

TERMS OF REFERENCE FOR THE INDEPENDENT AUDITOR

Project title	:	Establishing the National Framework and Operational Capacity for Implementing the Nagoya Protocol in Timor-Leste
Post Title	:	INDEPENDENT AUDITOR
Type of Contract	:	Short-Term Contract
Working Days/Duration	:	11 Working Days (starting from 16 th June until June 30 th 2025)
Duty Station	:	Dili
Publication Period	:	09 to 13 June 2025
Expected Starting date	:	16 June 2025
Organizational Unit	:	National Directorate of Biodiversity (NDB) – Timor-Leste, ABS Project

GEF Project ID: 9703 / UN Environment Project ID: 01547

Background

The Government of Timor-Leste, through its National Directorate for Biodiversity under the State Secretary for Environment, is implementing a medium-size project funded by the Global Environment Facility (GEF). The project entitled: Establishing the National Framework and Operational Capacity for Implementing the Nagoya Protocol in Timor-Leste. The objective of this project is to establish the national ABS framework and the operational capacity for implementing the Nagoya Protocol in Timor-Leste, to deliver fair and equitable benefits from the utilization of genetic resources to its people and, ultimately, to advance conservation and sustainable use of globally significant biodiversity in the country. The project's objective is to establish the conditions enabling sustainable access to the genetic resources of Timor-Leste, which will deliver fair and equitable benefits to its people, while protecting legal and customary ownership and traditional knowledge.

The country became a party to the United Nations Convention to Combat Desertification (UNCCD) in 2003, to the United Nations Framework Convention on Climate Change (UNFCCC) in 2006, and the United Nations Convention on Biological Diversity (CBD) in 2007. In 2011, it published its National Biodiversity Strategy and Action Plan (NBSAP) and its Fourth National Report to the CBD, and in 2015, its Fifth National Report to the CBD, as well as a revised edition (2015) of the NBSAP 2011- 2020. The government of Timor-Leste is, therefore, committed to address the environmental and conservational challenges facing the nation and to achieve global environmental benefits. Although Timor-Leste has not yet acceded to the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (a supplementary agreement to the CBD), the country has taken important steps towards its implementation. In particular, the NBSAP includes Strategic Action 16 on Access and Benefit Sharing (ABS), the recently approved Biodiversity Decree Law (2017), in its Chapter 7 on 'Genetic resources and traditional knowledge', lays the legal foundation for the development of the national ABS framework.

Objective of the Audit :

To enable the auditors to express an independent professional opinion on the financial position of ABS project for the Fiscal year of 2024 and to ensure that the funds utilized to ABS project's activities have been used for their intended purposes.

AUDIT SCOPE AND REPORTING

1. The audit will be carried out in accordance with the International Auditing Standards and will include tests and verification procedures as the auditors deem necessary.
2. Verify all funds have been used in accordance with the established rules and regulations of project
3. Goods, works and services financed have been procured in accordance with the project established rules and procedures.
4. Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented to.
5. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
6. Express an opinion as to reasonableness of the financial statements in all material respects.
7. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.

Management Letter

A management letter providing the auditor's observations and findings on accounting records, systems and internal controls that were examined during audit, including:

- Weaknesses and issues in accounting and internal control systems, including irregularities in the use of grant funds, ineligibility of expenditures, and procurement-related weaknesses and issues.
- Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
- Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
- Any matters the auditor considers pertinent or significant as to impact implementation.
- Provide closing meeting with the National Director of Biodiversity to obtain the Director's comments on the accuracy and completeness of facts and conclusions, including whether or not NDB concur with the audit findings. The closing meeting will be part of audit work papers.

The audit shall be for each of the following periods:

- 2024 financial expenditures

AUDITOR QUALIFICATIONS

The auditor must satisfy the following minimum requirements:

- A legal entity in Timor-Leste with business license granted by appropriate authority.
- A member of a professional body affiliated with the International Federation of Accountants or the International Organization of Supreme Audit Institutions.
- Have adequate relevant professional and educational qualifications, or able to provide audit staff with adequate qualifications, experience, and competence.
- Technically competent and able to conduct audit in line with the auditing standards.
- Objective and independent from the project, its staff, and activities, and from all aspects of management or financial interests of the [DP/NDA/AE].
- Possesses proven track record in financial audit of public sector projects, or audits of similar nature, type, and complexity, or donor-funded projects.

The contract shall be started from June 16th – June 30th 2025.

EXPECTED OUTPUTS AND DELIVERABLES:

No.	Deliverable/Outputs	Target Due dates	Review and Approvals Required
1	Inception report summarizing the objectives, scope and outputs of the assignment, organization and methodology for achievement of the outputs, documentation review, meetings, findings, and setting out a detailed planning of the assignment, including the schedule.	June 16, 2025	ABS PMU – NDB TL & UNEP
2	Draft reporting including Checking of samples with visit to the Entity staff to facilitate checking process when and as needed and meetings.	23 June, 2025	ABS PMU – NDB TL & UNEP
3	A management letter providing the auditor's observations and findings on accounting records, systems and internal controls that were examined during audit, including: Weaknesses and issues in accounting and internal control systems, including irregularities in the use of grant funds, ineligibility of expenditures, and procurement-related weaknesses and issues including final report	30 June, 2025	ABS PMU – NDB TL & UNEP

All deliverables will only be accepted if they meet highest quality standards.

No.	Deliverables/Outputs	Target Due date	Percentage Disbursement
1	Inception report summarizing the objectives, scope and outputs of the assignment, organization and methodology for achievement of the outputs, documentation review, meetings, findings, and setting out a detailed planning of the assignment, including the schedule.	June 16, 2025	25%
2	Draft reporting including Checking of samples with visit to the Entity staff to facilitate checking process when and as needed and meetings.	June 23, 2025	50%
3	A management letter providing the auditor's observations and findings on accounting records, systems and internal controls that were examined during audit, including: Weaknesses and issues in accounting and internal control systems, including irregularities in the use of grant funds, ineligibility of expenditures, and procurement-related weaknesses and issues including final report	June 30, 2025	25%
Total			100%

ABS Office

National Directorate of Biodiversity, Secretary of State for the Environment
Rua Dom Boa Ventura , No.16 Mandarin Dili.

Email: Abs.biodiversity2022@gmail.com or hard-copy file to ABS Office

The deadline for submission of offers is 09th June 2025.

All companies have registered in Timor-Leste are eligible to apply.

This TOR is prepared by:

Signature _____

Name : Mr. Francisco da Costa Araujo

Designation : National Project Coordinator for ABS project

Date of Signing: 09th June 2025

This TOR is reviewed by:

Signature  _____

Name : Dr. Ali Budhi Kusuma, PhD

Designation : International Biodiversity and Bio prospecting Specialist

Date of Signing: 09th June 2025

This TOR is approved by:

Signature _____

Name : Mr. Flaminio M.E. Xavier

Designation : National Director for Biodiversity, Timor-Leste

Date of Signing: _____