



Terms of Reference for the External Auditor Selection

1. Background and context

The World Federation of Engineering Organizations (WFEO) is an international, non-governmental organization representing the engineering profession worldwide. WFEO prepares annual financial statements in accordance with French accounting standards and strives to ensure transparency, accountability, and sound financial management.

To provide assurance to its governing bodies and stakeholders, WFEO intends to appoint an external chartered accountant / audit firm to carry out an external audit of its financial statements for the financial years 2025 and 2026.

2. Objective of the assignment

The overall objective of this assignment is to conduct an independent external audit of WFEO's financial statements for the financial years ending 31 December 2025 and 31 December 2026, in order to:

- Express a professional opinion on whether the financial statements present a true and fair view of the financial position and results of WFEO, in accordance with French accounting standards and applicable regulations.
- Assess whether WFEO's financial operations have been conducted in conformity with its statutes, internal financial regulations, and relevant donor or partnership agreements.
- Provide recommendations to strengthen internal controls, financial management practices, and risk mitigation.

3. Scope of work

The external audit will cover:

- The annual financial statements (balance sheet, income statement, cash-flow information, notes to the financial statements, and any other synthesis statements required by French accounting standards) for the financial years 2025 and 2026.
- All WFEO accounts, bank accounts, and financial records related to the above financial years, including supporting documentation (invoices, contracts, payroll, grants, contributions, and other relevant documents).

- Review of internal controls and procedures related to budgeting, accounting, cash management, procurement, and financial reporting.

The auditor shall:

- Plan and perform the audit in accordance with applicable professional auditing standards, and in compliance with French accounting standards (plan comptable and other relevant French regulations).
- Use appropriate audit techniques, including tests of controls, substantive procedures, analytical review, and sampling, to obtain sufficient and appropriate audit evidence.
- Identify any material misstatements, irregularities, fraud risks, or non-compliance with applicable policies and regulations, and assess their impact on the financial statements.
- Review significant contracts, grant agreements, and partnership arrangements that may have a material impact on the financial statements.

4. Deliverables and timeline

For financial year 2025, the auditor shall deliver:

- a. A draft audited financial statements package for the financial year 2025, including:
 - Independent auditor's report (opinion on the financial statements).
 - Audited financial statements (in English, with reference to French accounting standards).
 - Management letter highlighting key findings, internal control weaknesses, and recommendations.
- b. A provisional audit report on the 2025 financial results to be presented to the WFEO Executive Council at its second meeting in October 2026.
- c. Tentative timeline:
 - Audit fieldwork for 2025 accounts and submission of draft reports and management letter: at least four weeks before the second Executive Council meeting in October 2026.
 - Presentation/clarification to the Executive Council (in person or online) as required.

For financial year 2026, the auditor shall deliver:

- a. A final audit report covering the audited financial statements for 2026 and consolidated findings for both 2025 and 2026.
- b. Audited financial statements for 2026, in English, prepared in accordance with French accounting standards, together with an independent auditor's opinion and management letter.

This final report shall be made available in due time for the second meeting of the WFEO Executive Council in 2027; and the WFEO General Assembly in 2027.

The detailed audit schedule for 2026 accounts will be agreed with WFEO, taking into account statutory timelines and the calendar of governance meetings.

5. Standards and methodology

The external audit shall be carried out:

- In accordance with French accounting standards applicable to WFEO's financial statements.
- In line with internationally accepted auditing standards and professional ethics, ensuring independence, objectivity, and confidentiality.

The auditor shall:

- Prepare an audit plan and share it with WFEO management before the start of fieldwork.
- Hold an opening meeting with WFEO to confirm objectives, scope, timetable, and information needs.
- Conduct the audit at WFEO's headquarters (and, if relevant, remotely), with possible visits to other locations if deemed necessary and agreed with WFEO.
- Organize a closing meeting to present preliminary findings, obtain management responses, and clarify any open issues before finalizing the reports.

6. Independence and eligibility

The selected audit firm / chartered accountant must:

- Be duly registered and authorized to practice as a chartered accountant / statutory auditor under French law.
- Demonstrate independence from WFEO: no current or recent (last three years) employment, governance position, or other relationships that could create a conflict of interest.
- Have proven experience in auditing international non-profit organizations, NGOs, or associations operating under French accounting standards.
- Be able to work and provide all deliverables in English (with the possibility to refer to relevant French legal and accounting terminology).

Any actual or potential conflict of interest must be disclosed in the proposal. WFEO reserves the right to reject proposals where such conflicts cannot be satisfactorily mitigated.

7. Budget and cost-effectiveness

WFEO operates with limited financial resources and expects this external audit to be conducted in a cost-effective manner.

- a. Bidders shall submit a detailed financial proposal in euros, including:
 - Professional fees (by staff category, daily rate, and estimated number of days).
 - Out-of-pocket expenses (travel, accommodation, per diems, etc.), where applicable, with clear assumptions.
 - Any applicable taxes.
- b. The financial proposal shall clearly separate the costs related to:
 - The audit of the 2025 financial statements and related provisional report.
 - The audit of the 2026 financial statements and the final report for 2027 governance meetings.

WFEO will evaluate proposals on the basis of best value for money, combining quality and price. Proposals that are unreasonably high compared to WFEO's size and budget are likely to be rejected.

8. Proposal content and submission

Interested audit firms / chartered accountants are invited to submit a proposal in English including:

- a. A technical proposal describing:
 - Understanding of WFEO's mandate and the objectives of the engagement.
 - Proposed approach and methodology, including risk assessment and audit strategy.
 - Work plan and indicative timeline for each year (2025 and 2026).
 - Composition of the audit team, roles, and relevant experience (CVs of key staff).
- b. A financial proposal as described in section 7.
- c. Proof of registration and authorization to practice in France (e.g. membership in the Ordre des experts-comptables and/or as commissaire aux comptes).
- d. References from at least two similar assignments conducted during the past five years, preferably for international associations or federations.

Proposals shall be submitted electronically to executivedirector@wfeo.org no later than Sunday 28 June 2026 at 23:59 CEST. Late submissions may not be considered.

9. Evaluation and selection criteria

WFEO will evaluate proposals using, inter alia, the following criteria:

- Technical quality (understanding of the assignment, methodology, work plan).
- Relevant experience with international non-profit organizations and French accounting standards.
- Qualifications and experience of the proposed audit team.
- Demonstrated independence and absence of conflicts of interest.
- Cost and overall value for money, taking into account WFEO's limited budget.

WFEO reserves the right to request clarifications, hold interviews with shortlisted bidders, or negotiate certain aspects of the proposal before taking a final decision.

10. Governance and reporting lines

The external auditor will report to the WFEO Executive Director and will work in close coordination with WFEO's Finance Treasurer and WFEO Internal Auditor.

All draft and final reports will be shared with the WFEO Executive Director, the WFEO Treasurer, the WFEO Internal Auditor and relevant governance bodies.

The auditor may be requested to present key findings and recommendations to the WFEO Executive Council, Executive Board and, if needed, to the General Assembly, either in person or via videoconference.