



Intergovernmental Standing Committee on Shipping

ISCOS SECRETARIAT

INFORMATION AND TERMS OF REFERENCE FOR EXTERNAL AUDIT SERVICES

1. ISCOS is an intergovernmental body established by Treaty in 1967 by the Governments of Kenya, Tanzania, Uganda and Zambia to oversee, among other things, their common interests in Shipping, Ports, and Transport Logistics. The Organisation collaborates with a wide range of stakeholders both regionally and internationally with a view of Promoting and Protecting the Interests of Importers and Exporters.

ISCOS is seeking the services of a reputable Audit Firm domiciled in any of the Member States of Kenya, United Republic of Tanzania, Uganda and Zambia to offer External Audit Services to the Organisation.

2. ORGANISATION STRUCTURE/GOVERNANCE:

ISCOS is made up of four organs:

- **The Assembly:** The highest Organ of the organization whose Membership are the Ministers responsible for Transport matters in the respective Members States. The Assembly is responsible for formulating general policies of the Organization.
- **The Coordination Committee:** The Coordination Committee is constituted by Permanent Secretaries or their designated representatives who are senior officers of the Government in Ministries responsible for Transport matters in the respective Member States. Its mandate is to coordinate activities of the Technical Committees and to prepare and submit technical and other reports for approval by the Assembly, among others.
- **The Technical Committees:** Members of the Technical Committees are officers from the Member States who are experts in the relevant field of the Committee. The Mandate of the Technical Committees is to provide technical support to the implementation of programmes of the organization and to assist the Secretary General in the preparation of technical reports for consideration by the Coordination Committee.

There are four technical committees:

- i. Technical Committee on Finance, Administration and Resource Mobilization;
 - ii. Technical Committee on Trade Facilitation;
 - iii. Technical Committee on Maritime Safety, Security and Marine Environment;
 - iv. Technical Committee on Legal, Membership and Credentials, and International Relations.
- **The Secretariat:** The Secretariat is the administrative organ of the organization and is headed by the Secretary General. Staffing levels are determined by the relevant organs of the Organization. The Organizational structure is 32 staff, and the current deployment is 8 staff. The Secretariat outsources many of its non core functions and occasionally uses consultants.
3. **FINANCIAL YEAR:** ISCOS financial year runs from 1st July to 30th June. The Secretariat is required to produce the draft financial statements within three months after the end of the financial year. Audit is supposed to take place within five months from the end of the financial year.
 4. **OPERATIONS:** The Organization's Secretariat is located in Mombasa, Kenya. ISCOS does not run offices in other locations, although it works closely with Member States and collaborates with various industry players including Ports, Maritime Organizations, Freight forwarders, Shippers Councils, Manufacturers, Commodity organizations, etc.
 5. **ACCOUNTING SYSTEMS:** The Financial systems are automated in Quick Books and partly in spread sheets. The Organization is in the process of procuring a much bigger system. All financial records are kept at the Organization's headquarters in Mombasa, Kenya.
 6. **FUNDING:** Funds to run the organization are contributed by Member States on equal basis. Occasionally, some of ISCOS programmes are supported by Development partners. ISCOS' annual budget is currently in the range of US \$1.5 – US\$1.8million.
 7. **THE EXTERNAL AUDITOR'S TENURE OF OFFICE:**
 - 7.1 The External Auditor is appointed by the Assembly for a period of two years renewable upon consent of both parties and as the Assembly may find appropriate.
 8. **ACCOUNTING STANDARDS:**
 - 8.1 Financial Statements of ISCOS are prepared in accordance with the International Public Sector Accounting Standards (IPSAS) supported by accounting policies set out in the ISCOS Financial Regulations.

9. OBJECTIVES OF THE EXTERNAL AUDIT:

9.1 The Objective of the External Audit is to determine whether, in the auditor's opinion, the statements present fairly in all material respects - that is, they show a true and fair view in all material respects of the Organization's financial position, results of operations, and cash flows, in conformity with International Public Sector Accounting Standards (IPSAS) and the requirements of the ISCOS Financial Regulations.

10. AUDITING STANDARDS:

The external audit is to be carried out in accordance with the International Standards on Auditing (ISA) as promulgated by the International Federation of Accountants and should include such tests and procedures as the Auditor considers necessary for the assignment. For projects which require separate audit reports, the auditor will perform the specific procedures as the requirements of such projects may be.

11. SCOPE:

11.1 In accordance with these standards, the Auditors will request the Secretary General for an Engagement/ Confirmation letter spelling out the responsibility of each party, scope of work, terms of engagement and committing the Secretariat to the preparation of financial statements and Maintenance of proper Internal control systems.

11.2 The Audit will include such tests and procedures as the Auditor will consider necessary under the circumstances.

11.3 The above does not in any way restrict the audit procedures or techniques that the auditor may wish to use in forming an opinion on the financial statements.

11.4 The Financial statements to be audited include:

- The Statement of Financial Position
- The statement of Financial Performance
- The Statement of Cash Flows
- The Statement of Changes in Accumulated Funds
- The Statement of Comparison of Budget and Actual Amounts
- The Accounting policies adopted and Explanatory notes
- Where applicable, a financial report compliant with the terms and Conditions of agreements with the donors.

12. AUDIT REPORT AND MANAGEMENT LETTER:

The Auditor is expected to present two types of reports:

- a) An Opinion on the Financial statements
- b) A Management letter.

The Draft Audited Accounts are considered by the Technical Committee on Finance and Administration and then forwarded to the Assembly through the Coordination Committee. The Auditor's presence will be required during the presentation of the Audit Reports to the Technical Committee on Finance and Administration.

13. LANGUAGE:

Audit reports shall be presented in English.

14. FURTHER INFORMATION: Further information may be obtained by contacting the Secretary General, ISCOS Secretariat, at the address below:

Email: info@iscosafricashipping.org, sg@iscosafricashipping.org,

Or better still call: Tel +254-722-207-940