



## **Call for proposals: External Audit**

### **Project**

*Embedding community real-time monitoring to sustain livelihoods and forests in Central and West Africa - RTM Ghana*

**Implemented by Civic Response, in partnership with RFUK**

### **Terms of Reference (December 2019)**

#### **1. Context**

DFID-funded project "Integrating Real-time Community Monitoring to Support Livelihoods and Forests in West and Central Africa" (FGMC3 Fund) aims to consolidate the achievements of the project "Community based Real Time forest Monitoring in support to FLEGT processes". The latter was also funded by DFID (FGMC2 fund) aimed at testing the ForestLink community-based real time forest monitoring (RTM) system in Cameroon, DRC and Ghana between 2015 and 2018.

Real Time Monitoring (RTM) is based on ForestLink, a technology developed since 2015 by the Rainforest Foundation UK (RFUK) to contribute reducing forest illegalities for the benefit of local communities. ForestLink has enhanced previous Independent Monitoring initiatives, primarily by enabling communities themselves to monitor their forests, in close collaboration with implementing partners and partner Civil Society Organizations (CSOs). This technology has enabled a much faster transfer of information from the field to the relevant authorities, as well as establishing a central alert database.

This ongoing stage (2018-2021) focuses on:

- Promoting governance reform to institutionalise the RTM system in law and policy in four countries in Central and West Africa (Cameroon, the Democratic Republic of Congo, Ghana, and the Republic of Congo);
- Further improving the system to upscale its implementation and dissemination;
- Enhancing law enforcement and forest peoples' rights; and
- Promoting sustainability, notably by ensuring that improved forest governance directly benefits forest communities.

Since September 2017, Civic Response had been testing ForestLink RTM in Ghana under a Memorandum of Understanding with The Rainforest Foundation UK (RFUK) to support their Civil Society led Independent Forest Monitoring (CSIFM) project. Since October 2018, Civic Response is implementing the current phase (FGMC3 - 2018-2021) of the RTM project in Ghana under a partnership agreement with The Rainforest Foundation UK (RFUK).

A Memorandum of Understanding for the deployment and testing of ForestLink technology and community-based Real Time Monitoring system in Ghana is also established since June 2019 between RFUK and four member organisations of Ghana's Civil Society-led Independent Forest Monitoring (CSIFM) platform: Civic Response, EcoCare Ghana, Nature and Development Foundation (NDF), and Tropenbos Ghana.

RFUK is commissioning an external mid-term evaluation including a financial, accounting and logistical audit of the project « Embedding community real time monitoring to sustain livelihoods and forests in Central and West Africa » in Ghana to analyse, evaluate and improve financial management systems. It will provide an assessment and make recommendations to facilitate future collaborations between RFUK and Civic Response.

## **2. Audit Task**

The Rainforest Foundation UK is commissioning a financial, accounting and logistical audit of the project Community-based community-based real-time forest monitoring implemented by Civic Response in Ghana, in partnership with RFUK, for activities **between September 1<sup>st</sup> 2018 and 31 March 2020** to analyse, evaluate and improve management systems.

This audit is commissioned within the partnership agreement between Civic Response and RFUK relating to the implementation of the RTM project in Ghana. It aims at verifying the effective application of Civic Response's administrative, financial, accounting and logistics procedures, and to ensure that material and financial resources made available to the project are used for the purposes for which they were granted.

Specifically, this will involve auditing Civic Response on the following aspects:

- Administrative management system;
- Financial management system;
- Accounting management system;
- Logistics management system.

The audit will focus on:

- Assessing the regularity of the administrative and accounting procedures put in place and their effective implementation;
- Monitoring of the Project's resources in line with their program of activities;
- The auditing of the Project accounts and fund movements, the consistency of Project expenditures in accordance with the budget estimates and the Project Activities Document;
- Verification of authorized expenditures / activities in line with project needs or objectives;
- The expression of an opinion on the existence, completeness, regularity and quality of the conservation of the supporting documents operated by the Project;
- The formulation of recommendations to improve the effectiveness of the financial, accounting and logistical organisation of the Project.

This audit is part of an overall project control and monitoring system including four levels of verification:

### **Level 1: Information system**

This system allows to evaluate the effectiveness of the projects information system.

The following should be included and reviewed:

- The internal control system of the partner (Civic Response);

- The management system;
- The accounting system (general and analytical);
- Whether Civic Response's procedures have been followed in terms of accounting, monitoring and financial reporting in accordance with the contractual modalities of the project. This involves identifying any dysfunction or inefficiency, and proposing improvements towards better functioning and compliance with internal procedures.

At this level, key internal control cycles must be diagnosed, including:

- Procurement procedures;
- The management of durable goods;
- Treasury management;
- The distribution of roles and responsibilities and respect in the application of roles and related functions.

To carry out this work, it is necessary to rely on the administrative, accounting and financial procedures manuals of the RFUK's partners and on any other written agreement between Civic Response and RFUK and between Civic Response and other (local) CSO partners (e.g. CSIFM platform members). This analysis of the procedures should allow the elaboration of concrete and pragmatic recommendations leading to substantial improvements in the administrative, financial and accounting organisation.

### **Level 2: Financial and accounting**

At this level, a complete audit of the movements of project funds and project account balances should be carried out, to assess and review:

- How financial activities are carried out;
- The proper filing of financial statements and reports;
- The level to which financial reports reflect the periodic status of the Project, funds received and disbursements.
- Certified statements of expenditures and use of cash advances;
- Movements of project funds on project account and other partner's bank accounts, if necessary;
- Mission expenditures on the basis of the mission's expenditure statements, the financial reports and the combined technical and financial reports on the Project implementation;
- Disbursements made by Civic Response to determine whether they are consistent with Project activities, work plans or specific budgets and authorisations of the RFUK, whether they are well founded or are in compliance with financial regulations, rules, practices and procedures.

### **Level 3: Activities**

It is necessary to carry out a comparative analysis of forecasted against spent budget to evaluate the level of budget consumption and to establish the reconciliation with the degree of realization of the activities.

#### **Level 4: Durable Goods**

On that aspect, it is necessary to verify whether the physical inventory is done and that there are procedures for managing project assets and that the inventory is in accordance with the procedures of the partner organisations.

### **3. Audit report**

The audit report will include:

- The auditor's findings on the project annual accounts (financial statements of the project);
- A section on specific verifications including the conformity of the execution of the project in accordance with the terms of the partnership contract and the instructions of RFUK, the accuracy and eligibility of the expenditures associated to withdrawals as listed on bank and expenditures statements, contract awards and recruitment of consultants, as well as on the reliability of expenditure statements as a basis for the justifications for disbursements received under the partnership;
- Recommendations on internal control:
  - o Provide comments and observations on fund justification records, administrative, financial and accounting procedures, accounting rules and systems reviewed during the audit;
  - o Identify potential deficiencies and weaknesses of internal control systems and make recommendations for their improvement;
  - o Identify any other issues that will have attracted attention during the audit and may have an impact on financial accounting and logistical management;
  - o Any other relevant recommendations to the partner organisation which the auditor deems relevant.

### **4. Estimated calendar of activities and expected outputs**

1. **Start of audit and desk review of relevant financial reports, project documents etc.** : 20<sup>th</sup> April ;
2. **Audit mission** at Civic Response headquarters office: from 4<sup>th</sup> to 8<sup>th</sup> May 2020;
3. **Draft Report** submitted by the auditor to the head of the audited organization (Civic Response) with a copy to RFUK within two weeks after the end of the mission: by 22<sup>nd</sup> May 2020;
4. **Observations and comments from the audited organization** (Civic Response) submitted to the auditor within one week after receipt of the draft report with copy to RFUK: by 29<sup>th</sup> May 2020;
5. **RFUK observations and comments submitted to the auditor** within one week after those of the audited organization (Civic Response), with a copy to Civic Response: by 5<sup>th</sup> June 2020;
6. **Final Report** submitted by the auditor to the heads of organisation audited (Civic Response) with RFUK copy, within one week after receipt of observations and comments from RFUK: by 12<sup>th</sup> June 2020.

## 5. Reports format

All reports will be submitted by e-mail in electronic version: Microsoft Word format for text and Microsoft Excel for tables and charts.

## 6. Expected profile

The External Auditor will be a specialized audit firm, working according to recognised international audit standards, with proven experience in financial auditing and sufficient experience in similar contracts of administrative, accounting, financial and logistical auditing, including projects financed by international donors.

## 7. Content of expressions of interest

Expressions of interest shall include:

- Presentation of the organisation including details or registration with recognised international audit / Accounting networks;
- A technical proposal including detailed timetable;
- A financial proposal;
- Details of similar audit missions carried out during the last five years;
- List of staff members assigned to the mission, and detailed CVs.

Proposals should be submitted to [elodieb@rainforestuk.org](mailto:elodieb@rainforestuk.org), with “ **External Audit – Ghana**” and **your organisation in the reference field of the email.**

**Closing Date for Proposals: 15<sup>th</sup> January 2020 at midnight (UTC/GMT)**

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