



INTERGOVERNMENTAL STANDING COMMITTEE ON SHIPPING ISCOS SECRETARIAT

INFORMATION AND TERMS OF REFERENCE FOR PROCUREMENT OF EXTERNAL AUDIT SERVICES FOR ISCOS

1. INTRODUCTION

The Intergovernmental Standing Committee on Shipping (ISCOS) is a regional body established through a Treaty, way back in 1967, by the Governments of Kenya, Tanzania, Uganda and Zambia to take care of the Shipping and Maritime Interests of its Member States and the region at large. Given the international nature of Shipping, ISCOS' activities extend to much of the Eastern and Southern Africa. In fulfillment of its Mandate, ISCOS works and collaborates with various institutions, regionally and internationally. ISCOS' Mandate is to Promote and Advocate for competitive shipping and Maritime services, Advise on matters of Policy and Practice in the industry, Undertake industry research and disseminate information on emerging issues, Advocate for and Promote efficiency in logistics and economic competitiveness in shipping and International trade, organize and Capacity-build importers and exporters, develop strategies that complement regional initiatives on the seamless flow of trade and generally protect the interests of Importers and Exporters.

2. EXTERNAL AUDIT SERVICES

2.1 ISCOS plans to procure external audit services from a reputable Audit Firm domiciled in any of the Member States of Republic Kenya, United Republic of Tanzania, Republic of Uganda and Republic of Zambia. The appointed firm from any of these Member States shall be External Auditor for ISCOS.

2.2 A successful Audit Firm shall have the right of communicating with the previous Audit Firm, whose term of service with ISCOS has ended, before accepting ISCOS' offer of appointment as matter of professional practices.

3. KEY INFORMATION ABOUT ISCOS

3.1 ISCOS Organs

- **The Assembly:** This is the Apex Organ of the organization whose Membership are Ministers/Cabinet Secretaries responsible for Maritime Affairs in the respective Members States. The Assembly is responsible for formulating Strategy and general policies of the Organization.
- **The Coordination Committee:** The Coordination Committee is constituted by Principal/Permanent Secretaries of Ministries responsible for Maritime Affairs in the respective Members States. Its mandate is to coordinate activities of the Technical Committees and to prepare technical and other reports for consideration 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 two technical committees:

- i. Technical Committee on Shipping, Maritime Affairs and Trade Facilitation;
 - ii. Technical Committee on Finance and Administration.
- **The Secretariat:** The Secretariat is the Administrative Organ of the organization and is headed by a Secretary General.

3.2 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.

3.3 Operations

The Organization's Secretariat is located in Mombasa, Kenya. ISCOS does not run offices in the Member States of Kenya, Uganda and Zambia, nor own Assets there. Recently, ISCOS opened a small liaison office in Dar es Salaam to handle the Organization information requirements along the Dar es Salaam Maritime gateway and the connecting Surface transport corridors there and to offer support to shippers using Dar es Salaam based corridors.

3.4 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.

3.5 Budgets and Funding

Funds to run the organization are contributed by Member States on equal basis upon adoption of an annual work programme. Occasionally, some of ISCOS programmes are supported by Development partners. ISCOS' annual budget is currently not more than US \$1.8 Million

3.6 Staffing

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.

4. APPOINTMENT AND TENURE OF OFFICE

- 4.1 The External Auditor shall be appointed by the ISCOS Coordination Committee through a competitive process and based on merit.
- 4.2 The period of service shall be two years renewable once and upon the consent of all Member States.

5. APPLICABLE ACCOUNTING STANDARDS

Financial Statements of ISCOS are prepared in compliance with the International Public Sector Accounting Standards (IPSAS) as amplified in the ISCOS Financial Regulations.

6. OBJECTIVES OF THE EXTERNAL AUDIT

The Objective of the External Audit is to issue an independent auditor's opinion to the ISCOS Coordination Committee as to whether the financial statements present fairly in all material respects, the financial affairs, properties and operations of ISCOS – that is, whether 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. The Audit Opinion is expected to report on the Key Audit Matters (KAM) as well.

7. APPLICABLE AUDITING STANDARDS

The external audit shall 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.

8. SCOPE

8.1 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.

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

8.3 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.

8.4 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 Equity.
- 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.

9. AUDIT REPORT AND MANAGEMENT LETTER

The Auditor is expected to prepare:

- 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 Coordination Committee for Consideration and approval. The Auditor will be required to present the Audit Report to the Technical Committee on Finance and Administration and will be notified about this session.

10. LANGUAGE

Audit reports shall be presented in English.

11. FURTHER INFORMATION

Further information may be obtained by contacting the Secretary General, ISCOS Secretariat, **Email:** info@iscosafricashipping.org, or better still call: Tel +254-722-207-940.

12. BIDDING

Interested firms are asked to submit their Expressions of Interest including Audit fees to be charged to:

The Secretary General

ISCOS Secretariat

Nyali, Off Links Road, next to Nyali Health Care Ltd

P.O Box 89112-80100 (GPO), Mombasa, Kenya

Tel: +254 20 2332670 / +254 722 207940

Email: opportunities@iscosafricashipping.org

13. Deadline for receipt of applications: 30th July 2021, 1700hrs.