

Standard Terms of Reference and Scope/ Extent of work for Audit

version 1.1

A. Back Ground

Centre for Emergency and Development Support (CEDDS) is a legally registered non-profit national organization operating in South Sudan. CEDDS remains grounded in and works by its core values that aim to promote integrity, accountability, neutrality and creativity. Through several interactions and engagements with partners, donors and populations served no matter the magnitude, CEDDS has had the opportunity to learn and use these learnings to improve in its operations.

CEDDS received funding from UNOPS LiD to implement 2 years ASRD project in Northern Bahr El Ghazal, Warrap & Unity States. This audit will cover year one implementation; 1st August 2022 to 31st July 2023.

B. Audit Objectives

1. The overall objective of the audit is to assess the management of the CEDDS Grant operations funded by UNOPS to obtain reasonable assurance towards the achievement of the project objectives. The areas of focus include:
 - a) Effective, efficient and economical use of resources;
 - b) Reliability of reporting;
 - c) Safeguarding of assets; and
 - d) Compliance with applicable legislation.
2. The aim of the audit is to provide reasonable assurance that:
 1. CEDDS Grant expenditures are properly accounted for;
 2. CEDDS Grant expenditures were incurred in accordance with the *Agreement*, and are supported by adequate documentation; and
 3. The related financial statements prepared by the CEDDS for the year under review present a fair view of the Grant operations.
3. In particular, the auditors shall:
 - a) Express an opinion as to whether the Grant's financial statements present fairly, in all material respects and whether expenditures incurred on the grant were: (i) in conformity with the approved Grant budgets; (ii) for the approved purposes/activities of the Grant; (iii) in compliance with the relevant regulations and rules, policies and procedures of the CEDDS; (iv) in accordance with the grant support agreement terms; and (v) were supported by properly approved vouchers and other supporting documents.
 - b) Express an opinion as to whether the Grant's "Statement of non-expendable property" fairly presents, in all material respects, the status of non-expendable property of the grant at the end of the period under review.
 - c) Provide an overall assessment of the operational and internal control systems that are in place for the management of the grant support so that related transactions are processed in accordance with the CEDDS policies and procedures to achieve the grants objectives.

C. Audit Scope

1. The designated auditors are required to conduct the audit in accordance with the International Standards on Auditing issued by IAASB¹ as per the detailed scope of audit as shown in Annex A. The list of the IPs to be audited and their related details is available
2. Certification of financial statements of Grants will be carried out as per the applicable IPs accounting policy.

D. Period covered by audit

The audit will cover the following period: 1st August 2022 to 31st July 2023.

E. Location

The audit will take place on site (Northern Bahr El Ghazal, Warap & Unity States).

F. Audit Reporting:

4. The designated auditors shall submit their final report to UNOPS and CEDS. They shall prepare:
 - A **Financial Audit Report** providing an audit opinion on the overall financial situation of the Grant in accordance with the scope of audit (format enclosed in Annex B), as well as the validity of the expenditure. The key deliverables are:
 - An opinion on the financial statement of the grant for the audit period.
 - An opinion on the status of grant's non-expendable property for the audit period.
 - An **Internal Audit Report** which provides a detailed assessment of the internal controls and management of the grant operations, as set forth in the Scope of Audit along with audit findings and recommendations for improvement. The format for the Internal Audit Report is attached as Annex D. The definitions of standard audit ratings, priorities, causes and functional area, attached in Annex to the audit report template, should be used. This portion of the report should include a discussion of the following elements: criteria, condition, cause, risks or effects, and recommendation. Management comments and action plans should duly be obtained and incorporated in the Internal Audit Report.

H. Other important matters:

14. Cases which indicate fraud or presumptive fraud will be brought to the immediate attention of UNOPS as soon as possible, without waiting for the issue of the audit report.
15. The auditors shall ensure that management replies on audit observations and recommendations are obtained in writing and included in the draft audit report in a timely manner. In addition to conducting entry-briefing sessions, the designated auditors shall be required to discuss their observations and recommendations with the IP Management during the audit and at exit-debriefing sessions.
16. The audit shall start on Friday 20th October 2023.
17. The draft audit report shall be submitted to UNOPS and CEDS within 14 days of completion of the audit fieldwork, duly incorporating the comments of management. Based upon UNOPS's and

¹ www.ifac.org

CEDS comments, the auditors will finalise and submit the final signed audit report in soft copy (including word file) within 7 days, to the respective audit focal from the Implementing partner and Senior Project Manager at UNOPS.

18. The reports should be prepared in English, French or Spanish depending on the location of the Audit.

Annex A – Indicative Scope of work for Grant Audits

1. In accordance with the audit objectives stated above, the Audit shall examine whether CEDS Financial Regulations and Rules and other relevant policies and procedures have been duly followed.
2. In particular, the scope of work will include a review of the areas listed below:

A. Grant Management

3. The audit shall cover the implementation, evaluation, monitoring and supervision exercised over the Grant Support. The audit work should include a review of grant document approvals, revisions, work plans, grant assurance, client reports, and grant documentation as well as grant management process where applicable.
4. The audit should also review the physical and financial progress of the grant with respect to targets including time/cost overruns, if any, and evaluate reasons. The audit shall identify cases of excess expenditure or where savings in costs could be effected, and suggest improvements in controls.

B. Finance

5. The audit shall review the 'Treasury' process covering cash management, which includes the management of petty cash accounts and operational advances. The auditors shall ascertain that petty cash and operational advances have been duly verified, followed-up, used for the intended purpose and cleared on a timely basis.
6. The audit shall review the 'grant financial management' process covering management of grant accounting and data quality and grant financial control and monitoring. The review of grant financial control and monitoring process includes system control, fund management, financial monitoring, client reporting and closure of grants.
7. The audit shall review the 'Expenditure' process covering management of expenditure and payables, Accounts payable (AP), positions and payroll and other expenditure. The review of expenditure and payables management includes requisition, vendor management and purchases order (PO)/receipt and PO closure and savings. The review of accounts payable includes AP Prepayment, AP Accrual, AP Payment, AP data cleansing and reconciliation. The review of positions and payroll management includes position and payroll management. Further, review of other expenditure management includes travel management and other expenditure (if any).
8. The audit shall review the 'Revenue management' process covering grant revenue. The review of grant revenue includes accounting of grant funds, interest income and miscellaneous income.
9. The audit will review the receipt of proper utilisation of funds from sub-grantees where applicable, and ascertain if utilisation and the expenditure is in line with the objectives and activities set out in the grant support agreement and pertinent documents (ie ToR, Grant Proposal, UNOPS General Conditions for Agreements, etc.).
10. The audit shall cover the adequacy of the accounting and financial operations and reporting systems. For this purpose, they shall audit the purchase orders, payment vouchers, and other necessary supporting documentation.
11. They shall review the validity of payables and accrued liabilities and whether they are in accordance with approved organisational guidelines.
12. They shall verify pre-payments and associated supporting documentation.

C. Procurement and Supply Chain:

13. The audit shall review the procurement process as well as the emergency procurement (if any) process covering planning, needs assessment, sourcing, solicitation, evaluation, review and contract award, contracting and contract administration.
14. The designated auditor shall audit, on a sample basis, the contracts, with a view to examining whether the implementing partner policies and procedures have been followed. In particular, they will review:
 - Delegation of authority, procurement thresholds, calls for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders, adequate segregation of duties
 - Receiving procedures to determine the conformity of goods/services with specifications.

D. Human Resources

15. The audit shall review the processes relating to recruitment and selection, engagement, contract management, performance management (including learning and development) and end of contract procedures of staff members, consultants and any other types of employment recruited by the implementing partner.

E. General Administration and Asset Management

16. The audit shall review the process related to official duty travel, asset management (including vehicle and communication equipment), and control records (record management procedures).
17. The audit review of asset management shall include procedures related to acquisition, receipt, maintenance, disposal, treatment of lost, damaged or stolen assets and annual physical inventory. Further, review of annual physical inventory shall include preparation and reconciliation of physical inventory and certification. Audit shall also review the following:
 - management controls over non-expendable;
 - reconciliation with physical inventory records;
 - procedures established to ensure appropriate control on transparency, safety and security for receiving, storage and issuing of equipment, materials and supplies purchased;
 - procedure established to ensure the assets are properly recorded, accounted for and reflected in the financial statements (where applicable);
 - procedure established to ensure proper disposal (including write-off), and transfer of assets to the intended beneficiaries (if any) or to the implementing partner administrative assets. In case of transfer to the implementing partner administrative assets, the audit shall verify whether it is properly recorded, accounted for and reflected in the implementing partner administrative assets register.

F. ICT System

18. The audit shall assess the security and business continuity and disaster recovery management of the information systems related to the grant.

G. Status of Previous Recommendations

19. The audit shall review the progress or measures taken by the CEDDS and assess whether previous audit recommendations were successfully addressed.

SUBMISSION

Interested applicants should submit applications by email to procurements@cedss.org Or hand delivery to the CEDDS Office, located in Aweil, wunrok , Rumbek , Parieng and Juba.

Applications submitted after 5:00 PM Friday, October 13th 2023, will not be considered.