



OBSERVATOIRE DU SAHARA ET DU SAHEL
SAHARA AND SAHEL OBSERVATORY



ADMINISTRATIVE AND FINANCIAL DEPARTMENT

TERMS OF REFERENCE
FOR THE SELECTION
OF AN **OSS FINANCIAL AUDIT FIRM**

[AO/OSS/Dpt-Admn-Fn/Cabinet-Audit/271023-21]

OCTOBER 2023

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1. CONTEXT OF THE MISSION

GENERAL INFORMATION

The Sahara and Sahel Observatory (OSS)¹ is an international organization with an African vocation, created in 1992 and established in Tunis (Tunisia) since 2000. Today, the OSS has 33-member countries² (26 African countries and 7 non-African countries) and 13-member organizations (international, sub-regional and non-governmental). The OSS action extends over the arid, semi-arid and dry sub-humid areas of the Sahel-Sahara part of the African continent and covers an approximately 17.52 million km² area, i.e. 57% of the continent's surface.

The OSS is a scientific and technical instrument, whose main mission is to support its African member countries in the integrated and coordinated management of their natural resources in a particularly disadvantageous climate change context. Its principle of action is to cooperate with its member states and organizations and to play the role of initiator and facilitator of partnerships on the above-mentioned topics.

In its ten-year strategy (2021-2030), the OSS aims to strengthen its action in its area of intervention and has therefore paid special attention to (i) strengthening the resilience and livelihoods of populations and (ii) the implementation of concrete adaptation and mitigation activities to the effects of climate change with adequate and sustainable funding.

The complex interactions between desertification, the erosion of biodiversity and climate change, as well as their impacts on populations and the development, have been integrated into the OSS scientific and technical programs. They were identified in close collaboration with the affected countries and the various stakeholders, particularly at the sub-regional level.

The OSS action is governed by the principles of subsidiarity and complementarity to the efforts undertaken at the closest level to the relevant communities and territories. The OSS scientific programs support member countries and organizations in the production, management, sharing and dissemination of useful information.

The OSS programs and projects are financed through voluntary contributions and donations from its member countries and development partners.

For more information, please visit our website: www.oss-online.org

Some financial indicators of the OSS activity are given in Annex II below.

¹ <http://www.oss-online.org/>

² The 33 states include 26 African countries and 7 non-African countries. The Central African Republic is the latest country to join the organization in December 2020:

- African countries: Algeria, Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Côte d'Ivoire, Djibouti, Egypt, Eritrea, Ethiopia, Gambia, Guinea-Bissau, Kenya, Libya, Mali, Morocco, Mauritania, Niger, Nigeria, Uganda, Senegal, Somalia, Sudan, Chad and Tunisia
- Non-African countries: Germany, Belgium, Canada, France, Italy, Luxembourg and Switzerland

ADMINISTRATIVE AND FINANCIAL ORGANIZATION OF THE OSS

The administrative and financial management of the OSS is split into:

- 1- The Executive Secretariat Management,
- 2- The project management.

The Executive Secretariat is financed mainly by annual voluntary contributions from member countries. Its commitments are provided for by an annual Budget submitted for approval to the Executive Board which examines the financial statements and the achievements of the previous financial year. The Board members receive a periodic financial report on the detailed achievements.

The projects are financed by specific financing agreements. The procedures for implementing activities and financial management of each project are defined by the agreement and by the OSS applicable regulations. Each project is monitored independently. The frequency and modalities of its reports are defined by the financial partner who can submit them to an independent audit, according to the frequency and objectives provided for by the agreement.

ACCOUNTING REFERENCE

The OSS accounts are kept in Euros using the "Ciel Compta" software, in accordance with International Accounting Standards, the OSS statutory provisions, as well as its financial regulations.

However, it is worth noting that for the projects, financing agreements generally provide for cash accounting rather than accrual accounting, as stipulated by the international standards.

2. PURPOSE OF THE FINANCIAL AUDIT OF THE ORGANIZATION

The purpose of the financial audit is to have a professional opinion on the Organization's financial situation at the end of each business year and to make sure that the resources made available to the Organization are used for the right purposes and in accordance with the OSS applicable procedures.

The auditor's opinion must cover at least the following aspects:

- a) Fair presentation of the Organization financial position given by the financial statements, as well as the funds received and expenditures made during each business year;
- b) Regularity, truthfulness and correct translation into accounting of the expenses incurred and/or paid in accordance with the OSS accounting plan and the budget allocations;
- c) Exclusive use of the Organization's bank accounts for the payment of authorized expenses, in accordance with the financial management methods and procedures of the Organization, as well as the reality and availability of balances with the relevant banks.

The auditor must also take into account the statutory and regulatory obligations, and all other applicable management procedures and rules of the Organization.

3. PREPARATION OF THE ORGANIZATION'S FINANCIAL STATEMENTS

The OSS Executive Secretariat is responsible for preparing the financial statements of the Organization in accordance with the applicable provisions.

During his mission, the auditor is responsible for giving an opinion on the annual financial statements of the Organization.

This opinion must be formulated in accordance with the International Standards on Auditing (ISA) issued by the International Federation of Chartered Accountants (IFAC).

4. SCOPE OF THE AUDIT

As indicated herein above, the audit of the Organization is carried out in accordance with the IFAC International Standards on Auditing and/or the requirements of the financing agreements and, includes the audit tests and procedures as well as the examinations that the auditor deems necessary. The auditor verifies all the financial documents submitted to the Executive Board. He must certify:

- That the accounting is fair and justified;
- That the balance sheet and the income statement give a faithful image of the assets and financial situation and the results of the past business year;
- That the figures contained in other documents and in particular the management report and the budget produced, the balance sheet and the income statement;
- That the OSS complies with the calls for tenders' internal regulations;
- The movements of special funds as well as the balance between their resources and their uses

The auditor will also make sure that:

- a) All resources of the Organization have been used with the required economy and efficiency, and only for the right purposes; their employment complies with: i) the Executive Secretariat budget as adopted by the Executive Board of the Organization, for ES employment, ii) or the financing agreement provisions applicable to each project;
- b) The acquisition of the goods and services financed has been the subject of a periodic physical inventory and has been properly recorded in the accounts, in accordance with the provisions of the internal regulations applicable to the Executive Secretariat (procedures manual) and/or financing agreements (should their financing be secured by a project);
- c) All necessary records, accounts and entries have been kept in accordance with applicable procedures and faithfully reflect the various operations undertaken;
- d) Bank accounts are managed in accordance with the provisions of project financing agreements and/or applicable financial procedures;
- e) The fixed assets of the Organization are real and correctly valued and the right of ownership of the Organization or the beneficiaries of these assets is well established;
- f) The overall financial performance of the Organization is acceptable.

5. FINANCIAL STATEMENTS OF THE ORGANIZATION

The auditor will make sure that the financial statements of the Organization have been prepared in accordance with the procedures of the Organization and give a true and fair view of its financial situation, its resources and expenditure as at the closing date of each exercise.

The financial statements of the Organization should include:

- a) The summary statements (income statement, cash flow statement) as well as the ongoing projects' monitoring sheets for the relevant business year;
- b) Notes to the financial statements describing the accounting principles used and presenting a detailed and explained analysis of the main accounts;
- c) The monitoring sheets for each ongoing project as well as the Executive Secretariat budget monitoring status;
- d) A reconciling statement of all projects (resources, expenses and balance) at the end of each business year;
- e) The list of fixed assets acquired or purchased by the Organization.

The auditor will have to comment on the resources and uses reconciling status by project as well as the Executive Secretariat budget monitoring sheet.

6. PROJECT'S AUDIT

As part of his mission, the auditor must pay particular attention to the following aspects:

- a) The compliance of the use of funds with applicable financing agreements and their eligibility;
- b) The presence and adequate preservation of supporting documents and necessary documentation;
- c) The existence and availability of funds received from financial partners;
- d) The accuracy of the bank reconciliation statements for each project account;
- e) The adequacy of internal control with the project management mechanism.

7. DELIVERABLES OF THE AUDIT MISSION

By the end of the audit mission, two (English and French) reports will be elaborated and communicated:

- The audit reports; and
- The internal control report (Letter to the Directorate or Internal Control Letter).

7.1 Audit reports

- a) An overall audit report should include the auditor's opinion, the financial statements, and the notes to the financial statements. This report must be discussed and finalized before March 20 of the year following the end of the surveyed accounting year. It must be submitted to the Organization in a sealed envelope before the end of March. The Auditor will be responsible for presenting the conclusions of this report at the annual EB meeting ⁽³⁾;

³ The costs of the auditor's participation in the EB meeting are covered by the OSS

- b) An audit report for each ongoing project, taking into account the requirements expressed by the respective financing agreements.

In his report, the external auditor must provide any additional information likely to inform the Executive Board of the real situation, (significant) difficulties, anomalies or breaches and the prospects for the activities to be maintained.

7.2 Internal Control Letter

In addition to the reports mentioned in paragraph 7.1 above, the auditor will prepare an internal control letter which must be discussed and completed before March 20 of the year following the end of the surveyed financial year. The internal control letter will include:

- a) Comments on the accounting records, systems and controls examined during the audit;
- b) Gaps in the internal control system, specifying the level of associated risks, and recommendations for their improvement;
- c) Assessment of the compliance with each financial commitment defined in the financing agreements and, if necessary, comments on the risks of external and/or internal alteration affecting such a compliance;
- d) Communication problems identified during the audit likely to have a significant impact on the audit mission progress;
- e) Comments on the resolution of the identified anomalies and reserves;
- f) Comments on the non-implementation of recommendations made in previous internal control letters;
- g) Comments on any other anomalies that the auditor may find, including ineligible expenses.

The internal control letter should include the Executive Secretariat responses as to the flaws highlighted by the auditor.

8. AVAILABLE INFORMATION

The auditor will have access to all documentation, correspondence and any other information **relating to the OSS activities or ongoing projects**, that he might need to review.

The auditor will obtain confirmation of the amounts disbursed and the evaluations carried out to establish the financial situation of each project.

9. DURATION OF THE EXTERNAL AUDITOR'S MISSION

In accordance with the financial regulations of the Organization, the external auditor mission extends over three years, **renewable once** by decision of the OSS Executive Board. This call for tenders covers the years 2024, 2025 and 2026.

10. PARTICIPATION REQUIREMENTS

In addition to the application file, the bids' acceptance relies on their compliance with the following conditions:

The Audit Firm must be an independent firm, working on day-to-day financial accounts' reviewing, regularly registered with the Association of Chartered Accountants in the country of practice, recognized internationally, with proven experience in financial audit of development projects and entities similar to the OSS.

Only bids from offices in one of the OSS member countries will be considered.

In addition, the Audit Firm must not be subject to any:

- Legal Redress procedure ;
- Pronounced temporary or permanent exclusion;
- Legal proceedings for any reason whatsoever.

As for the execution of the mission, the audit team must include the following profiles:

- (i) A Signatory Qualified Chartered Accountant with at least 10 years of experience in financial auditing and with good knowledge of fiduciary management procedures for development projects and similar International Organizations;
- (ii) A mission leader holding a "BAC + 5" in financial audit, with no less than a 5-year practical experience;
- (iii) Two employees holding a "BAC + 5" in financial audit.

11. CONTENT OF THE BID

Audit Firms will have to submit their bids containing an administrative file and two (technical and financial) bids.

a- The administrative file:

The "Administrative File" must include:

- A sworn statement (the template is given in Annex I), signed by the legal representative of the Audit Firm;
- A reference sheet: annex III
- A recent certificate ⁽⁴⁾ of the Firm's tax situation consistency;
- A recent certificate ⁽⁵⁾ of the Firm's situation consistency with the country's Social Security Organization;
- A recent copy of the National Business Register or an equivalent document;
- A copy of the Firm's affiliation with the Association of Chartered Accountants (or similar) of the country;
- These specifications duly signed, endorsed and bearing the office stamp.

All the documents of the administrative file shall be collected in a file bearing the "ADMINISTRATIVE FILE" mention.

⁴ The date of the certificate must not exceed three months from the due date for the bid admissibility

⁵ Same as the previous note

b- The Technical BID:

Must provide the following papers:

- A presentation of the Firm: The Service Provider must give the following information (Maximum 5 pages):
 - Brief presentation of the independent Firm;
 - List of audit references for entities similar to the OSS or development projects;
- The CVs of the team members to carry out the mission. These CVs must be countersigned by the legal representative of the Firm and only include the references to the diploma and audit missions of entities similar to the OSS.

All the documents of the technical bid shall be collected in a file bearing the “**TECHNICAL FILE**” mention.

c- The financial BID:

The OSS accounts are kept in €, this is why the financial bid must be a **global annual package expressed in €** ⁽⁶⁾. In addition to the Firm's audit fees, this package includes all costs necessary to carry out the mission ⁽⁷⁾.

It is worth noting that bids not partially quantified or conditionally quantified or expressed in a currency other than € will not be considered.

The financial bid shall be placed in a file bearing the “FINANCIAL BID” mention.

12. TERMS OF PARTICIPATION

Any Audit Firm wishing to participate in this call is invited to submit the bids by email to the following address: procurement@oss.org.tn, with the subject line: Call for Tenders “Selection of an Audit Firm”, ref. [AO/OSS/Dpt-Admn-Fn/Cabinet-Audit/271023-21] **no later than December 17, 2023 at 11:59 p.m. (Tunisia time)**.

Any bid received after the deadline will be rejected.

13. VALIDITY OF THE BIDS

The validity period of the bids is one hundred and twenty (120) days from the bid submission deadline.

14. PAYMENT MODALITIES

Payment will be made in one installment upon presentation of an invoice, after having received all final reports in both languages and after the Executive Board meeting.

⁶ The payment will be made in accordance with Tunisian exchange regulations.

⁷ The cost must not include the fees necessary to attend the Executing Board meeting (travel and accommodation costs to present the conclusions of the audit; only these costs are borne by the OSS)

15. ADDITIONAL INFORMATION

Should there be any difficulty in interpreting the tender file, a request for clarification can be sent by email to the following address: adel.rekik@oss.org.tn, no later than 10 calendar days before the bid submission deadline. The clarifications provided will be published on the OSS website: www.oss-online.org.

16. BID EVALUATION

Only applicants who meet all conditions will be shortlisted.

16.1- Evaluation of the technical BID

Technical score: **Ts out of 100 points**

The minimum technical eligibility score is 70/100. Any score lower than 70/100 is a disqualifying score.

16.2- Evaluation of the financial BID

The financial bid evaluation will be made by assigning a financial score (Fs) to each successful applicant.

Financial score: **Fs out of 100 points**

Based on a pro-rata calculation.

16.3- Technical - financial assessment

Successful applicants will be awarded an overall score (Os) according to the following formula:

Overall score (Os) = 70% of the technical score + 30% of the financial score.

The firm to be selected will be the one to have submitted the bid with the highest overall score (Os).

The OSS has the right not to proceed with the tendering procedure if no acceptable bids were received.

16.4- BID evaluation criteria

Technical bid evaluation criteria:

Counting criteria	Ref	Weighting	Maximum	Comments
International ranking of the independent firm	C1		20	
- Firms ranked from 1 st to 10 th worldwide		20 points		
- Other international firms		15 points		
Recognition by member countries (exercise)	C2		30	
Exercise in member countries (financial partners)		1,5 point /country		Maximum 18 countries
Representation/subregions (East Africa/West Africa)		1 point/ subregion		Maximum 3 subregions (NA, EA, WA)
Audit of similar entities or development projects during the last 5 business years	C3		20	
By mission of similar entities (NGO)		4 points/entity		Max 3 entities
By audited project financed by the OSS main donors (WB, EC, GEF, AfDB, AF, GCF, etc.) or by the cooperation organizations of member countries (AFD, GIZ, etc.)		2 points/project		Max 4
Organization of the firm (possibility of team rotation)	C4		14	
Chartered accountant (CA)		1,5 point/member		Max 4 CAs
(Bac+5) auditors		1 point/member		Max 8 members (bac+5)
Compliance with the OSS policies	C5			
Gender policy			4	
Female team members		2 points/member		Max 2 members
Clarity and relevance of the proposal			12	
- Summary of the 3 required CVs		1 point / clear CV	3	Max 3 required CVs
- Clarity of the Firm presentation note			9	
. Very relevant and very clear proposal		9		
. Moderately clear and relevant proposal		6		
. Unclear and/or irrelevant proposal		3		
Total			100	

ANNEX I - SWORN STATEMENT (TEMPLATE)

Sworn Statement

Subject of the contract: Selection of an Audit Firm for the certification of the financial statements of the Sahara and Sahel Observatory as for the 2024 to 2026 business years

I, the undersigned (full name, position within the Firm),
acting in the name and on behalf of (Company name and legal status if
capital appraisal company) with capital of: (if capital appraisal company),

Address of the company's head office:
affiliated to the Social Security Fund: number, registered in the commercial
register country (city) number; Tax identification number:

• **Solemnly declare:**

- 1- Having the human and financial resources necessary to carry out the mission under the conditions set out in the application file and committing to replacing each member of the team, in the event of incapacity, with at least an equivalent profile;
- 2- Not to be in judicial liquidation and not to be the subject of any legal proceedings for any reason whatsoever;
- 3- Not to be the subject of a temporary or permanent exclusion pronounced by the Association of Chartered Accountants;
- 4- In the event that my application is accepted, I undertake to take out the necessary and adequate insurance policies to cover all risks arising from my professional activity ⁽⁸⁾;
- 5- Committing not to resort, by myself or through anyone else, to practices that could be qualified as fraud or corruption of people who are involved in any capacity whatsoever in the various procurement, management and execution activities of this contract;
- 6- Undertaking not to make, by myself or through anyone else, any promises, donations or gifts with a view to influencing the various procedures for concluding this contract;
- 7- In the event that my application is accepted, committing to comply with the OSS applicable procedures as well as the obligation of discretion and professional confidentiality for all the facts and/or information that I may have to know.

- **Certify** the accuracy of the information contained in this sworn statement and, in the documents, provided in my application.
- **Acknowledge** having become aware that any inaccuracy of the information contained in my bid and/or non-compliance with the participation requirements are causes for the rejection of my application.

Done at.....on.....

Signature and stamp

⁸ These insurances relate to health insurance, insurance against work accidents, commitment to repatriation to the country of origin, insurance against travel accidents

ANNEX II - INDICATORS OF THE OSS ACTIVITY

In addition to the information available on the website, some activity indicators are included below for the OSS appreciation.

1. Basic financial information, in thousands of euros

Indicators \ exercices	2019	2020	2021	2022
Gross balance sheet total (aggregated)	5,087	7,763	9,897	18,152
Total debts and foreign capital ⁽⁹⁾	3,640	6,407	8,147	16,251
Revenues of the Executive Secretariat	669	564	604	798
Project Revenues consumed	3,674	3,617	5,159	4,632
OSS staff costs	449	521	458	589
Budget surplus of the Executive Secretariat	17	31	37	29
Project results ⁽¹⁰⁾	0	0	0	0

2. Other additional information (in number)

Other indicators	2019	2020	2021	2022
Number of in-house staff and consultants	38	62	57	61
Number of accounting entries	1,597	1,353	1,672	2,218
Number of bank accounts	44	46	40	39

⁹ Debts include “available resources” linked to projects

¹⁰ As for the projects, the activity is multi-year; but it should not generate an accounting result (the unconsumed part appears in available funds)

ANNEX III

REFERENCE SHEET

<i>BIDDER CONTACT INFORMATION</i>		
Corporate name:		
Legal status: Tax ID Number: Date of registration: Place of registration:	Tax registration number: Date of registration in the national business register:	
Full name, nationality and status of the legal representative:	Position:	E-mail:
Full name and nationality of the Contact Person:	Position:	E-mail:
Legal address in the country of activity:		
Zip code:	City:	Country:
Phone:	Fax:	

THANKS FOR RETURNING THIS DOCUMENT DULY COMPLETED AND SIGNED.

Done at..... On.....

The bidder

Stamp, full name, signature