

**Request for price solicitation (national tender)
for Financial Audit of “Support of Nature Protection in Ukraine” Disposition Fund**

“Support of Nature Protected Areas in the Ukraine”, BMZ No.:2011.6612.3 and 2013.6588.1

1. Title

Title	Financial Audit of “Support of Nature Protection in Ukraine” Disposition Fund	
Short title	Audit	Ref.: NT-2020-9-service-Audit

2. Type of procurement:

Type of procurement	Value	Method of procurement		
Procurement of goods, works and associated services	Less than EUR 5,000	Direct procurement		
		Three quotations	x	
	Between EUR 5,000 and EUR 100,000	Three quotations		
		Local/national competitive bidding		
Above EUR 100.000	International competitive bidding			
Procurement of consulting services	Less than EUR 25,000	Direct procurement		
		Three quotations		
	Between EUR 25,000 and EUR 100,000	Three quotations		
		Local competitive bidding		
	Above EUR 100.000	International competitive bidding		

Implementing organization: AHT GROUP AG (AHT)

A. Background

The project “Support of Nature Protection in Ukraine” promotes the conservation of the country’s outstanding natural richness with a strong focus towards the Carpathian Mountains, hosting large tracts of natural landscapes including primeval forests and making it a stronghold for many rare European plant and animal species.

The project is delivered in the framework of the German Financial Cooperation (FC) and financed by KfW Development Bank. The Ministry of Ecology and Natural Resources (MENR) of Ukraine assumes overall responsibility for the implementation and operation of the project. AHT GROUP AG (AHT) in association with the WWF International Danube-Carpathian Programme, Frankfurt Zoological Society (FZS) has been awarded the contract by KfW on behalf of MENR to execute this project as implementation consultant.

The project contributes to the conservation of biodiversity in Ukraine. It aims at improving the management and conservation work of protected areas in Ukraine. It will provide technical support but also support to improve the

infrastructure of parks (e.g. transport for rangers, guesthouses, info-centres etc.). It has a geographical focus in the Carpathians: eight out of night project areas are located in the Carpathian region of Ukraine. The project lifetime is six years.

B. Purpose, Objectives, Assumptions, Risks

Objective

1. The **objective of the audit** of the Disposition Fund(s), including the Special Account opened with JSC "UKREXIMBANK" (affiliated branch in Lviv city) in Ukraine, is to permit the auditor to express an opinion on the financial reports (i.e. status of accounts and cumulated statement as defined in the Annex 6 'Disbursement Procedure' to the Separate Agreement and statements of expenditures based on the withdrawal applications for the Disposition Fund(s). Such expenditures have been made under the financial position of AHT Project N°: 7.01.4147 for financing of *Support of Nature Protected Areas in the Ukraine*", BMZ No.:2011.6612.3 and 2013.6588.1.
2. The **audit will be effected annually** for the 2022 and 2023 years ("Audit Period") and the respective report(s) should be presented not later than 3 months after the end of the period covered. During the whole project Period (23.06.2017 to 31.12.2022) the total disbursements amounting to 3.221.657,00 Euro were transferred to the Special account of the Disposition Fund in Essen, Germany

During the audit project Period of the financial year 2022 the total disbursements amounting to 0 Euro were transferred to the Special account of the Disposition Fund in Essen, Germany.

The amount that was transferred to the Local Special account of the Disposition Fund in Lviv, Ukraine will be audited.

During the period of 2022 the total of 84 payment orders for the total amount of UAH 14,543,307.96 were executed.

In case of satisfactory performance and after the approval of KfW, the donor of SNPA project, there is an option for an extension of the contract for two more years for two more annual audits.

3. The auditing firm shall be expected to conduct a systematic, objective and documented audit on the implementation of activities in accordance with project specifications.
The audit seeks to provide the Contracting Authority with insights into the management of funds provided for project activities.
To be more specific, it shall:
 - Scrutinize technical and financial reports;
 - Evaluate genuine services provided but unpaid;
 - Audit the material and financial accounts of the use of funds of Disposition Fund of the project;
 - Take stock of the actual financial situation of the project, including available facts on the case on trial in court;
 - Ascertain the genuineness of some technical activities.

Scope

4. The audit will be conducted in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and will include such tests and controls as the auditor considers necessary as well as on-site visits if also deemed necessary. The auditor must bear in mind that, for the establishment of the audit opinion, he has to carry out a compliance audit and not a normal statutory audit.

The preparation of the financial reports and the statements of expenditures on the cash receipts and disbursements basis of accounting is the responsibility of the Project Executing Agency. The financial information has to be established in accordance with consistently applied accounting standards and the underlying Loan / Financing Agreement including the corresponding Separate Agreement.

5. **The auditor's opinion**, established in the audit opinion report, will explicitly state whether:
- (a) The payments out of the Disposition Fund(s) have been made in accordance with the conditions of the relevant (Loan/Financing) Agreement(s) and the corresponding Separate Agreement. Where ineligible expenditures are identified, these should be noted separately
 - (b) The Disposition Fund(s) has (have) been maintained in accordance with the provisions of the (Loan/Financing) Agreement and Separate Agreement (including the Supplementary Conditions of KfW for payments under the Disposition Fund procedure). This also comprises interest earned from balances
 - (c) Expenditures are supported by relevant and reliable evidence. All supporting documents and records with respect to the statements of expenditure submitted as the basis for withdrawal applications have been made available
 - (d) The audited statements of expenditures can be relied upon to support the related withdrawal applications. Clear linkage should exist between the statements of expenditures, the withdrawal applications presented to KfW and accounting records.
 - (e) Goods and services financed have been procured in accordance with the relevant (Loan/Financing) Agreement and Separate Agreement.
 - (f) Specific deficiencies and areas of weakness have been identified in the internal systems and controls of the Project Executing Agency. Where deficiencies are identified, these should be noted separately.

Reports

6. **The audit report(s)** will
- (a) be issued by the auditor in English language
 - (b) include all aspects specified in the preceding paragraph ("Scope")
 - (c) contain these Terms of Reference as integral part
 - (d) provide a schedule showing receipts and disbursements during the Audit Period
 - (e) include the balance of the Special Account(s) at the beginning and the end of the Audit Period.
 - (f) comprise the auditor's statement to appraise and quantify the consequences of specific deficiencies, if any.
7. If considered pertinent, the auditor will also prepare a "**management letter**" in which the auditor will:
- (a) give comments and observations on the accounting records, systems and controls examined during the course of the audit (as far as necessary for the understanding of the financial reports and the statements of expenditures);
 - (b) identify specific deficiencies and areas of weakness in systems and controls of the Project Executing Agency that have come to the auditor's attention, especially with regard to withdrawal, procurement, storage and payment transactions, and make recommendations for their improvement;
 - (c) report on actions taken by the management of the Project Executing Agency to make improvements with respect to deficiencies and areas of weakness reported in the past;
 - (d) bring to the Project Executing Agency's attention any other matters that the auditor considers pertinent.

C. Qualification requirements - Personnel / Evaluation Team

8. Registered Audit Firm licensed to conduct an audit in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements).

The Audit Firm must demonstrate experience with auditing previously internationally financed projects; having audited international projects, financed by KfW is an advantage.

9. Participation

This call for tenders is open to national accounting and auditing firms with proven expertise in the conduct of financial and accounting audits.

10. Content of tenders

10.1. Language of the Proposals. Proposals as well as all correspondence and documents related to the tender exchanged by the tenderer and the Contracting Authority must be written in English.

10.2. Content of the Proposals. The proposal shall contain the following information based on the data provided in Paragraph 2:

1. Cost of Personnel (1) shall include:
 - daily rate, including salary, social charges and overhead cost, insurance, if required, cost of electronic data processing, company's professional insurance, risk and profit;
 - allowance for local staff (per day);
 - accommodation for local staff (per day).
2. Travel and Transportation Costs (2) shall contain:
 - National travel costs: rent of vehicles; running costs for all vehicles as a monthly lump sum item per car (covering all running costs like gasoline, oil, tires and other consumables, all risk insurance, maintenance and repair costs as well as costs for driver etc.); costs for local air, road and rail travel, if any, as a lump sum item.
3. Other Cost (3) shall be offered as monthly lump sum items, consisting of production of reports / clarification meetings (both in English and in Ukrainian languages)

For the audit of 2022 based on the data provided in Paragraph 2, the total number of working hours must be provided.

No other cost items except those stated above will be accepted.

10.3. Currency. Proposals must be presented in Euro. Payments will be done in UAH based on the exchange rate of the National Bank of Ukraine on the day of payment.

10.4. Evaluation of Proposals

The proposal will be technically and financially verified by the AHT GROUP AG, which prepares an evaluation report of proposals that meet the technical requirements at the lowest price.

11. Funding

Services listed herein shall be funded from the disposition fund of the project "Support of Nature Protected Areas in the Ukraine under budgetary charge Audit Disposition Fund stated in Annex 3 (Cost and Financing) of the Separate Agreement.

12. Executing deadline

The deadline set by the Contracting Authority is 60 (sixty) working days following notification to commence work.

13. Submission of proposals

The proposals should be submitted to info@snpa.in.ua not later than January 30th, 2023.

D. Major outputs

- Audit report, as specified under B6
- Management Letter as specified under B7