFD) Sustainable Waste Actions in the Pacific (SWAP) Project 2020-2023

1. Background

- 1.1. The Secretariat of the Pacific Regional Environment Programme (SPREP) is an intergovernmental organisation charged with promoting cooperation among Pacific islands countries and territories to protect and improve their environment and ensure sustainable development.
- 1.2. SPREP approaches the environmental challenges faced by the Pacific guided by four simple Values. These values guide all aspects of our work:
 - We value the Environment
 - We value our People
 - We value high quality and targeted Service Delivery
 - We value Integrity
- 1.3. For more information, see: www.sprep.org.

2. Specifications: statement of requirement

- 2.1. SPREP would like to call for tenders from qualified and experienced audit firms to carry out specific tasks as outlined in the Terms of Reference (Annex I). The annual audits of AFD SWAP's accounts for the financial years ending 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023.
- 2.2. If the current border and travel restrictions due to COVID 19 continues at the time of assessment it is expected the work will be completed remotely. Virtual 'Teams' and /or Zoom meetings will need to be arranged by the auditor and soft copies of documents provided by the Secretariat shall be accepted by the contractor for review.
- 2.3. The successful supplier must supply the services to the extent applicable, in compliance with SPREP's Values and Code of Conduct
https://www.sprep.org/attachments/Publications/Corporate_Documents/sprep-organisational-values-code-of-conduct.pdf

3. Conditions: information for applicants

- 3.1. To be considered for this tender, interested bidders must meet the following conditions:
- i. Must meet the conditions as in Annex 1 Terms of Reference Section 3.2 – Requirements for the Auditor.
 - ii. By agreeing to these ToR the auditor confirms that s/he meets at least on the following conditions: *Proposals failing to meet at least one of the following will be technically disqualified and no further evaluation will be conducted.*
 - the auditor is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC); or
 - the auditor is a member of a national accounting or auditing body or institution; although this organisation is not a member of IFAC, the auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these TOR.
 - iii. Provide clear evidence of qualifications, experience and team composition as in Section 3.2 of Annex 1 Terms of Reference.

4. Submission guidelines

- 4.1. Tender documentation should demonstrate that the interested supplier satisfies the conditions stated above and is capable of meeting the specifications and timeframes as outlined in the Terms of Reference. Documentation must also include supporting examples to address the evaluation criteria.
- 4.2. Tender documentation should outline the interested supplier's complete proposal: methodology, personnel (and their skill sets/curricula vitae), timeframes and costs (in USD).
- 4.3. Provide three referees relevant to this tender submission, including the most recent work completed.
- 4.4. Complete the **tender application form** provided (*please note you are required to complete in full all areas requested in the Form, particularly the Statements to demonstrate you meet the selection criteria – DO NOT refer us to your CV or your Technical Proposal. Failure to do this will mean your application will **not** be considered*).
- 4.5. Sign the **conflict of interest form** provided.
- 4.6. Tenderers/Bidders must insist on an acknowledgement of receipt of tenders/proposals/bids.

5. Tender Clarification

- 5.1. Any clarification questions from applicants must be submitted by email to procurement@sprep.org before 10 November 2021. A summary of all questions received with an associated response will be posted on the SPREP website www.sprep.org/tender by 12 November 2021.

6. Evaluation criteria

- 6.1. SPREP will select a preferred supplier on the basis of SPREP's evaluation of the extent to which the documentation demonstrates that the tenderer offers the best value for money, and that the tenderer satisfies the following criteria.
- i. Must be an **independent external** auditor who is a registered member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC) and who is certified to perform audits. (20%)
 - ii. The auditor must employ sufficient staff with: (i) appropriate professional qualifications and suitable experience with IFAC standards. The team of auditors required for this shall be composed of a category 1 auditor who has the ultimate responsibility for the audit, and an engagement team composed of an appropriate mix of category 2-4 auditors. It is the responsibility of the auditor to propose and use an engagement team composed of an appropriate mix of auditors for this engagement. (Staff profiles and CVs must clearly outline staff qualifications and experience. – Refer Sections 3.2.2 – 3.2.4 of ToR on Qualifications, experience and team composition) (25%);
 - iii. Experience with audits of development aid projects and programme funded by national and/or international institutions and/or donors. Experience with procurement and technical audits. Sufficient knowledge of relevant laws, regulations and rules in the country would be an asset, this includes, but is not limited to taxation, social security and labour regulations, accounting and accounting information systems and procurement. (35%)
 - iv. Provides a competitive fee for the tender. It is essential to note that the “value for money” assessment will consider economical, efficiency and effectiveness, which does not necessarily favor the cheapest tender (20%)

7. Deadline

- 7.1. The due date for submission of the tender is: **17 November 2021 midnight (Apia, Samoa local time).**
- 7.2. Late submissions will be returned unopened to the sender.
- 7.3. Please send all tenders clearly marked '**2021/085: Appointment of Auditors for AFD SWAP Project Financial Years 2020 – 2023**' to one of the following methods:

Mail: SPREP
Attention: Procurement Officer
PO Box 240
Apia, SAMOA
Email: tenders@sprep.org (MOST REFERRED OPTION)

Person: Submit by hand in the tenders box at SPREP reception,
Vailima, Samoa.

Note: Submissions made to the incorrect portal will not be considered by SPREP. If SPREP is made aware of the error in submission prior to the deadline, the applicant will be advised to resubmit their application to the correct portal. However, if SPREP is not made aware of the error in submission until after the deadline, then the application is considered late and will be returned unopened to the sender.



SPREP reserves the right to reject any or all tenders and the lowest or any tender will not necessarily be accepted.

For any complaints regarding the Secretariat's tenders please refer to the Complaints section on the SPREP website

<http://www.sprep.org/accountability/complaints>

ANNEX 1**TERMS OF REFERENCE FOR FINANCIAL AUDIT****Sustainable Waste Actions in the Pacific (SWAP)**

Agreement number(s):	CZZ 2514 01Z
Entity subject to the audit:	Secretariat of the Pacific Regional Environment Programme (SPREP)
Country:	Samoa
Period covered:	Year 1: 27 February 2020 to 31 December 2020 Year 2: 1 January 2021 to 31 December 2021 Year 3: 1 January 2022 to 31 December 2022 Year 4: 1 January 2023 to 31 December 2023

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Audit Context, Objectives and Scope

Context

Presentation of AFD

AFD is a central actor in France's development policy and supports States, companies, local authorities and NGOs. It builds synergies with them to catalyze, feed into and disseminate innovative solutions that benefit people. Through its network of 85 agencies, AFD operates in 108 countries, where it is currently financing, monitoring and supporting over 2,500 development projects.

Presentation of the Project / Programme

Additional information about the Project / Programme is available in Annex 4.1

- The purpose of the project: “The Sustainable Waste Actions in the Pacific (SWAP)” is to contribute to achieving the strategic goals of the Pacific Regional Waste and Pollution Management Strategy (Cleaner Pacific 2025) by improving the capacity of target member countries through implementation of sustainable waste management actions. The project is aimed at developing good practices in waste management in the Pacific region with specific objectives, as follows:
 1. Support local populations and authorities in the development of national waste management policies and actions (collection, sorting, recovery, proper disposal),
 2. Improve the delivery of waste services through development of waste management infrastructures and implementing pilot projects,
 3. Strengthen the technical, financial and governance capacities of local authorities and waste practitioners.

The project also seeks to ensure greater coherence, alignment and build linkages among the various regional waste projects managed and implemented by SPREP. The Cleaner Pacific 2025 promotes dissemination of outcomes of waste management initiatives and the SWAP Project intends to undertake a community of practice among the stakeholders around the region in areas covered by the ongoing projects of JICA (J-PRISM2), UNEP (GEFPAS uPOPS), EU (PacWaste Plus) and DFAT (POLP). The good practices, experiences and lessons learned from these projects will be disseminated to the other Pacific Island Countries and Territories. SPREP, through the Community of Practice, will provide a venue for strong interaction among the regional waste projects.

- The Agreement came into force on the 27th February 2020 and shall remain in full force and effect until the expiration date of a two (2) year period starting on the date of the Final Audit Report set out in Clause 3.2.5 of the Financing Agreement for 6 years as from the Signing Date. Subject to the terms of the Financing Agreement, AFD have made available to SPREP a Grant in a maximum aggregate amount of three million Euros (EUR 3,000,000). The project has 3 components:

- a. **Implementation of regional training program:** Preparation and implementation of sub-regional trainings (Melanesia, Micronesia and Polynesia) for practitioners of national and local authorities, non-governmental organizations and enterprises. These trainings will have to be very practical and the participants will be asked to propose and develop national activities that can be funded by the project using a set of guidelines. These trainings will be linked to other relevant capacity building programmes which can potentially lead to a recognized accreditation.
 - b. **Implementation of pilot projects:** During the Inception workshop, the targeted countries will develop broad national activities with guidance from SPREP. After the training programme, the participating counterparts will submit concept notes on proposed projects based on the knowledge and practical application gained from the training programmes. SWAP will focus on the three target waste streams (used oil, marine debris and distaste waste) and a target institutional mechanism, i.e. sustainable financing. In each of the target waste stream and mechanism, beneficiary countries have been identified based on the feasibility study undertaken. The implementation of these projects will be guided by SPREP Technical Advisers and SWAP Technical Officers. The completion of the project activities will lead to accreditation of the training courses taken by the participants. Particular attention will given to the financial sustainability of projects and the technical maintenance of infrastructure.
- **Development of a community of practice:** Emphasis will be placed on the development of a network of practitioners that can function beyond the duration of the training, in the areas of hazardous waste management, disaster waste management, marine debris management and resource recovery towards sustainable financing.
 - The Project Steering Committee is a requirement of the Agreement with AFD to guide the development and implementation of the SWAP Project, ensuring a fair and reasonable decision-making process for project priorities and funding allocation.

Context of the Audit

This audit is a requirement as per the Financing Agreement dated February 27th 2020 between Agence Francaise De Developpement 'The Agency' and The Secretariat of the Pacific Regional Environment Programme (SPREP) 'The Beneficiary'.

These TOR will form an integral part of the contract between SPREP and the auditor.

Audit Objectives

The objectives of this audit are to enable the auditor to express a professional opinion on whether:

the financial statements of the Project / Programme present fairly, in all material aspects, the expenditure actually incurred, and revenue actually received for the Project for the period covered by the audit;

the funds allocated to the Project have, in all material aspects, been used in conformity with the applicable contractual conditions; the expenditure is compliant with the rules of sound financial management, assessed notably in the light of eligibility criteria (see Annex 4.2 – Nomenclature of Findings and Misstatements);

The auditor should also provide recommendations on the various aspects of the audit.

Scope (or Extent) of the Audit

Contractual Conditions

Financing Agreement dated 27th February 2020;

Terms of Reference of Project Steering Committee

Procurement Plan

Activity programmes that required an AFD NON or an approval from the Project

Period(s) Covered

The first year covered by the audit is 27th February 2020 to 31st December 2020. The contract is for the duration of the project but will be reviewed after every twelve months.

Financial and Volume Data

Financial and volume data for the period covered by the financial component of the audit is provided below:

Budget for the period – EUR 705,532.22;

Expenditure amount implemented over the period – EUR 16,093.61;

Number of bank accounts opened for the Project/Programme and entities authorised to operate them – One bank account operated only by SPREP;

Number of expenses – 36;

Indicative number of supporting documents corresponding to these expenses - 180



Audit Methodology and Reference Framework

Conduct of the Audit

Audit Stages

Engagement preparation

The auditor should contact SPREP as soon as possible (and no later than 3 days) after the audit contract agreement has been fully signed, to prepare the engagement and agree on its timetable, notably for field work.

He /she should ensure the availability:

- of the final financial statements and of the original supporting documents or photocopies of the originals certified by SPREP and shall address SPREP a first request for documents (elements relating to the financial audit);
- of the contracts documentation (both for procurement and technical aspects) and their location. Based on the list of contracts annexed to the TOR, he / she will address the Entity a first request for documents

Opening meeting with the Project / Programme

An opening meeting with SPREP is organised to address the following topics: planning of the audit fieldwork, logistics and security (premises, vehicles, equipment, etc.), documents availability, key staff availability and initial meetings set up and, if applicable, designation of a focal point at SPREP.

Execution of the audit engagement

The auditor performs the procedures detailed in section 2.3 of these TOR. He uses a working method as participatory as possible, to obtain as much evidence items and supporting documentation as possible during the engagement and prior to the production of the draft report.

Aide-mémoire and restitution meeting

At the end of the engagement, the auditor prepares an aide-mémoire and is required to organise a closing meeting with SPREP. If necessary, the Entity is invited to provide additional documents and/or information to be taken into consideration in the draft report.

Draft Report to be sent to SPREP

The draft report must be prepared within a period of 5 working days after the closing meeting. Submission follows the following stages:

**Option 2: DR sent
simultaneously to AFD and
SPREP**

The DR is sent at the same time to the AFD and SPREP for their comments

The auditor integrates the comments from AFD and SPREP and prepares the final report

Comments on the draft report by the AFD and SPREP

The AFD and SPREP have 10 working days to provide their comments and any additional (scanned) supporting documentation to the auditor.

If, at the end of this period, the comments and supporting documentation have not been sent, the auditor then informs SPREP to agree on a solution. Any additional period granted by SPREP is confirmed in writing to the auditor and the Entity.

Final report

The final report must be submitted by the auditor within 5 working days following receipt of comments and observations, and of any additional supporting documentation.

Audit Timetable

a) Annual Audits

The indicative start date for the mission is 10 Sep 2021. Start-up must occur within 5 working days after official notification.

The period between the audit closing meeting and submission of the final audit report to SPREP must not exceed 5 working days.

The maximum duration of the mission is set at 45 working days.

Example of a detailed timetable to be completed by the auditor for a mission of a maximum 3-month duration:

	M1				M2				M3			
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
Engagement preparation												
Opening meeting with the Entity												
Fieldwork												
Aide-mémoire and restitution meeting												
Draft report submission (5 days after mission)												
AFD and SPREP observations on Draft Report (10days after report is received)												
Submission of final report to AFD and the Entity (5 days after receiving comments and possible additional supporting documentation)												

Engagement Logistics

All information relating to the audit will be provided upon request by the auditors to the Finance and Administration Division of SPREP;

A secure and air-conditioned space is provided within the Finance and Administration Division building located at Vailima with Internet connection.

Volume of Services

The **estimated** overall volume of services in man-days for the entire audit team is 45 days. The table below details the **indicative** volumes of services by expert¹:

	Key experts				Non-key experts		
	Partner	Team Leader	Supervisor	Senior Auditor No. 1	Assistant Auditor No. 1	Assistant Auditor No. 2	TOTAL
Min. No. days	2	5	8	10	10	10	45
Max. No. days	2	5	8	10	10	10	45

Report Structure and Content

The use of the audit report template, provided to the auditor, is mandatory. It should be presented in English. Findings and misstatements will be presented in the audit report according to the nomenclature provided in Annex 4.2. and financial findings should be summarised based on the following typology: eligible expenditure, eligible with misstatements, ineligible, unaudited.



The auditor sends the draft report electronically, in Word and Excel for the annexes, simultaneously to the AFD and SPREP.

He /she then sends to the SPREP/AFD two original paper versions on the auditor's letterhead and an electronic version (in Word and Excel for the annexes) of the final report along with a cover note. In the cover note, he / she should confirm that two original paper versions of the final audit report have been sent to SPREP. The word "draft" or "final" should appear clearly on each version. The final report is signed by the partner in charge of the engagement and its execution

Audit Methodology

Sample Determination

The auditor may use sampling based on his / her risk assessment.

Sample determination may be reviewed for each financial year audited.

a) Financial audit relating to the use of allocated funds

To ensure that the tests results are representative, the auditor audits at least 65% (in amount) of the total expenditure stated in the financial report. In case of financial findings greater than 10% of the total amount of audited expenditure, the testing rate should be increased to 85%. 50% of each budget line, and 10% of each sub-line, should be audited.

Regarding the audit of the use of funds and based on potential fiduciary risks (e.g. internal control environment considered weak), the project team may request an audit of all expenditure or of one or more of the expenditure categories (or budget lines).

b) Procurement Audit

100% of contracts are audited.

c) Technical Audit

Sample determination should take into account the following factors: complexity of the works, geographic dispersion, technical incidents occurring during execution, absence of private project management, delays, suspension orders, addenda (legitimacy), poor detailed engineering design, deficient technical requirements and working plan.

Eligibility Conditions

The auditor performs tests and controls of expenditure eligibility by ensuring:

its compliance:

- c. with the financing agreement, and contracts,

- d. with the annual activity program for which AFD gave a NON,
- e. with procurement legislation, and other local regulations (e.g. for per diem),
- f. with technical standards and standards of professional practice for the performance of contracts;
the existence:
- g. of supporting documents by type of expenditure in compliance with sound management practices in the absence of a procedures manual,
- h. of the required documentation for procurement procedures and contracts' technical execution;
the probative value of supporting documentation (original supporting documentation, compliance with the chronology of dates, compliance with mandatory information requirements, affixing of stamps and signatures);
that the Project / Programme has ensured to obtain the most satisfactory quality/price ratio;
that the expenditure/contracts have been incurred/executed by SPREP during the Project / Programme implementation period defined in the financing agreement;
that expenditure is adequately recorded in the SPREP's accounts;
that expenditure does not include any ineligible costs (e.g. certain taxes or VAT).

Determination of the Opinion

The possible audit opinions for financial audits are an unqualified opinion, a qualified opinion, an adverse opinion and a disclaimer of opinion. The report template provided to the auditor contains guidance for the formulation of the opinions.

Auditors are now required, when expressing an opinion on the current year's financial statements, to consider the possible effect of a modified opinion (qualified opinion, adverse opinion and disclaimer of opinion) from a previous year that did not result in an appropriate amendment or solution (ISA standard 710). This avoids the accumulation of unresolved findings.

Documentation of Identified Misstatements and Weaknesses

The Excel file attached in Annex 4.3 should be used by the auditor to document procedures performed on audited expenditure and contracts and summarise identified misstatements. Other Excel files may be sent to auditors upon request to facilitate the application of audit procedures. Annex 4.3 should be attached to the auditor's report.

Material misstatements detailed in the report must be documented in the auditor's work file electronically or in hard copy and kept for a period of 5 years after approval of the final report.

Audit Procedures

Financial Statements Review and Verification of the Use of Allocated Funds

- a) Verification of financial statements

The auditor performs the necessary procedures to verify that resources received and used by the Project / Programme are effectively reflected in complete, sincere and correctly drawn up financial statements. As such, he/she:

- ensures that the Project/Programme financial statements have been prepared in accordance with the requirements set out in the financing agreement (e.g. accrual or cash-based accounting);
- ensures that the financial statements presents fairly, in all material aspects, the actual expenditure incurred and revenue received for the Project/Programme for the period subject to the audit, in conformity with the applicable contractual conditions;
- ensures that the financial statements are consistent with other accounting documents including the trial balance and books of accounts;
- ensures that the financial statements are consistent with the technical and financial implementation reports submitted to AFD and any other financial or statutory reports prepared within the context of the Project / Programme;
- reviews adjusting entries made during the financial statements closing process;
- reconciles the financial statements with the cash situation and/or bank accounts, including by obtaining direct confirmation from the banks managing the accounts;
- verifies, if applicable, the accuracy of exchange rates used for monetary conversions, as well as their compliance with the financing agreement conditions;
- verifies, if applicable, the procedures used to control funds sent to other entities involved in activities implementation.

The auditor may elect to request written statements in a letter of representation (A template, from ISA 580, is provided in Annex 4.4; the auditor will verify that ISA 580 has not altered this template) signed by member(s) of the Management who are primarily responsible for the Entity's management (ISA 580). The purpose of this approach is to obtain evidence that the Management acknowledges its responsibility for: the financial report's reliability, adherence to the financing agreement conditions, compliance with regulations and best practices for procurement and execution of contracts, and the organisation of an appropriate internal control system.

b) Verification of the use of funds

The objective of these procedures is to ensure that:

- the funds allocated to the Project / Programme by AFD for the period subject to the audit have, in all material aspects, been used in conformity with the applicable contractual conditions;
- the statement of assets presents adequately (number, description and value of assets) and exhaustively the assets acquired for the Project / Programme for the period subject to the audit, in conformity with the contractual conditions and information contained in the financial report.

The auditor's work covers in particular:

- the compliance verification with accounting principles and specific rules;
- the verification of expenditure's compliance with activities agreed upon in the financing agreement and activity programme as well as their consistency with technical and financial performance reports;

the verification that expenditure has been implemented during the implementation period of the audited Project / Programme and is supported by accurate, regular and sincere supporting documentation;

the verification of statements of expenditure: expenditure authorisations, documentation of expenditure statements, compliance and validity of such statements.

Detailed controls are proposed in the *Financial Module* file, available on the AFD website.

b) Analytical and budgetary procedures

The auditor performs an analytical review of expenditure to verify whether:

the budget presented in the technical and financial performance reports corresponds to the budget in the financing agreement and/or approved by the steering committee and/or having received a non-objection notification from AFD (authenticity and approval of the initial budget by lines and sub-lines);

the expenditure reported in the technical and financial performance reports were foreseen in the budget lines and sub-lines;

budgetary amendments have been validated by the steering committee and/or have received a non-objection notification from AFD and/or have been formalised in an addendum to the financing agreement;

the Project / Programme absorption rate is consistent with the activities implementation schedule. The auditor examines discrepancies and obtains explanations about over- or under-execution in the budget.

Procurement Audit

The auditor examines and assesses the following aspects:

c) Review of the procurement system (actors, regulation and procedures)

the functioning of procurement bodies and actors;

the mechanisms for preventing and detecting irregularities and fraud (collusion, cover bidding and agreements between undertakings);

deadlines compliance with applicable rules and the Project's / Programme's specific provisions;

the compliance and reliability of the documentation filing and archiving system.

d) Requirement definition

contracts compliance with the procurement plan and budgets (implementation calendar and budget envelopes);

for mutual agreement contracts or direct agreement contracts, that the grounds invoked are in compliance with the regulations and that there is no abuse of law in such circumstances.

e) Competitive tender process (tender dossier phase, call for tenders)

the advertising methods, deadlines for presentation of bids and organisation for bids submission;

the choice of type of consultation/selection procedure;

f) Evaluation and award

the evaluation methods used, their consistency and compliance with the criteria defined in the tender dossier, as well as their relevance: this assessment will be made on administrative, technical and financial aspects;

the consistency between tender analysis reports, tender award minutes, award notifications and awarded contracts;

the cases of leniency towards companies during bid evaluations and respect of the principle of fairness;

the award of the contract according to the best or lowest bidder rule;

the obtaining of reasonable economic conditions, by comparing unit prices with those of similar contracts;

cases of breach of the tender process, characterised by agreements between undertakings;

cases of contract splitting.

g) Contract management

the compliance of clauses in the initial contract;

the existence of guarantees and their probative value;

the consistency between technical requirements in the tender dossiers and those attached to the signed contracts;

changes over the course of contracts, ensuring that they are supported by service orders issued by authorised persons (project management, supervision missions, etc.);

the legality of addenda to initial contracts in terms of value, technical appropriateness and compliance with ceilings provided for in the regulations.

The presence of the signed integrity statement.

h) Contracts subject to an AFD NON

For contracts subject to an AFD NON, the auditor is asked to verify that the necessary NON have been requested and delivered. If not, the same audit procedures should be performed as for contracts not subject to an AFD NON.

Follow-up of the Recommendations of Previous Audits

The auditor should review the recommendations contained in previous audit reports, assess their degree of implementation and re-assess their priority level, if required. If it is found that these recommendations have not been applied, the auditor tries to identify the underlying causes and proposes solutions for adjustment purposes.

Professional obligations

Standards and ethics

Professional Standards to be Used

The auditor should take into consideration the various guidelines applicable to the production of financial audit reports. With regard to the application of ISA Standards, special attention should be given to the following:

Fraud and Corruption: in accordance with **ISA 240** (Consideration of the risk of fraud and error in an audit of financial statements), it is important to identify and assess the risks of fraud, obtain or provide sufficient audit evidence for the analysis of these risks, and deal with identified or suspected fraud appropriately.

Laws and Regulations: when developing the audit approach and executing the audit procedures, the Project/Programme compliance with laws and regulations that may significantly affect financial statements should be assessed, as required by **ISA 250** (Consideration of the risk of misstatement in an audit of financial statements resulting from non-compliance with legal and regulatory texts).

Governance: communication with the Project / Programme Management members in charge of governance on major audit matters in compliance with **ISA 260** (Communication on the mission with those charged with Governance).

Risks: to reduce audit risks to a relatively low level, appropriate audit procedures in response to the risks of misstatements identified after the assessment of the internal control system should be implemented, in accordance with **ISA 330** (Audit procedures implemented by the auditor after his risk assessment).

In accordance with **ISAE 3000**, the auditor should prepare audit documentation that provides:

- sufficient and appropriate evidence of the work serving as a basis for his audit report; and
- evidence that the audit has been planned and performed according to ISA standards and in compliance with applicable legislative and regulatory requirements.

Audit documentation is defined as the presentation of the audit procedures performed, relevant evidence collected and conclusions that the auditor has reached.

Audit files consist in one or more folders or other means of archiving, in a physical or electronic form, containing documentation relating to a specific mission.

Ethics and Independence

The auditor should comply with the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA).



This Code establishes fundamental ethical principles for auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards.

Requirements for the Auditor

Auditor's Professional Affiliation

By agreeing these TOR, the auditor confirms that he/she meets at least one of the following conditions:

- the auditor is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC); or
- the auditor is a member of a national accounting or auditing body or institution; although this organisation is not a member of IFAC, the auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these TOR.

Audit Team Qualifications and Experience

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

- experience with audits of development aid projects and programmes funded by national and/or international institutions and/or donors;
- experience with procurement audits and technical audits;
- sufficient knowledge of relevant laws, regulations and rules in the country would be an asset; this includes, but is not limited to taxation, social security and labour regulations, accounting and accounting information systems, procurement;
- excellent knowledge of French/English (or other official language of the country) ;
- audit experience in the Project/Programme sector.

Team Profiles

Key Experts

Experts who are to perform an important role in the mission are referred to as “Key Experts”.



Category 1 – (Audit partner)

A Category 1 expert (Audit partner) should be a partner or other person in a position similar to that of a partner and be a highly qualified expert with relevant professional qualifications, and assuming or having assumed team leader and supervisor responsibilities in financial audit practice.

He should be a member of a national or international accounting or auditing body or institution. He must have at least 10 years of experience as a professional auditor or accountant, in the field of donor-funded projects / programmes audit.

The audit partner is the person responsible for the specific contract and its performance as well as for the report that is issued on behalf of the firm.

Category 2 – (e.g. Team Leader)

Team Leader(s) should be qualified expert(s) with a relevant university degree or professional qualification in accounting and/or auditing. They must have at least 8 years of experience as a professional auditor in the field of donor-funded projects / programmes audit. They must demonstrate successful experience in managing audit teams.

Category 3 – (e.g. Supervisor)

Supervisors should be qualified experts with a university degree or relevant professional qualification in accounting and/or auditing and have at least 5 years of experience as a professional auditor in the field of donor-funded projects / programmes audit.

Category 4 – (e.g. Senior Auditor)

Senior auditors should be qualified experts with a university degree or relevant professional qualification in accounting and/or auditing and have at least 3 years of experience as a professional auditor in the field of donor-funded projects / programmes audit.

Non-Key Experts

Category 5 – (e.g. assistant auditor)

Assistant auditors must have a university degree in accounting and/or auditing, and have at least 1 year of professional experience as a professional auditor in the field of donor-funded projects / programmes audit.

Support Staff and Technical Support

The auditor is free to propose additional support (administrative and/or technical) in his/her bid, the cost of which should then be incorporated in the expert fees.



Curriculum Vitae (CVs)

The auditor provides the CVs of all experts (key and non-key) proposed as team members. The CVs include information on the types of audits performed by the team members, demonstrating their abilities and capacity to perform the audit, as well as detailed information regarding any relevant experience.

Composition of the Audit Team

	Cat 1: Partner	Cat 2: Team Leader	Cat 3: Supervisor	Cat 4: Senior Auditor	Cat 5: Assistant Auditor	TOTAL
Min. No. of auditors						
Other personnel (technical or PM)						
TOTAL						

4 Appendices

4.1 Key Project/Programme Information

4.2 Nomenclature of Findings and Misstatements

4.3 List of Expenditures and Findings (Model)

4.4 Audit Report Template

Appendix 4.1 Key Project/Programme Information

Purpose

The purpose of the project: “The Sustainable Waste Actions in the Pacific (SWAP)” is to contribute to achieving the strategic goals of the Pacific Regional Waste and Pollution Management Strategy (Cleaner Pacific 2025) by improving the capacity of target member countries through implementation of sustainable waste management actions.

Objectives

The project proposed by SPREP is aimed at developing good practices in waste management in the Pacific region with specific objectives, as follows:

4. Support local populations and authorities in the development of national waste management policies and actions (collection, sorting, recovery, proper disposal),
5. Improve the delivery of waste services through development of waste management infrastructures and implementing pilot projects,
6. Strengthen the technical, financial and governance capacities of local authorities and waste practitioners.

The project also seeks to ensure greater coherence, alignment and build linkages among the various regional waste projects managed and implemented by SPREP. The Cleaner Pacific 2025 promotes dissemination of outcomes of waste management initiatives and the SWAP Project intends to undertake a community of practice among the stakeholders around the region in areas covered by the ongoing projects of JICA (J-PRISM2), UNEP (GEFPAS uPOPS), EU (PacWaste Plus) and DFAT (POLP). The good practices, experiences and lessons learned from these projects will be disseminated to the other PICTs. SPREP, through the Community of Practice, will provide a venue for strong interaction among the regional waste projects.

Components

The project has 3 components:

- i. **Implementation of regional training program:** Preparation and implementation of sub-regional trainings (Melanesia, Micronesia and Polynesia) for practitioners of national and local authorities, non-governmental organizations and enterprises. These trainings will have to be very practical and the participants will be asked to propose and develop national activities that can be funded by the project using a set of guidelines. These trainings will be linked to other relevant capacity building programmes which can potentially lead to a recognized accreditation.
- j. **Implementation of pilot projects:** During the Inception workshop, the targeted countries will develop broad national activities with guidance from SPREP. After the training programme, the participating counterparts will submit concept notes on proposed projects based on the knowledge and practical application gained from the training programmes. SWAP will focus on the three target waste streams (used oil, marine debris and distaste waste) and a target institutional



mechanism, i.e. sustainable financing. In each of the target waste stream and mechanism, beneficiary countries have been identified based on the feasibility study undertaken. The implementation of these projects will be guided by SPREP Technical Advisers and SWAP Technical Officers. The completion of the project activities will lead to accreditation of the training courses taken by the participants. Particular attention will be given to the financial sustainability of projects and the technical maintenance of infrastructure.

- k. Development of a community of practice:** Emphasis will be placed on the development of a network of practitioners that can function beyond the duration of the training, in the areas of hazardous waste management, disaster waste management, marine debris management and resource recovery towards sustainable financing.

Sectoral priorities:

- l. Marine litter;
- m. Used oil;
- n. Post-disaster waste (to a lesser extent, for this challenge is addressed by other donors including JICA)

Grant Amount

€ 3 million over four years

Terms of Reference
Sustainable Waste Actions in the Pacific (SWAP)
Project Steering Committee
February 2021

Preamble:

This Terms of Reference document applies to the SWAP Project Steering Committee.

The creation and management of a Project Steering Committee is a requirement of the Agreement with the Agence Française De Développement (AFD) to guide the development and implementation of the SWAP Project, ensuring a fair and reasonable decision-making process for project priorities and funding allocations.

Committee outputs will be reported to the SWAP member countries, SPREP Senior Management Team and the AFD Office.

Responsibilities of the Steering Committee

- The Project Steering Committee will:
 - Provide strategic guidance to the SWAP Project Management Unit (PMU);
 - Provide guidance and input on the design, planning, coordination, facilitation and implementation of the project activities;
 - Ensure that SWAP activities are harmonised with other national and regional waste management activities;
 - Monitor the overall implementation of the actions; and
 - Endorse the annual work plan.

Membership

- Membership of the Steering Committee will comprise of
 - One Senior Manager or Technical Officer from each of the seven (7) participating Pacific Island Countries (Fiji, Samoa, Solomon Islands, Tonga and Vanuatu) and French territories (French Polynesia and Wallis and Futuna) or their designated representative;
 - One senior representative from SPREP; and
 - Representatives from the AFD
- Committee Member nominations from participating countries will be confirmed through either a Memorandum of Understanding (MoU) or a Letter of Agreement (LoA) between the countries and SPREP during the Inception phase (normally first 6 months of the project).

- Representatives from other organisations may be invited to attend as observers, as required and approved by the Steering Committee, including those from other waste projects to facilitate complementarity of delivery of actions.

Meetings & Operations

- The Project Steering Committee will meet virtually as long as the health situation requires it, and then meet face to face on an annual basis preferably in the last quarter of each project Financial Year (January to December) with the last meeting to be adjusted to allow preparation of the Terminal Report. The meeting dates may also be aligned with other regional meetings, if possible. The indicative meeting dates will be determined during the 1st Steering Committee meeting.
- Where special meetings are required, virtual meetings will be scheduled and facilitated as required.
- The Steering Committee will be chaired by a beneficiary country representative (on a rotating basis) to be decided before each regular meeting.
- Financial support for member Countries to attend and participate in the Steering Committee meetings will be provided by SPREP as part of the SWAP Project implementation budget.
- The SWAP Project Manager, assisted by the PMU, will act as the secretary of the Project Steering Committee and be responsible for coordination, preparation of the agenda, all relevant documents and official minutes of the meeting.
- The documents to be discussed and endorsed by the Project Steering Committee will be provided no later than 10 calendar days prior to the Project Steering Committee meeting.

Accountability & Governance

- The Project Steering Committee provides direction to the PMU, and endorsement of the annual work plan of the SWAP Project.
- Members represent their Countries /Organisations and are responsible for:
 - Ensuring appropriate accountability and reporting back to the organisation they represent; and
 - Providing input and data to the Committee and the PMU on waste related activities of their organisation.
- Outcomes of the Steering Committee Meetings will be provided to all participating Countries, the AFD Office and the Senior Management Team of SPREP after each meeting.
- Determination and prioritisation of project activities and approval of to fund through the SWAP Project will be based on the following considerations:
 - a. Concept note approved and endorsed;
 - b. Coherence with the objectives of SWAP Project;
 - c. Complementarity with other actions supported by other projects or donors;
 - d. Cost efficiency in the use of AFD funds but leading to positive social and environmental outcomes for the region;
 - e. Sustainability of the actions beyond the project life;
 - f. Regional Applicability;
 - g. Promoting gender-sensitivity and human-rights based approach;

-
- The above decision considerations will be confirmed by the Committee on its initial meeting and can be modified as needed only with the approval of the Steering Committee; and
 - Steering committee decisions will be determined by majority consensus.

Sharing of information and resources (including confidential materials)

- Steering Committee members are encouraged to share information and resources relevant to the activities of the Steering Committee to relevant staff in their organisations.
- Any confidential materials (such as commercial in confidence) and copyright issues must be raised by Committee members before sharing amongst the group.

Changes to the Terms of Reference

- These Terms of Reference will be reviewed on an annual basis.