



CARE SOUTH SUDAN

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SUB - OFFICES

Panyagor

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Terms of Reference

For

Conducting an external audit for a Germany Federal Foreign Office funded project

Project name and number: Addressing Violence Against Women and Girls as a Catalyst for Peace - S03-381.50-P-106/20 (SSD1281/DE995)

BACKGROUND

CARE Deutschland e.V. received a grant from Germany Federal Foreign Office (GFFO) for the implementation of the above-mentioned project dated **25 November 2020**. The project's starting date is **1 December 2020**, its end date **30 November 2022**. CARE Deutschland e.V. contracted **CARE South Sudan** to implement the project in **South Sudan**. This contract is formalised in a so-called IPIA (Individual Project Implementation Agreement). The implementing CARE office may contract local implementing partners for implementation of parts of the project. All CAREs and local implementing partners are subject of these audit requirements.

As per the grant agreement, CARE Deutschland e.V. and **CARE South Sudan** have agreed with the donor to carry out an external (independent) audit for the project implementation period from **1 December 2020** to **30 November 2022**.

METHODOLOGY

The Auditor has to be member of an internationally-recognised supervisory body for statutory auditing, and to provide documentary evidence to this. The Auditor will work mainly at **CARE South Sudan main office in Juba**. The auditors will make field trips to the respective target sites/beneficiaries when needed. The Auditor should be available to provide comments on donor questions after submission of the final report.

The Auditor should examine the financial statement on the basis of the audit plan and verify its compliance with the grant and donor conditions in order to issue an auditor's report. The auditor should request a letter of representation from the grant recipient's management stating that, to the best of its knowledge, the financial statement encompasses all transactions and receipts, is accurate and complete in every respect and that all grant conditions have been met. The Auditor should ensure that the audit file contains sufficient documents of an appropriate and relevant nature and should record the audit procedures used and the results obtained in the file. If the grant recipient has contracted out some of the activities covered by the grant, the auditor should establish

whether checks have been made regarding the implementation of these activities and associated charges.

The steps listed in this document are not exhaustive or restrictive and may not impose any limitations on the auditor's professional judgement. Any restrictions on the scope of the audit should be mentioned in the auditor's report.

OBJECTIVE OF THE AUDIT

The audit shall give an opinion on the financial statement, in particular whether it represents a true and fair view of revenue and expenditure in agreement with the conditions laid down in the Germany Federal Foreign Office (GFFO) donor regulations and the specific grant agreement. The total expenditure under audit is approximately 2,000,000 EUR.

The GFFO donor regulations regarding audits include but are not limited to:

- 1.) Verification of revenue (received) and expenditure incurred (paid) on a Cash Accounting Basis according to FIFO
- 2.) Verification of timely spent funds (as specified in the grant agreement)
- 3.) Verification and presentation of expenditure in spending currencies vs EURO and all related exchange processes
- 4.) To make observations to determine whether the grant recipient has satisfied in every substantive respect the conditions laid down in the grant agreement. Any substantive matters which do not meet the conditions and any indications of unlawful acts must be identified. Such observations should also include the requirements relating to any contribution by the grant recipient.

SCOPE OF WORK

The auditor shall produce a draft report, including a project expenditure report in the donor format (as described in 'Annex 1, B. Quantitative documentary proof'), and a Management Letter outlining any finding in detail. Upon completion of the audit (i.e. after responding to the potential donor or organisation comments), the auditor shall produce five originals of the final audit report in English.

The auditor should draw up an audit plan which should include an examination of the organisation's administrative and internal control structure, an analytical review and a substantive investigation, including verification of compliance with all grant conditions.

The auditor shall structure his auditor's certificate according to the quantitative documentary proof of the statement of application of funds (Annex 1). He must record the commissions and documents which make up the terms of use made available on which the audit is based.

AUDITOR'S CERTIFICATE

The final auditor's certificate must contain the following (**minimum requirement**):

"We hereby certify that we have audited the statement of accounts of (name of the project-executing agency in the developing country) in respect of the financing of the project (name) on the basis of the following terms of use made available to us (list of commissions and documents). To this end, we have inspected the books and vouchers and report that:

1. *Proofs of receipts and expenditure have been properly furnished in the form of vouchers.*
2. *The expenditures, for which evidence has been supplied, are in keeping with the appointed purpose as set out in the Financing Plan. Any deviations from the Financing Plan are described and explained separately.*
3. *The amount and origin of documented income which is accounted for as counterpart contributions made by the project executing agency, the target group and/or other agencies in the project country have been specified.*
4. *The terms set by the donor have been observed/have not been observed in the following points.*
5. *Special notes (i.e. findings in the Management Letter)."*

Expenditure which exceeds the budget appropriations for main budget categories by more than 20% shall be explained separately, if the approval of the GFFO has not previously been obtained.

In case of a **qualified** auditor's report, the auditor should indicate (in the Management Letter):

- the influence on the transactions and receipts included in the financial statement;
- the grant conditions that have not been met; and/or
- any unlawful acts identified.

REVIEW & AUDIT FILES

CARE/GFFO reserves the right to review the audit. The auditor concerned should assist this review and supply the reviewer with all relevant documents relating to the audit.

The audit firm must keep an orderly and accessible audit file. It should keep the files for a period of seven years from the date of the submission of the audit report to the donor.

TIME FRAME

The audit shall start on **11 April 2023** at the **CARE South Sudan main office in Juba, South Sudan**.

The draft audit report and the management letter shall be forwarded to **CARE South Sudan** on or before **25 April 2023**.

The final audit report and accompanying information will be submitted directly to **CARE South Sudan** on or before **3 May 2023**.

SUBMISSION OF PROPOSALS

All proposals should be received in ssd.procurement@care.org no later than **2:00pm on Friday 24th March 2023** and will be scored on the criteria below:

S/N	Evaluation Criteria	Marks
1	Number of Partners in the firm and number of professionally qualified staff. {Audit firm to submit a profile of the organization detailing how many partners and professionally qualified staff it has.}	10
2	CVs of audit lead and audit team. {The Audit firm must provide a CV of the lead auditor/Audit Manager and team members to be assigned for this audit. The auditors must be registered with a recognized Accountancy Board and must be in good standing. Each member will be evaluated on their training, length of experience and experience auditing organizations in the NGO sector}	15
3	Audit Approach	25

	{The Audit firm should detail their audit approach based on the Audit Protocol}	
4	Number of Audits and similar assignments undertaken in the last 3 years {Provide a list of four (4) references for audits and similar assignments carried out in the last 3 years}	20
5	Audit Fees {The audit contract will be awarded on the basis of the most economically advantageous offer}	30
	TOTAL	100

Annex 1

B. Quantitative documentary proof

GFFO project number: SO3-381.50-P-106/20

Statement of application of funds

Statement of Accounts for 2020 to 2022

Financial statement as at 30 November 2022

	Expenditure	Appropriation according to Financing Plan of 25 November 2020 in EUR	Actual Expenditure in EUR	Deviation - as a % -
1.	Project-related expenditure for project personnel			
2.	Project-related expenditure for services			
3.	Material travel expenses			
4.	Investment expenditure/procurements			

5.	Evaluations/audits			
6.	Project-related administrative costs			
7.	Lump sum for administrative costs as percentage of funding applied for			
Total Expenditure				



II. Receipts	Budgeted receipts according to Financing Plan of 25 November 2020 in EUR	Actual receipts in EUR	Deviation - as a % -
1. GFFO grant and financial contribution from private executing organisation			
2. Contribution from project-executing agency, target group and/or other source in developing country			
3. Additional resources (e.g. interest, sales revenue)			
Total receipts			

III. Financial statement as at 30 November 2022

Total receipts _____

Total expenditure _____

Balance

Overspending

It is confirmed that no funds were available for the financing of the project other than the receipts detailed above. It is also confirmed that all expenditure was necessary, that funds were utilised efficiently and economically and that the information given conforms to the books and vouchers.

(Place)....., (Date).....



Questionnaire – External Auditing

1. Correctness of records
 - 1.1 Are the entries in the journals sufficient?
 - 1.2 Has each voucher been clearly numbered and classified accordingly?
 - 1.3 Have only admissible project expenditures been accounted?
 - 1.4 Have advance payments been marked as such and recorded properly?
 - 1.5 Have income and expenditure vouchers been recorded on payment day?
 - 1.6 Do the vouchers and bookkeeping journals clearly show in which currency the income/expenditure occurred?
 - 1.7 Did the conversions of expenditures into foreign currency base on the actual rate of the day?

2. Vouchers
 - 2.1 Have only original vouchers been accounted?
 - 2.2 Have internal vouchers been produced (if original vouchers were not available)?
 - 2.3 Have compiled vouchers been produced?
 - 2.4 Are the vouchers formally correct (issuer, recipient, tax, date, price and quantity)?
 - 2.5 Have the vouchers in local language been translated in summarized form into English?
 - 2.6 Do the vouchers contain proof of payment?
 - 2.7 Have the travel expenses been accounted according to local standards to the guidelines?

3. Finance and payment transactions
 - 3.1 Have payment transactions been carried out properly?
 - 3.2 Does a well-ordered banking system exist on the spot?
 - 3.3 Do payment transactions mainly or exclusively occur on a cash basis?
 - 3.4 Has the cash book been duly kept?
 - 3.5 Do payment transactions mainly occur on the basis of cheques or transfers?
 - 3.6 Are the proofs of account transactions complete?
 - 3.7 Are the respective bank entries as proofs of payment filed together with the respective vouchers (in case of payment through bank

transfers and cheques)?

3.8 Has currency exchange been carried out in accordance with legal regulations?

3.9 Are currency exchanges sufficiently documented?

3.10 Have expenditures in foreign currencies been marked sufficiently?

3.11 Have project funds been exchanged outside the usual bank exchange procedure?

4. Office organization

4.1 Are organization and task distribution in the office pertinent and appropriate regarding the respective functions?

4.2 Have internal controls been carried out and are these sufficient?

4.3 Have the regulations concerning local acquisition been compiled with?

4.4 Is the electronic data processing operated properly?

4.5 Is a regular backup of electronic data being done?

4.6 Is it secured that documents are kept for a minimum of ten years after presentation of financial reports?

5. Educational and counselling measures

5.1 Were the events carried out on the indicated date?

5.2 Are the educational measures duly documented and accounted according to the guidelines for financial reports?

5.3 Are the costs that arose for renting premises for events appropriate?

5.4 Are the indicated numbers of participants realistic and do they correspond to the accounted costs?

5.5 Have contracts been concluded with external facilitators (honorarium)?

5.6 Have lists of participants been included?

5.7 It is necessary to include short reports, programs and teaching material that have been compiled. Has that been done?

5.8 Were the travel expenses for staff members to seminars duly accounted in the item 5 (as "personnel expenses")?

6. Local personnel

6.1 Have written work contracts been concluded?

6.2 Do they correspond to the approved staff role?



- 6.3 Have the respective national laws been compiled with (tax and social legislation)?
 - 6.4 Are salaries appropriate and is the respective confirmation (by German Embassy/Chamber of Commerce/other institution) available?
 - 6.5 Are or were the indicated staff actually employed by the partner organization in the period indicated?
7. Project infrastructure
- 7.1 Did the delivery of equipment to the partner occur on the basis of a proper delivery agreement?
 - 7.2 Has the partner taken inventory of the indicated equipment?
 - 7.3 Does the delivery equipment actually exist?
 - 7.4 Does its current condition correspond to its use until now and its intensity of use?
 - 7.5 Have material goods that have not been assigned until now been registered properly?
 - 7.6 Does the partner organization keep logbooks for vehicles available for project activities?
 - 7.7 Are type and number of the vehicles in the project appropriate and necessary?
 - 7.8 Are the vehicles used exclusively for official business purposes?
 - 7.9 Do the legal regulations in the partner country require insurance?
 - 7.10 If not, do the circumstances justify insurance under economic considerations?
 - 7.11 Does the local insurance sufficiently cover injuries to persons and material damage when the vehicles are used for official business purposes?
 - 7.12 Are the vehicles kept sufficiently safe when they are not used (at night, during the weekend)?
 - 7.13 In case of private use of project equipment (car, telephone...): Are real costs refunded and documentation available?
8. Financing instruments
- 8.1 In the case of loan scheme programs: have written loan agreements been concluded?
 - 8.2 Do the loan agreements give information about all relevant facts (terms, repayment, interest rate)?



- 8.3 Are the repayments recorded according to the rules?
- 8.4 In the case of loans in kind (e.g. milk animal project): are the recorded sufficiently?
- 8.5 In the case of income generating projects: is a calculation of economic efficiency available?
- 8.6 Are profit and loss statements of income generating projects available?
- 8.7 Have the directives concerning the acquisition of equipment and award of contracts been compiled with?
- 8.8 Do memos exist about acquisition and contract awards?



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VENDOR QUESTIONNAIRE (Confidential)

Note: CARE Standard Payment Terms are 30 days from receipt of goods or service and a CARE approved invoice.

I. REQUIRED INFORMATION (Please Print Clearly)

CARE Contact Name:			
Company/Individual Name:			
Owner Name (if different from above):		Nationality of Owner:	
Contact Person:			
Full Address (Street/City, etc):			
Phone No:		Fax No:	
E-mail:		Website:	

II. CUSTOMER REFERENCES

Provide 3 current customer references, listing customer, phone number, contact person, contact's e-mail and a description of the product or service provided to the customer. (If you need additional space please use a separate page.)

1	Name of Organization/Business			
	Name of Contact Person		Title	
	E-mail:		Phone:	
	Type of product / service provided to client			
2	Name of Organization/Business			
	Name of Contact Person		Title	
	E-mail:		Phone:	
	Type of product / service provided to client			
3	Name of Organization/Business			
	Name of Contact Person		Title	
	E-mail:		Phone:	
	Type of product / service provided to client			

III. Indicate below the products or services sold or provided by you

[a]	[b]
[c]	[d]
[e]	[f]
[g]	[h]

IV. Registration of Business

1. Is your firm registered as a business entity with the government?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2. If YES, please provide your business registration number		
3. If applicable, please provide Sales Tax Registration Number		
4. Please provide Tax ID number		
5. Indicate how long have you been in this type of business		
6. Have you ever done business with other aid agencies? If so, provide names of agencies immediately below:	YES <input type="checkbox"/>	NO <input type="checkbox"/>
7. Are you related to any person currently employed with CARE?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
8. If YES, please provide name and position		
9. Provide here, any additional information regarding your business		
NOTE: Government regulations may require CARE to deduct taxes on any transaction prior to effecting payment to the vendor.		

V. Certification

I certify that the foregoing is true and complete to the best of my knowledge and belief and that no material changes have occurred to the business which would affect any of the above representations.

CERTIFICATION REGARDING TERRORISM: Seller hereby certifies that it has not provided and will not provide material support or resources to any individual or organization that it knows, or has reason to know, is an individual or organization that advocates, plans, sponsors, engages in, or has engaged in an act of terrorism.

Misrepresentation above may result in cancellation and severing all ties with the agency/person and will be deleted from CARE's database of clients. I have read the above statement and certify under oath that the information contained herein is true and accurate to the best of my knowledge and belief.

Name of Person Completing Form (Please print clearly)		
Title:	Signature:	Date:

FOR PROCUREMENT USE ONLY	
<input type="checkbox"/>	Anti-Terrorism Check Completed
<input type="checkbox"/>	Customer References Verified

