



Call for Proposals: External Audit

Project

Forest for the Future / Forêts d'Avenir

Terms of Reference (November 2021)

1. Project & Context

The Project

The Rainforest Foundation UK together with five civil society organisations based in the Democratic Republic of Congo (Groupe d'action pour sauver l'homme et son environnement (GASHE), Réseau pour la conservation et la réhabilitation des écosystèmes forestiers (Réseau CREF or RCREF), Centre d'appui à la gestion durable des forêts tropicales (CAGDFT), Action pour la Promotion et Protection des peuples et espèces menacées (APEM), and GeoFirst Development (GeoFirst)) have secured funding for the implementation of a project improving livelihoods and land use in the Democratic Republic of Congo through Community Forests. The project, called 'Forests for the Future' is jointly funded by the United States Agency for International Development (USAID), the Norwegian Agency for Development Cooperation (Norad), Synchronicity Earth, Turing Foundation and Arcus Foundation.

Context

The adoption of the Community Forests Decree in 2014 and its main bylaw in 2016 in the Democratic Republic of Congo (DRC) is arguably the most significant legal reform related to tropical forests and forest peoples' rights in recent years. This framework could impact as many as 40 million forest-dependent people and with tens of millions of hectares potentially available to develop pro-poor, community models of forest management. Since its creation, RFUK has been continuously advocating and supporting the development of community-based forest management in the Congo Basin – something that is now widely recognised as being key to delivering strong conservation and development outcomes. Under a DFID (now FCDO) funded project (2016-2019), RFUK headed a consortium of Congolese and international NGOs that played a central role in laying the foundations for community forestry in DRC. The project facilitated the development and adoption of the National Strategy for Community Forestry; consolidated the Multi-Stakeholder Roundtable for Community Forestry as a deliberative policy making body; accompanied nine communities to apply for their community forest concessions; trained and built capacities among civil society and government officials at all levels; and produced a ground-breaking body of resources, studies and tools to inform best practice in DRC and beyond.

USAID and other donors are now supporting RFUK and our consortium partners to build on these efforts to trigger a new phase of development of community forestry in DRC. The five-year project, which will run from September 2020 to September 2025, has the central objective to consolidate community forests as a viable forest use model that enhances livelihoods while protecting forests.

To this end, the project pursues four main strands of work:

- Promoting land use planning, sustainable management and income generating activities in pilot community forests in Equateur, North Kivu and Maniema provinces;

- Tackling deforestation and protecting biodiversity in target sites;
- Advocating for the continued improvement of the legal framework and promoting transparency and good practice;
- Building capacities in government and local civil society.

Activities are implemented in the field by a consortium of Congolese NGOs based in Kinshasa, Goma, Butembo, Mbandaka and Kindu.

2. Audit Task

The Rainforest Foundation UK is required to provide an annual audit of funds for all expenditure made by RFUK (London-based) and all partners in the DRC to analyse, evaluate and improve financial management systems, with particular regard to compliance with the majority funders: USAID and Norad.

RFUK is now seeking proposals for the first annual audit, for project year **30th September 2020 to 30th September 2021**.

The External Auditor is required to form an opinion on whether the Project's financial statements fairly reflect the financial position of the Project and whether they are prepared, in all material respects, in accordance with the applicable financial reporting framework, including:

- the accounting principles followed by the Grant Recipient
- the requirements as per funders' grant agreements, namely that financial statements are set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items, and include, as a minimum:
 - a. the accounting principles applied;
 - b. income from all sources, including bank interest, with each donor's contribution specified;
 - c. expenses charged/capitalised in the relevant reporting period;
 - d. expenses charged/capitalised from start-up of the Project to the end of the reporting period;
 - e. unused funds as per the reporting date;
 - f. overhead/indirect costs to be covered by the Grant
 - g. balance sheet, when required in accordance with the accounting principles applied;
 - h. explanatory notes including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Project.

The audit must be completed in accordance with the International Standards of Auditing (ISA), in particular ISA 200, 240, 800 and 805.

3. Deliverables

The External Auditor is required to deliver one audit report for the project overall, with a summary per organisation (six (6) in total).

The audit report must be in English, and include:

- a. the Project name and agreement numbers;
- b. identification of the Project's total expenses and total income;
- c. the subject of the audit;
- d. the financial reporting framework applied;

- e. the auditing standards applied;
- f. a statement that the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement;
- g. the auditor's opinion

The audit report should be accompanied by a management letter (matters for governance attention), which shall contain any findings made during the audit of the Project. It shall also list any measures that have been taken as a result of previous audits and whether such measures have been adequate to deal with reported shortcomings.

4. Expected profile

The External Auditor will be a specialised audit firm 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 with multiple partner organisations.

Fluency in English and French is required to work with both UK and DRC-based organisations, but the application and audit report are expected to be delivered in English.

The Auditor must be an independent chartered/certified or state-authorized public accountant, and the organisation will be required to provide information on their legal form and ownership structure.

We welcome proposals from firms who would be interested in auditing subsequent years also, subject to further contract negotiations.

Please note that offers will be rejected if it is found that any illegal or corrupt practices have taken place.

5. Application process

The audit is expected to be completed in full by **January 2022**.

Expressions of interest should be in English, and shall include:

- A technical proposal including detailed timetable;
- A financial proposal (RFUK will cover fees and travel expenses, including visits to partner offices in DRC if required);
- Details of similar audits carried out during the last five years;
- List of staff members assigned to the mission, and detailed CVs;
- A signed declaration as per Annex 1 below.

Proposals should be submitted to jobs@rainforestuk.org, with *“External Audit – UK/DRC”* and *your/your organisation's name* in the reference field of the email.

Closing Date: Sunday 28 November 2021 at midnight (UTC/GMT)

Registered Charity No. 1138287 | Registered Company No. 7391285

RFUK supports equal opportunities and makes no discrimination on the grounds of gender, race, age, physical abilities, religious or sexual persuasion.

Annex. 1

Declaration to be signed and submitted with applications for the above External Audit consultancy

I, the undersigned, _____, representative of the organisation _____, hereby declare that neither the organisation I represent, nor any of the persons who have powers of representation, decision-making or control within this organisation, is any of the following situations:

- a) are bankrupt or being wound up, are having affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) have been convicted of an offence concerning their professional conduct by a final judgment;
- c) have been guilty of grave professional misconduct;
- d) have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established, or with those of the countries where the contract is to be performed;
- e) have been convicted for fraud, corruption, involvement in a criminal organisation or money laundering by a final judgment;
- f) make use of child labour or forced labour and/or practise discrimination, and/or do not respect the right to freedom of association and the right to organise and engage in collective bargaining pursuant to the core conventions of the International Labour Organization (ILO).

Name, Position & Organisation:

Signature:

Date: