Terms of Reference


The following are the terms of reference (‘ToR’) on which the WRAP, WWF-Pakistan agrees to engage an audit firm (hereinafter referred to as ‘Auditor’) to perform a financial audit and to report in connection with a Grant Agreement with the WWF UK and Foreign, Commonwealth and Development Office (FCDO).

1. Responsibilities of the Parties
   - WRAP WWF-Pakistan shall be responsible for preparing the Financial Statements relevant to the Grant and for ensuring that these Financial Statements can be properly reconciled with WRAP WWF-Pakistan records and accounts in respect of the concerned services.
   - WRAP WWF-Pakistan accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon WRAP WWF-Pakistan providing full and free access to its staff, records and accounts.
   - WRAP WWF-Pakistan shall provide the auditors with all the necessary documentation to perform the assignment properly; in particular, the following information shall be provided to the auditors before the beginning of the assignment:
     - a) Grant Agreement;
     - b) Progress Reports from November 25th 2021 to 31st March 2022.
     - c) List of transactions reported to WWF UK and FCDO;
     - d) WRAP WWF-Pakistan’s Financial Manuals;
     - e) Organizational charts along with names and titles of senior managers;
     - f) Names of officers responsible for financial management, accounting and internal audit.

The Auditor shall provide:

   - A separate opinion on Project Financial Statements (PFS). The minimum content of the PFS:
     - i) Cumulative statements of expenditure and disbursement of funds from WWF UK and FCDO;
     - ii) Reconciliation between the amounts shown as received by the project and those shown as being disbursed by WWF UK and FCDO should be attached as an annexure to the PFS. As part of that reconciliation, the auditor will indicate the procedure used for disbursement (Advance Request Form or direct payment) and indicate whether the expenditure is fully documented or uses the Summary of Expenditures format.
     - iii) Notes accompanying the financial statements
iv) A statement of comparison between the actual expenditures and the budget estimates.

v) will provide a funds reconciliation statement at the closure of the reporting period.

The Auditor is requested to:

a) Verify whether the expenditures incurred are in accordance with the contractual obligations, with due attention to economy and efficiency1, and only for the purposes for which the funds were provided.

b) Comment on legal and financial obligations and commitments of the project and the extent of compliance or non-compliance thereof;

Auditors shall certify:

a. Whether the PFS are drawn up in conformity with internationally accepted accounting standards Applicable in Pakistan on NPO’s

b. Whether the PFS are accurate and are drawn up from the books of accounts maintained by the Project.

c) Whether the provisions of the Project Agreement are adhered to.

d) Whether Procurement has been undertaken by the Project in accordance with the Grant contract

e) Whether the project has an effective system of financial supervision or internal audit at all levels.

f) Validate the accuracy of project expenditures incurred, recorded, reported and supported by adequate documentation.

g) Verify that expenditures were adequately authorized in accordance with the organization’s authorization levels/hierarchy.

h) Review of Assets procured out of funds provided by FCDO. Verify that an up-to-date record of inventory and assets is maintained and carry out physical verification of assets purchased/donated under the project.

i) Ensure no funding from one source of income has been recorded and accounted for more than once.

j) Verify that the staff salaries/allowances and consultants’ fees charged to the project and reported are in line with the signed agreement/contracts.

k) Validate/ensure that the procedures on conflict of interest and segregation of duties are in place and are effective.

l) Validate the accuracy of cash and bank book and that bank balances are reconciled to monthly bank statements.

m) For expenditures incurred by the WWF UK, the auditors will rely on the certificate of expenditures submitted by the Finance Department of WWF UK and for WWF-Pakistan's contribution they will rely on the Approved Time Sheet provided by the concerned employees at the advisory group.

n) Whether the expenditure claimed through Summary of Expenditures (SOEs) is properly approved, WRAP WWF-Pakistan certified and supported by adequate documentation.

o) The Auditor is a member of the International Federation of Accountants (IFAC).
2. Subject of the Engagement

The subject of this engagement is to report on the financial statements of the period from November 25th 2021 to 31st March 2021 for the WWF UK and FCDO’s grant. The information, both financial and non-financial, which is subject to verification by the Auditor, is all information which makes it.

Economy: This refers to ensuring the lowest cost procurement of goods and services within project design, and focuses on making sure that the unit costs are benchmarked against market norms.

Efficiency: This refers to ensuring that the choice of goods and services procured results in the envisaged outputs. The input-to-output ratio is the key consideration.

Responsible: To verify that the expenditures claimed by the WRAP WWF-Pakistan in Financial statements have occurred, and are accurate and eligible.

3. Reason for the Engagement

To obtain Independent Auditor Opinion in relation to fund utilized by WRAP WWF-Pakistan and report this to the WWF UK.

4. Engagement Type and Objective

This constitutes an engagement to perform specific agreed-upon procedures following the ISA Guidelines on Project Audits provided to the Auditors of these TOR. The objective of this audit is for the Auditor to verify that the expenditures claimed by the WRAP WWF-Pakistan in the financial statements for the services covered by the Agreement have occurred (‘reality’), are accurate (‘exact’) and eligible and to submit to the WRAP WWF-Pakistan a report of factual findings with regard to the agreed-upon procedures performed.

Eligibility means that expenditures have been incurred in accordance with the terms and conditions of the Agreement.

5. Scope of Work

1.1. The Auditor shall undertake this engagement in accordance with these Terms of Reference and:

1.1.1. In accordance with the International Standard on Audit (ISA) to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;

1.1.2. In compliance with the Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedure engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the Code of Ethics for Professional Accountants.

1.2. The Terms and Conditions of the Agreement. The Auditor is required to verify that the funds provided under the Agreement were spent in accordance with the terms and conditions of the Agreement.

1.3. Planning, procedures, documentation and evidence The Auditor should plan the work so that an effective audit can be performed. For this purpose, Auditor is required to perform the procedures to obtain sufficient evidence to form an overall opinion as
the basis for the report of factual findings. The Auditor should document matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISA and these ToRs.

6. Reporting
The report on this Engagement should describe the purpose and the agreed-upon procedures of the engagement in sufficient detail in order to enable the WRAP WWF-Pakistan to understand the nature and extent of the procedures performed by the Auditor. The use of financial and audit reporting is compulsory. The first draft report of factual findings will be issued on 10th Sept 2022 and the Final report will be issued on 19th Sept 2022.

Periods covered:
6.1 The reports on this audit should cover the period from 25th November 2021 to 31st March 2022.

6. Start of Work
The audit will start on August 25th to Sept 6th, 2022 that will cover scrutinizing the expenses for the previously submitted period from 25th November 2021 to 31st March 2022 after that audit will cover WRAP WWF-Pakistan

7. Eligibility Criteria
The following documents/certificates are the pre-requisite and may be used for initial considerations for shortlisting. The Audit firms:
(1) Must be registered as an audit firm with the ICAP.
(2) Must hold a “Satisfactory” QCR Rating issued by ICAP.
(3) Must be Top ten ranking in Pakistan.
(4) Must be an active tax payer of National Tax (NTN) and General Sales Tax (GST).