

Athens 7 November 2016

Global Water Partnership – Mediterranean (GWP – Med)
Legally and lawfully represented by the non-profit society
MEDITERRANEAN INFORMATION OFFICE FOR ENVIRONMENT, CULTURE AND SUSTAINABLE
DEVELOPMENT – MIO ECSDE

CALL FOR OFFERS
For
AUDIT SERVICES FOR THE FINANCIAL STATEMENTS OF GWP-MED FOR THE PERIOD
1/1 /2016 to 31/12/2018 (3 financial years)

SUBMISSION OF OFFERS BY: 18/11/ 2016

MAX AVAILABLE BUDGET: 15.750 (EUROS) excluding VAT.

This amount includes all costs, income taxes and any other amount payable or cost that may be required for the completion of the work/service.

Description of Work/Service

In the context of its annual program activities, GWP-Med is announcing the present Call for Offers for the provision of **AUDIT SERVICES** for its Annual Financial Statements for the periods 1/1 – 31/12/2016, 1/1-31/12/2017, 1/1-31/12/2018 (3 years – 3 Financial Statements). The details for the services are defined in ANNEX I of the present document.

Procurement procedure

The procurement will proceed having regard to:

- ✓ General principles of EU law on procurements.
- ✓ Internal Rules and Regulations of MIO-ECSDE/GWP-MED.
- ✓ The present CALL FOR OFFERS.

Awarding Criterion

The lowest price.

Deadline for submission of offers

The deadline for submission of offers is set to be **18/11/2016**.

The successful candidate will be informed within 2 working days following the submission deadline.

Place & Time of Offers Submission

Interested Parties shall submit their offers in a sealed envelope on their own responsibility, either in person or through a specially authorized representative, or by sending it by registered prepaid post with delivery receipt, at the premises of GWP-Med/MIO-ECSDE

address: 12 Kyrristou str, 10556 Athens, Greece (Tel: +30-2103247267, -3247490) on the condition that offers shall reach GWP-Med/MIO-ECSDE's premises by the indicated in the call submission deadline.

Offers submitted after the specified deadline or offers that have been duly posted but have not reached the designated place in good time, shall not be taken into consideration and shall be returned as inadmissible, without being opened.

For any clarification on the present call for offers please address:

Ms Bessie Mantzara | Tel: +30-210-3247267, -2103247490 | e-mail: bessie@gwpmed.org

The present call for offers is posted on the website of GWP-Med (www.gwp-med.org) and MIO-ECSDE (www.mio-ecsde.org) as well.

The Chairman

Prof. Michael J. Scoullas

ANNEX I: WORK SPECIFICATIONS/TORs

Background

Global Water Partnership (GWP) is a non-profit global action network with a focus on building water security at country, regional and global levels. GWP was established in 1996 as a multi-stakeholder partnership of government agencies, public institutions, private companies, professional organizations and multilateral development agencies. It works to facilitate dialogues and to support countries which are implementing processes for the sustainable management of their water resources. GWP is funded by a range of Financing Partners. Currently, the Network comprises 13 RWPs and 85 CWPs, and 3.000 Partners located in 178 countries. **The GWP Organisation (GWPO)**, established as an intergovernmental agency in Sweden, is managed by an Executive Secretary who is answerable to the Steering Committee (SC). The GWPO Secretariat acts as the 'network hub' for GWP. The Secretariat manages GWP's finances and reports on funding received at the global level. It also helps with the exchange of knowledge, resources, and ensures communication and coherence across the Network. Each **RWP, and the Country Water Partnerships, Area Water Partnerships, City Water Partnerships and River Basin Partnerships** that may be established in the regions, has its own operational strategy, work programme and administrative structure. The RWPs are attached to host institutions that administer funds and employ staff on their behalf.

GWP Mediterranean is a Regional Water Partnership (www.gwpmed.org) (RWP) of GWP partners operating in Mediterranean. The RWP is an independent organisation, but it does not have legal personality. The Steering Committee/Council of the RWP is the decision-making body of the regional partnership. The RWP (**GWP-Med**) is hosted by the **Mediterranean Information Office for Environment, Culture and Sustainable Development, MIO-ECSDE** (www.mio-ecsde.org). MIO-ECSDE is civil non-profit society registered in Greece and operates as a federation of Mediterranean non-governmental organisations (NGOs) active in environment and development issues. It functions as a technical and political platform and umbrella for NGO intervention in the Mediterranean scene. In cooperation with governments, international organisations and other socio-economic partners, MIO-ECSDE plays an active role in the protection of the environment and the sustainable development of the Mediterranean region.

Terms of the Engagement and scope

The Audit Team will be engaged to audit GWP-Med's Financial Statements in accordance with International Standards on Auditing (ISA). The Audit Firm is requested to audit the report/s in accordance with ISA 600.

The main objective of the audit is to provide management of GWP-Med/MIO-ESDE with the assurance that reported figures, funds transferred to partners and locally raised funds, are accurate and provide a true and fair view of GWP-Med's results and financial position for the year ending 31 December 2016, 31 December 2017 and 31 December 2018.

Expected Annual Turnover for the year ending 31 December 2016: Euro 1,8 to 2,2 mil

Expected Annual Turnover for the years ending 31/12/2017 and 31/12/2018: Euro 4 mil

Key areas of audit focus

The following provides a summary of key areas of the audit focus:

1. Fraud

2. Revenue recognition of Locally Raised Funds

3. Accrued based accounting. Confirm that the principle of accrued based accounting has been complied with. Confirm that accruals have been posted for staff entitlements to be carried over to the following year (e.g. accrued annual leave, gratuities, end of contract entitlements) and audit fee on a pro rata basis, audit fee for the audited financial year, etc.

4. Financial statement process. Confirm that the general ledger and financial reports are reconciled. The annual financial reports submitted by the Host Institution/RWP to GWP are the basis for the audit. No adjustments shall be made to the financial reports as a result of the audit. Adjustments may instead be made to the financial reports the following financial year.

5. Contractual arrangements between the Regional Host Institution and the Country Host Institution. If funds are transferred from RWP to the CWP/Partner, the audit should verify that valid, signed agreements are in place between the Regional Host Institution and the receiving legal entity representing the CWP/Partner.

6. Follow-up of last year's Management Letter. Comments on whether, and in what manner, last year's Management Letter has been followed up and if/in what manner the identified weaknesses have been resolved.

7. Travel Policy adherence. Comments on the travel policy in place (the Host Institution Travel Policy or the GWP Travel Policy), and if such policy has been complied with in practice.

Risk assessment

Identify and respond to the risk of material misstatement due to fraud.

Verify to ensure that the procurement of goods and services is handled in a professional and secure manner, in accordance with the GWP Procurement Policy (or the Host Institution's Procurement Policy if agreed by GWP) and the GWP Financial Guidelines.

Verify that the tax regulations (including social security contributions) applying to the organisation have been properly investigated and complied with. Verify that adequate provisions have been made if there are any material outstanding amounts in dispute at year end.

Assess whether advance payments to consultants, employees and other individuals are in accordance with contracts/agreements.

Fraud – ISA 240

In planning and performing the audit to reduce audit risk to an acceptably low level, the audit team should ensure that the risk of material misstatement in the financial statements due to fraud has been considered in accordance with ISA 240 *The Auditor's Responsibilities Related to Fraud in an Audit of Financial Statements*.

Compliance with ethical requirements and certification

The Audit Team is required to comply with the IESBA Code of Ethics. The appointed auditors should preferably be certified by IFAC or at least certified by a national branch organization. **Please forward the appropriate documentation when you submit your offer.**

Auditing and accounting standards

The Audit Team is required to perform the audit based on General Accepted Auditing Standards (GAAS) in accordance with International Standards on Auditing (ISA).

The Audit Team is required to assess whether the accounts have been prepared in accordance with GWP Financial Guidelines.

Materiality

EUR 1.500 shall be applied to accumulate and communicate recorded and unrecorded audit differences to local management. The amount is **not** to be applied in establishing testing scopes.

Assignment of Duty

Upon assignment of duty the successful tenderer will have to sign : **An “Acknowledgement of Instructions Receipt ” and a “ Confirmation of Independence ” document**

Reporting – Deliverables

Findings from the audit procedures will be reported to GWP as follows:

- a. **Auditors Questionnaire** as regards the performed and reported audit (template to be provided).
- b. **Audit differences.** Audit differences includes both Judgmental Differences and Clerical errors should be reported to the local management of the Host Institution as they arise. All audit differences in excess of the nominal amount are to be included.
- c. Signed **Audit opinion** and signed financial statements. The audit opinion/audit report should be prepared in accordance with ISA 800. An illustrative example is attached in Appendix.
- d. **Management Letter /Audit Memorandum.** The Management Letter is to summarize material audit results and conclusions, highlighting major issues from the audits. The Management Letter from last year should be followed-up. The Management letter should include: Information as requested in in the Financial Guidelines, A brief discussion of each important accounting and auditing issue, Conclusion of the Overall Risk Assessments , Any audit differences and related conclusions , The Audit Team's overall conclusion on the engagement.

Deadline for submission of reports a, b and c is the **20th of February** of each year following the end of the fiscal year to be audited e.g. 20 February 2017, 20 February 2018, 20 February 2019. The Management Letter is due no later than **28 February** 2017, 2018, 2019

Audit Opinion/Audit Report (Template)

(Firm letterhead)

Auditor:	
Name of Regional Water Partnership (RWP):	

Dear Sir,

We have audited the accompanying Financial report consisting of [name of region and the included CWPs] expressed in EURO as of December 31, 2016 and for the year then ended. Our engagement was undertaken in accordance with the International Standard on Auditing. The Financial Reports are the responsibility of [name of region and the included CWPs]. Our responsibility is to express an opinion on the Financial Report based on our Audit.

The financial Report has been prepared solely to enable Global Water Partnership Organization (“GWPO”) to prepare consolidated accounts and not to report on [name of region and the included CWPs] as a separate entity.

We report our findings below:

1. As requested in your instructions, we have performed the specified audit procedures outlined in the Group Audit Instructions. We have no (the following) exceptions to report as a result of applying these procedures.
(List of items)
2. During the course of applying these procedures no (the following) other matters came to our attention that we believe may affect your use of the above-mentioned financial statements.
(List of Items)
3. There are no other matters which we believe should be brought to your attention that require further action or consideration by you.

In our opinion, the Financial report of [name of region and the included CWPs] as at December 31 2016 and for the year then ended have been prepared in conformity with GWP Guidelines, and gives a true and fair presentation of the result and position of GWP [name of region and the included CWPs] per 31 December 2016.

This report is intended solely for the use of PricewaterhouseCoopers – GWPO Audit Team in connection with the audit of financial statements of GWPO and should not be used for any other purpose.

(Date)

(Signature)

Note: This report should be modified for pending items, exceptions or additional information.

Management Letter / Audit Memorandum (Template)

PERIOD ENDED 31 DECEMBER 2016

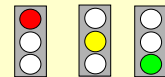
Name of the Regional Water Partnership (RWP)

Names of country Water Partnerships (CWPs)
(Ascertain that the number of CWPs agree with 2.2 in the Audit Instruction.)

Delete this box prior to submission of your report

This template sets out the matters to be covered by the report and it is important that you do not make any changes to the format or basic structure of the template. You should comment on all matters indicated below. If any matters are not applicable or if you have nothing to report, you should explicitly say so under the relevant header. It is also **very important** that your opinion/view on the issues discussed are clearly stated including your view on any action that we believe management must take.

The significance of each issue raised in this report should be assessed and indicated by inserting a traffic light (red, yellow or green) in the right-hand margin. The traffic lights should be copied from this box and pasted in the right-hand margin of the report as illustrated below. Whilst the grading of issues is a matter of subjective judgment, the definitions set out in the cover letter to this template should serve as a basis for your assessments.



A red light normally indicates issues that have or may have a significant impact on the entity's financial reporting or that constitutes significant internal control deficiencies. As such we believe they should receive high management attention. A red light may also indicate issues that whilst not having a significant impact on financial reporting, should receive high management attention because of the nature of the issue (consistent non-compliance with accounting or other polices, indications of fraud, etc).



A yellow light indicates issues that whilst not meeting red light criteria affect or may affect the entity's financial reporting by an amount of which we believe management should be informed. Yellow lights may also be assigned to internal control observations that whilst not constituting significant deficiencies are considered significant enough to warrant management awareness or attention.



A green light may be assigned to issues that have previously had a red or yellow light, but that has been resolved during the last reporting and are now being disposed of. Matters with which we have no issues may also be assigned a green light if the magnitude of the matters are so high, or involve a complexity of such a degree, that we believe management should be informed of the matter.

Introduction

We have completed our audit of the financial statements of [name of RWP] as of and for the year ended 31 December 2016 and set out in this report matters identified during our work and which we believe should be brought to your attention. Such matters include the matters required to be reported in accordance with the 2016 Instructions to Auditors of Regional Water Partnership and Country Water Partnership.

The issues discussed in this report have been rated based on their assessed significance. The rating is illustrated by the use of traffic lights and - whilst inherently subjective and judgemental - the definitions below may serve as guidance. It should be noted that the classification focuses primarily on the degree of management attention. The fact that an issue has been assigned a red light should not be taken to mean that this necessarily constitutes a disagreement with management or a significant control deficiency.



A red light normally indicates issues that have, or may have, a significant impact on the entity's financial reporting or that constitutes significant internal control deficiencies. As such we believe they should receive high management attention. A red light may also indicate issues that whilst not having a significant impact on financial reporting, should receive high management attention because of the nature of the issue (consistent non-compliance with accounting or other policies, indications of fraud, etc).



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Because of the special purpose of this report, it is not to be referred to or presented to anyone outside GWP.

X. EXAMPLE HEADING

Issue

This first section is just an example to illustrate how the layout of each section should look, and this example section should of course be removed prior to the submission of your report. The traffic light was copied from the box above and pasted here.



Management response

Please include managements' comment to the issue discussed above.

Y. SUMMARY OF UNADJUSTED MISSTATEMENTS

Alternative 1: We have not identified any unadjusted misstatements of a magnitude that would require them to be brought to the attention of PwC Stockholm.



Alternative 2: As a result of our audit we have identified certain unadjusted misstatements and which have been discussed in the preceding sections. A summary of those differences is set out in Appendix E.

Z. OUTSTANDING MATTERS

[Whilst there should generally speaking be no outstanding items at a reporting deadline, in extremely rare cases this is sometimes unavoidable. Please list any outstanding matters including the estimated date for completion.]

Yours sincerely

[Name of local audit firm]

[Name of engagement partner]

Partner

Appendices:

1. Summary of Unadjusted Misstatements [delete if no Audit differences identified]