

TERMS OF REFERENCE

Financial Statement Audit of Fundación Avina in relation to funds received from the Green Climate Fund (GCF) for a readiness project below:

“National Adaptation Planning in Peru”

Fundación Avina

Project: PER-RS-004

A. OBJECTIVE

1. The objective of the audit of the Financial Statement (FS) is to enable the auditor to express an independent opinion on the financial performance of the activities undertaken by Fundación Avina for funds received and expenditures under the readiness project “National Adaptation Planning in Peru” granted by the Green Climate Fund and managed by UNOPs; as well as an opinion on the Statement of Expenditures (SOE). The audit will be conducted on an annual basis. Each audit of the FS shall cover the period of one fiscal year of the delivery partner. The first audit will be conducted from the effectiveness up to December 12, 2020. The audited Financial Statements for each period shall be furnished to UNOPS not later than one month after the end of such period.
2. The accounts (books of account) provide the basis for preparation of the FS and are established to reflect the financial transactions in respect of the activities, as maintained by the delivery partner. The delivery partner maintains adequate internal controls and supporting documentation for transactions.
3. The project seeks to increase the engagement of subnational governments in the design and implementation of adaptation measures to meet the adaptation priorities established in the NDCs in order to have a country that adapts to the adverse effects and takes advantage of the opportunities imposed by climate change (impact). The project started in December 2019 and has a duration of 24 months and a budget of 1,445,082 USD.
4. With the date 22.09.2020 UNOPS, with the approval of the GCF, approved the no-cost extensions of Project of three-months. The new project end date will be 11 march 2022.

B. PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The responsibility for the preparation of financial statements including adequate disclosure is that of the delivery partner. The delivery partner would prepare the FS in accordance with the applicable financial reporting framework i.e. the International Public Sector Accounting Standards (IPSAS) or the International Financial Reporting Standards (IFRS).

The auditor is responsible for forming and expressing an opinion on the financial statements submitted by the delivery partner. The auditor would carry out the audit of the project in accordance with the International

Standards on Auditing (ISA), as promulgated by the International Federation of Accountants (IFAC). As part of the audit process, the auditor may request from the Delivery Partner written confirmation concerning representations made in connection with the audit.

C. SCOPE

1. The audit will be carried out in accordance with International Standards of Auditing, and will include such tests and controls, as the auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the following:
 - a. The GCF funds have been used in accordance with the conditions of the relevant agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided. The relevant financing agreements are in the Annex D of Grant Support Agreement.
 - b. Goods and services procured have been hired in accordance with the relevant agreement;
 - c. All necessary supporting documents, records, and accounts have been kept in respect of all activities including expenditures reported using Statements of Expenditure (SOE) or Interim Unaudited Financial Statements (IFS) methods. The auditor is expected to verify respective reports issued during the period agreed with the underlying books of account. Clear linkages should exist between the books of account and reports presented to GCF.
 - d. The accounts have been prepared in accordance with consistently applied International Accounting Standards i.e. IPSAS/IFRS and give a true and fair view.
 - e. National laws and regulations have been complied with, and that the financial and accounting procedures approved for the project were followed and used;
 - f. Financial performance of the project is satisfactory
 - g. Assets procured from project funds exist and there is verifiable ownership by the delivery partner or beneficiaries in line with the financing agreement.
 - h. Compliance with the terms and conditions were agreed on the memorandum of understanding.

Auditors shall certify:

- i. Whether the FS are drawn up in conformity with the applicable international accepted accounting standards.
- ii. Whether the FS are accurate and are drawn up from the books of accounts maintained by the Delivery partner.
- iii. Whether the provisions of the Agreement are adhered to.
- iv. Whether the Delivery Partner in accordance with the relevant Agreement has undertaken Procurement.
- v. Carry out a physical verification of any significant assets purchased and confirm their existence and use for project purposes.

D. AUDIT OPINION

1. Besides a primary opinion on the Financial Statements, the audit report of the Accounts should include a separate paragraph commenting on the accuracy and eligibility of expenditures.

E. MANAGEMENT LETTER

1. In addition to the audit report, the auditor will prepare a "management letter", in which the auditor will:

- a) Give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
- b) Give comments on previous audits' recommendations that have not been satisfactorily implemented; and
- c) Bring to the recipient's attention any other matters that the auditor considers pertinent, including ineligible expenditures.
- d) Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement; and
- e) Communicate matters that have come to attention during the audit, which might have a significant impact on the implementation of the agreement.

The management letter should also include responses with action plan from the Delivery Partner to the issues highlighted by the auditor.

F. AVAILABLE INFORMATION

The auditor should have access to all legal documents, correspondences, and any other information associated with the project and deemed necessary by the auditor. The auditor will also obtain confirmation of amounts disbursed and outstanding at the Fund. Available information should include copies of the relevant: project appraisal document; financing agreement; financial management assessment reports; supervision mission reports and implementation status reports.

Skills and requirements:

- The audit firm should be based preferably in Panama, but we are open to other options. It should be affiliated with an internationally reputed audit firm.
- At least 5 years' experience in providing auditing services according to international standards.
- Familiarity with fiduciary, transparency and accountability standards managed by the Green Climate Fund.

Audit Fees:

The fees will be paid in two payments:

- USD 6,000.00 in January 20, 2021 upon the completion of the Interim Audited Financial Report.
- USD 6,000.00 in June 15, 2022 upon the completion of the Final Audit Financial Report.

Additional expenses to conduct the auditing services provided above will fall under the contractor.

Independent contractor:

It is expressly agreed that Audit is acting as an independent contractor in performing his/her services hereunder. Audit firm agrees to independently report and pay any contributions for any applicable taxes.

Applications:

Interest parties please submit your Company presentation and letter of interest to the following email: desarrollo.humano@avina.net until 15 of November 2020.