

TERMS OF REFERENCE

QUOTATION PROPOSALS FOR CERTIFIED INDEPENDENT AUDITOR TO AUDIT ANNUAL FINANCIAL STATEMENTS

INTRODUCTION:

The Caribbean Institute for Meteorology and Hydrology (CIMH) is seeking to appoint an Auditor to conduct a full audit of the annual financial statements for financial year 2020. The Auditor must be a certified independent external Auditor. The financial statements to be audited are the CIMH's Pension Plan and the Operating and Associated accounts on the CIMH's main company file. The Pension Plan is to be presented in BBD and the Operating and Associated accounts financial statements on the CIMH's main company file are to be presented in BBD and USD.

The audited financial statements are presented to the CIMH's Board of Governors as well as other stakeholders. The Auditor is expected to exercise professional judgement and uphold professional skepticism throughout the audits of the CIMH's financial statements. The Auditor is to conduct the audits in accordance with International Financial Reporting Standards (IFRS) which are promulgated by the International Accounting Standards Board (IASB) and in accordance with the Code of Ethics for Professional Accountants issued by the International Federation of Accountants (IFAC).

The financial year of the CIMH runs concurrent with the calendar year and the previous audited financial statements were for the financial year 2019. Previous audited financial statements will be presented on an agreement with the selected certified independent Auditor.

ABOUT THE CIMH:

The CIMH is an Institution of the Caribbean Community (CARICOM) and the technical Organ of the Caribbean Meteorological Organization (CMO). The mandate of the CIMH is "to assist in improving and developing the Meteorological and Hydrological Services as well as providing the awareness of the benefits of Meteorology and Hydrology for the economic well-being of the CIMH member states. This is achieved through training, research, investigations, and the provision of related specialized services and advice".

To achieve its mandate, the CIMH in 1973 established an affiliation with the University of the West Indies (UWI) Cave Hill, in which its primary responsibility is the delivery of the B.Sc. programme in Meteorology in the Faculty of Science and Technology. The CIMH is recognized regionally and globally as:

- The World Meteorological Organization (WMO) Regional Training Centre for the Caribbean;

- A centre for applied research and development in meteorology, hydrology/water resources, climatology and related areas including disaster risk reduction and impacts forecasting;
- The WMO Regional Instrument Centre for the Caribbean;
- A WMO Centre of Excellence for Training in Satellite Meteorology;
- The WMO Regional Climate Centre (RCC) for the Caribbean;
- The Caribbean Centre for Climate and Environmental Simulations;
- The Climate Data Archive for CMO Member States;
- The Pan American Centre for the WMO Sand and Dust Storm Warning Advisory and Assessment System (SDS-WAS).

The CIMH enjoys strong collaborations and long-term partnerships with other CARICOM Institutions, national organizations in CMO Member States and the international community. The CIMH is recognized as being an elite WMO RTC and is considered to be among WMO's leading RCC's due to the increasing depth and innovation of its climate service programme.

OBJECTIVE:

The overarching objective is to have comprehensive financial audits of the CIMH finances performed annually by an independent external auditor to ensure that the CIMH financial systems and practices are compliant with national and international standards. The results of the external audit will (i) demonstrate CIMH's compliance with all national financial regulations, (ii) be made available to the Board of Governors of CIMH as part of its oversight of the operation of the CIMH, and (iii) be made available to external partners of the CIMH who require the CIMH to demonstrate financial accountability and transparency.

SCOPE OF WORK:

The certified independent Auditor is to complete the audits of the CIMH's Pension Plan and the Operating and Associated accounts on the CIMH's main company file in accordance with applicable national and international standards. The Auditor is expected to:

- Provide the CIMH with Bank Confirmation request forms to be submitted by the CIMH to the banking institutions conducting business with the CIMH;
- Provide an engagement letter to commence the audit;
- Identify and assess the risks of material misstatement of the financial statements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide basis for a professional opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the internal control system which includes the design and function of the system; e.g. (i) the control environment; (ii) a risk assessment; (iii) the accounting and information systems; (iv) control activities; and (v) monitoring activities.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CIMH's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CIMH's ability to continue as a going concern. If the Auditor concludes that a material uncertainty exists, the Auditor is required to draw attention in the Auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify the opinion. The Auditor's conclusions are based on the audit evidence obtained up to the date of the Auditor's report. However that future events or conditions may cause the CIMH to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the CIMH to express an opinion on the financial statements. The Auditor is responsible for the direction, supervision of the audit and is solely responsible for the audit opinion.

Specific Activities:

- Ensure that the accounting practices are in accordance with International Accounting Standards.
- Ensure that any funding received is allocated to the appropriate accounts and that expenditures are posted to the correct accounts on the chart of accounts, including petty cash.
- Ensure that general journals are appropriately posted.
- Ensure that pre-payments are correctly assigned.
- Ensure that there is no duplication of funding allocation.

- Ensure that the appropriate classes are assigned to expenditures and revenues.
- Ensure that the procurement process is aligned with accounting practices.
- Review bank account reconciliations for the financial statements to be generated.
- Ensure that salaries are paid in accordance with contracts and agreements.
- Ensure that compensation benefits are disseminated in accordance with policy.
- Ensure that payables are appropriately allocated.
- Ensure that vouchers match expenditures.

Governance:

The Auditor is to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the systems of internal control together with recommendations for improvement. Those charged with governance are responsible for overseeing the CIMH’s financial reporting process.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

DELIVERABLE TIMEFRAME/OUTPUT:

The deliverable timeframe for receiving the financial statements and associated outputs are as follows:

Pension Plan:

Draft financial statements	June 18, 2021
Representation Letter	June 18, 2021
Final audited financial statements	June 28, 2021

Operating and Associated Accounts on the CIMH’s main company File:

Draft financial statements	July 02, 2021
Representation Letter	July 14, 2021
Final audited financial statements	July 16, 2021

The CIMH is willing to allow some flexibility contingent on unforeseeable circumstances. The financial statements should comprise of ‘Statement of Income and Revenue’, ‘Statement of Cash Flows’ and ‘Statement of Balance Sheet’.

In meeting the deliverable timeframe, the Auditor is expected to provide disclosure; either separately or as part of the notes to the financial statements of the substantial accounting

policies, practices and principles applied. The Auditor is further expected to provide and note the rate of depreciation for the assets of the CIMH. All information presented must be in accordance with IAS.

The Auditor will have access to all required information including approved Estimates of Expenditure, remunerations, vouchers, pre-payments, payables, chart of accounts and Board of Governor's decisions to ensure the success of the required audits.

QUALIFICATIONS

The Certified Auditor should be a registered Auditor with the Institute of Chartered Accountants of Barbados and holding a Practising Certificate. The Certified Auditor must hold international designations such as Association of Chartered Certified Accountants (ACCA) or Certified Public Accountant (CPA).

REFERENCES

Interested Auditors should provide the names of at least three firms they have audited within the past five years. As far as it is possible, interested Auditors may submit written references from at least three firms they have audited within the past five years.

FINANCIAL VIABILITY

The Auditor must be financial viable to enter into an agreement with the CIMH to audit the financial statements specified within this TOR. A certification from the Chief Financial Officer, a Principal or an authorized signing officer should be provided to verify that this criterion is met. This certification should be submitted with the quotation proposal.

SUBMISSION OF QUOTATION PROPOSALS

Quotation proposals to conduct the requested audits should be submitted either by post to:

The Senior Administrative Officer
Caribbean Institute for Meteorology and Hydrology
Husbands
St. James BB 23006

OR

Electronically to:

sao@cimh.edu.bb