

## TERMS OF REFERENCE (“ToR”)

### 1. Background

The ITHCP programme was set up in 2014, funded by the German Government through KfW and implemented by IUCN. This project is its third phase, based on the success of phase II. The third and fourth phases run from 2022 until 2025. The programme is aligned with the objectives of the Global Tiger Recovery Programme and its objectives are a subset of those, with a focus on improving three main areas:

- The protection of tigers through anti-poaching, and monitoring of tigers and prey;
- The management of protected areas, corridors and buffer zones;
- The livelihoods of communities living in and around tiger habitats to reduce poaching, over-exploitation of forest resources and human wildlife conflicts.

The ITHCP Phase III AND ITCHP Phase IV Tranche 1 have grant-making as their main purpose.

The programme consists of two components: (1) the project management component implemented by IUCN HQ and its regional offices, “ITHCP Secretariat” and (2) projects carried out by implementing partners (grantees) in Asia. The scope of this RfP covers both components and cannot be split into workpackages.

The total value of the contract ITCHP Phase III is EURO 5,000,000.

The total value of the contract ITCHP Phase IV Tranche 1 IS EUR 2,500,000.

The amount indicatively earmarked for grants to implementing partners is EURO 3,752,568.

7 grants in the amount from EURO 400,000 to EURO 1,000,000 are planned to be awarded in the course of the project.

The duration of each grant will be from 2 to 3 years from late 2022 to 2025 with possible extensions.

Grants beneficiaries are consortia of big international NGOs and public sector entities working closely with local NGOs and communities.

In accordance with the requirements of the Financing Agreement with KfW an assurance engagement ISAE 3000 is to be performed according to the following schedule:

ITHCP Secretariat in Switzerland shall be audited every calendar year (2022 - 2025). In order to avoid the time lag between field audits and their inclusion into ITHCP consolidated audit, the field audits will not be based on calendar year periods. They will follow a July-June period, so that IUCN has the time to include it in the books before the fiscal years closing. The audit will therefore be aligned with grantees reporting period (2 reports per year, January-June & July to December).

Projects worth one million EUR or lower are to be audited every two years. It is foreseen that this will be the case for 6 projects.

Projects over one million EUR are to be audited every year. It is foreseen that this will be the case for 1 project.

The scope covers both the main project (the Disposition Fund) and all sub-projects (sub-accounts).

Implementing partners have been instructed to include a sufficient provision for the audits in their project proposals budgets.

Requirements:

1. Knowledge and experience of conducting assurance engagements ISAE 3000 according to the provided ToRs.
2. Experience of similar assignments for projects funded by KfW.
3. Experience of working with the type of grantees described above.
4. Experience of working with organizations based in Asia.
5. Knowledge and experience of auditing small NGOs and public sector organisations is added advantage.
6. Adequate capacity and resources (presence) required to carry out the assignment in Asia.

ITHCP PHASE	PROJECT	GRANTEE	LOCATIONS	BUDGET	START DATE	END DATE	FREQUENCY OF AUDITS	EXPECTED No. OF AUDITS
Phase III	Project 1	ZSL	Terai Arc, Nepal / India	€ 1,000,000	06/06/2022	31/07/2024	Every two years	2*
	Project 2	Yapeka	Sumatra Indonesia	€ 909,895	01/08/2022	30/09/2024	Every two years	2
	Project 3	Bhutan Tiger Centre	Bhutan	€ 650,000	TBD	TBD	Every two years	2
	Project 4	Global Tiger Forum	Sikkim, India	€ 498,500	01/06/2023	30/11/2024	Every two years	1*
	Project 5	NTNC	Western Nepal	€ 416,450	01/06/2023	31/12/2024	Every two years	1*
Phase IV Tranche 1	Project 6	Aaranyak	Assam, India	€ 1,030,000	19/10/2022	30/09/2025	Every year	3
	Project 7	WCS	Sumatra, Indonesia	€ 1,000,000	25/10/2022	30/09/2025	Every two years	2

\* 1 additional audit considered to account for possible extensions

IUCN Audits	
Phase III	2022-2023-2024-2025*
Phase IV T1	2023-2024-2025

## 2. Assurance Engagement in accordance with ISAE 3000 – revised for Funds disbursed under the Disposition Fund Procedure

### The Disposition Fund (“Subject Matter”)

1. The Disposition Fund is opened under the financial conditions of KfW loan/ financing agreement no. ... [KfW reference no.] for financing of ... (part of) [project/ programme] (the “Project”) as defined in the Annexes “Total Cost and Financing” and “Disbursement Procedure” to KfW’s Separate Agreement and consists of the following account(s):
  - Special Account No. ... opened with ... [name of bank] opened/kept by .... [name of account-holder]
  - Local Special Account(s) No(s) - if any - ... opened with ... [name of bank] opened/kept by .... [name of account-holder]
  - Petty Cash / Cash Box(es)... – if any - kept by .... [name of account-holder]
2. The preparation of the Project Financial Reports (“Financial Reports”), the Summary of Bank Accounts, the Statements of Expenditures (“SOE”) and the disbursement requests (overall “Subject Matter Information”) is the responsibility of ... [Name of Authorized/ Authorized Third Party, Project-Executing Agency and/or other Project Implementation Unit(s) concerned] (the “Entity”).
3. The financial information has to be established in accordance with consistently applied accounting standards and the underlying agreements governing the use of funds, notably the Loan/Financing Agreement(s) including the corresponding Separate Agreement as well as other agreements channelling Funds to third parties on a grant or loan basis (together the “Relevant Agreements”).

### Scope

4. This engagement is a **reasonable assurance engagement** in accordance with International Standard on Assurance Engagements (ISAE 3000 – revised) as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This standard requires that the auditor/ practitioner will plan and perform procedures considered necessary to obtain reasonable assurance about the Subject Matter information (including – if necessary – on-site visits).
5. The assurance engagement
  - will be effected annually (“Reporting Period”).
  - shall cover in one single Report (“Report”) exclusively all accounts opened in connection with this Disposition Fund as mentioned under paragraph 1 above.
  - shall comprise all expenditures listed in the SOE referred to in the Report.

### Objective

6. The objective of the assurance engagement (“Objective”) is to permit the auditor/practitioner to express a conclusion on the Financial Reports, the SOE and disbursement requests as far as the Disposition Fund (Subject Matter) is concerned and to obtain reasonable assurance about whether the Subject Matter Information is free from material misstatement regarding proper use of KfW funds according to the criteria mentioned below (paragraph 8).
7. The auditor/practitioner shall consider that mere account transfers as well as advance payments out of the special accounts and out of the cash boxes to service providers which have not been cleared until the end of the Reporting Period cannot be classified as “use of funds” and shall be shown separately in the Summary of Bank Accounts and the SOE.
8. In a form that conveys the auditor’s/practitioner’s position and based on the Subject Matter Information the auditor/practitioner shall express his conclusion with reasonable assurance on the following criteria (“Criteria”), and shall thus confirm whether in all material aspects:
  - (a) The payments out of the Disposition Fund have been made in accordance with the conditions of the Relevant Agreements. Where ineligible expenditures are identified, these should be noted separately in the Report.
  - (b) The Disposition Fund has been maintained in accordance with the provisions of the Relevant Agreements. This also comprises cash flows to and from accounts opened in connection with this Disposition Fund as mentioned under paragraph 1 above, as well as interest earned from balances.  
Note: Special attention should be given that no contract value exceeds EUR 350.000,00 or equivalent balance(s) on Local Special Account(s) do not exceed a one month's requirement and balance(s) in petty cash box(es) do not exceed a one day's requirement.
  - (c) Expenditures are supported by relevant and reliable evidence (such as contracts, invoices, guarantees etc.). There were no indications that these expenditures had already been financed by other sources.  
  
In addition, project receivables (such as advances, tax claims ...) paid in former Reporting Periods have been cleared and used for project purposes, supported by relevant and reliable evidence.
  - (d) The SOE referred to in the Report can be relied upon to support the related disbursement requests. Clear linkage exists between the SOE and disbursement requests presented to KfW and the accounting records of the Entity.
  - (e) The procurement process of goods and services financed was in accordance with the Relevant Agreements.

## Reports

9. The **Report(s)** shall

- (a) be issued by a renowned auditor/ practitioner in English language.
- (b) be presented annually (signed original(s)) not later than three months after the end of the Reporting Period covered.

The final audit report shall be presented no later than three months after the end of the Reporting Period in which the final payment out of the Special Account or a Local Special Account is effected or six months after the final payment out of the Special Account or a Local Special Account, whichever occurs earlier.

- (c) include at a minimum the following elements:
  - description of the Subject Matter
  - applied criteria to evaluate the Subject Matter and to express the auditor's/practitioner's conclusion as defined under paragraph 8 above
  - identification of the level of assurance obtained
  - informative summary of work performed as to extent, locations, etc.
  - description of significant limitations
- (d) state in a separate paragraph any tax amounts or other project related contributions paid and not refunded, if the Relevant Agreements prohibit financing of these costs.
- (e) comprise the auditor's/practitioner's statement on the seriousness of observations noted including the consequences of specific deficiencies, if any, also in connection with the internal control system.
- (f) contain the following Annexes:
  - Summary of the auditor's/practitioner's conclusions during the Reporting Period (see Annex A to these ToR)
  - Schedule showing receipts, transfers and disbursements of all accounts mentioned under paragraph 1 above (see Annex B to these ToR), in particular showing cumulated expenditure less advances not yet cleared resulting from KfW payments since project start.
  - Summary of Bank Accounts and SOE referred to in the Report
  - These Terms of Reference (ToR)

**Management Letter / Statement on Internal Control**

10. If considered pertinent, the auditor/ practitioner shall prepare a "Management Letter" or "Statement on Internal Control" in which he will:

- (a) give comments, observations and recommendations on the accounting records systems and controls examined during the course of the engagement (with special focus on the account(s) under this disposition fund and on the handling of project receivables such as advances, tax claims, etc.).
- (b) identify specific deficiencies and areas of weakness in relevant systems and controls that have come to the auditor's/practitioner's attention and make recommendations for their improvement.
- (c) report on actions taken by the management to make improvements with respect to deficiencies and areas of weakness reported in the past;
- (d) bring to the management's attention any other matters that the auditor/practitioner considers pertinent.

### **Liability**

11. The amount of the professional liability insurance shall be based on local/regional standards for audit companies. When prompted to do so, the auditor/practitioner will provide KfW with evidence of his liability insurance.

### **Review**

12. The auditor/practitioner shall keep documentation supporting his conclusion until at least five years after completion of the assurance engagement and shall have them accessible at all times for review by KfW or any third party commissioned by KfW.

(to be attached to every Report)

**SUMMARY [Issued on the auditor's/ practitioner's letterhead]****Name of Project / Programme:** .....**KfW Ref. No.**

.....

**Subject Matter:** .....**Reporting Period:** .....

Within the scope of our reasonable assurance engagement under the above mentioned Project / Programme, performed in accordance with International Standard on Assurance Engagements (ISAE 3000 revised), we express our conclusion on the following criteria:

Applied Criteria	CONCLUSION (YES/NO)**
a) The payments out of the Disposition Fund have been made in accordance with the conditions of the Relevant Agreements. Where ineligible expenditures are identified, these should be noted separately in the Report.	
(b) The Disposition Fund has been maintained in accordance with the provisions of the Relevant Agreements. This also comprises cash flows to and from accounts opened in connection with this Disposition Fund as mentioned under paragraph 1 in the Terms of Reference, as well as interest earned from balances.	
c) Expenditures are supported by relevant and reliable evidence (such as contracts, invoices, guarantees etc.). There were no indications that these expenditures had already been financed by other sources. In addition, project receivables (such as advances, tax claims etc.) paid in former Reporting Periods have been cleared and been used for project purposes, supported by relevant and reliable evidence.	
d) The Statements of Expenditures (SOE) referred to in the Report can be relied upon to support the related disbursement requests. Clear linkage exists between the Statements of Expenditures (SOE), the disbursement requests presented to KfW and the accounting records at the Entity.	
e) The procurement process of goods and services financed was in accordance with the Relevant Agreements.	
f) No other important findings and observations have been disclosed during the engagement.	
g) All observations raised in former reports have been solved by now (for details please refer to page ..... ) – not applicable in case of first report hereunder.	

\*\* Result "NO" requires a reference to a page/section of the Report.

Date:

Stamp and signature of the Auditor/Practitioner:



(to be attached to every Report)

KfW Ref. No. ....		Special account no.	Local Special account 1 **)	Local Special account 2 **)	Petty Cash Box		Total/ Summary
<b>Reporting period from ... to ...</b>		<b>Unified Currency (preferably EUR)</b> <b>** ) for accounts in local currency, please add currency and exchange rate used</b>					
a) account balance at the beginning of the reporting period							
b) inflow of funds from KfW (special account)	plus		X	X	X	X	X
c) credit interest or other project related receipts- if any -,	plus						
d) incoming transfers between accounts (only from accounts named here)	plus						X
e) outgoing transfers between accounts (only in favour of accounts named here)	less						X
f) expenditure (including bank charges) and advances	less						
g) account balance at the end of the reporting period							
<b>Cumulated amounts from project start until end of Reporting Period -KfW funds only-</b>			<b>Unified Currency (preferably EUR)</b>				
a) cumulated inflow of funds (special account)			X	X	X	X	X
b) cumulated expenditure less advances not yet cleared							

Date:

Stamp and Signature of the Auditor/Practitioner: