

Request for Quotation For Auditing Service Reference Number 20/08/2019'**1. BACKGROUND/INTRODUCTION****1.1. About Forum Syd**

Forum Syd Liberia (FSL) is a Swedish non-profit member based civil society organization that contributes to strengthening a pluralistic civil society and empowering people using a human rights-based approach and comprises of 150 Swedish civil society organizations. Forum Syd's operations consists of actions in four main areas: development cooperation, sub-grants, advocacy and capacity development. In these areas, Forum Syd engages hundreds of projects around the world and its work is guided by its rights-based theory of change. Organized rights-holders, civil society and duty-bearers are supported to use human rights instruments, analysis of power relations, context knowledge, and strategic partnership to address change in attitude, behavior, relation and work methods, to achieve its vision for a just and sustainable world where all people have the power to affect change.

Forum Syd has more than 20 years of experience of peacebuilding and post conflict work in countries such as Nicaragua, Colombia, Guatemala, Cambodia, Liberia, Somalia, and the Balkans, to name a few countries. Forum Syd is a strong niche for pro-poor and rights-based participation in development, including tools for genuine participation. From its partnership with CSOs in Africa, Asia, Europe, and Latin America, Forum Syd has built experience in participation and influence of civil society actors and to build trust and create constructive communication channels between rights-holders, institutions of state, and other duty-bearers. This experience is vital to the Liberian context.

Forum Syd has since 2001, provided a total of SEK 13 million to cooperation projects between Swedish and Liberian civil society organizations (CSOs) in the areas of Human Rights and Democracy, Gender equality, HIV/AIDS, Education, Culture, Health, as well as support to the UN Association in Liberia.

In 2012, the Embassy of Sweden in Monrovia and Forum Syd began a dialogue to involve Forum Syd in the support to civil society in Liberia. This dialogue resulted in the Embassy supporting Forum Syd with a 12-month pre-study in 2016-2017 with the overarching objective to expand Forum Syd's operations in supporting civil society development in Liberia through a multi-annual, rights-based programme and long-term strategic presence. Forum Syd conducted the study in closed dialogue and collaboration with key CSOs, including community-based organizations (CBOs), and other stakeholders in nine of Liberia's 15 counties: Bomi, Bong, Gbarpolu, Grand Bassa, Grand Cape Mount, Grand Gedeh, Margibi, Montserrado (rural), and Nimba Counties.

Based on the results of the study, Forum Syd has for the first time begun direct operations and support to civil society in Liberia.

Introduction and Term of Reference

Forum Syd wishes to engage the services of an audit firm for the purpose of auditing the *Sustainable ownership: empowering communities and civil society in Liberia*, as stipulated in the agreement between Forum Syd and Sida. The audit shall be carried out in accordance with international audit standards issued by IAASB¹. The audit shall be carried out by an external, independent and qualified auditor.

I. Objectives and scope of the audit

The objective is to audit the financial report for the period 2019-01-01 to 2019-05-31 as submitted to Sida and to express an audit opinion according to ISA 800/805 on whether the financial report of Sustainable ownership: empowering communities and civil society in Liberia is in accordance with Sida's instruction for financial reporting as stipulated in the agreement including appendix between Sida and Forum Syd.

II. Additional assignment; according to agree upon procedures ISRS 4400, review the following areas in accordance with the Terms of reference below

- Follow up whether salary costs debited to the project/programme are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.²
- Examine whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by Sida for the period.
- Based on materiality and risk the auditor shall examine whether there is supporting documentation related to incurred costs
- Follow up whether Forum Syd has implemented recommendations from the previous audit's reports of the program. The examination includes reviewing whether Forum Syd has implemented the action points as described in Forum Syds management response that has been submitted to Sida in connection with audit reports.
- Examine whether foreign exchange gains and losses are disclosed in accordance with what is stipulated in the agreement including appendixes.

¹ The International Auditing and Assurances Standards Board (IAASB)

² If the budget includes salary costs to be debited to the project, the auditor shall always examine salary costs as stipulated here.

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- Forum Syds compliance with the applicable tax legislation regarding taxes (e.g. PAYE)³ and social security fees.
- Follow up whether Forum Syd has adhered to the procurement guidelines annexed to the agreement.
- Review if outgoing balance for previous period is the same as incoming balance for the current period.
- If Forum Syd applies modified cash basis as accounting principle, the auditor shall motivate whether the applied accounting principle is acceptable for this type of financial report.

Follow up of funds that are channelled to implementing partners

- Does Forum Syd have signed agreements with its partner organisations?
- Are the audit requirements in agreements with partner organisations in accordance with the audit requirements as stipulated in Forum Syds agreement with Sida?
- Review whether there is an unbroken chain of audited financial reports according to the requirements as stipulated in the agreement between Forum Syd and Sida, for funds disbursed the previous year. The review shall include whether Forum Syd makes documented assessments of the audited financial reports submitted to Forum Syd and whether these reports are followed-up by Forum Syd. The review shall include verification of contributions equivalent of a minimum of 30 % of the total of disbursed funds as well as 30 % of the number of contributions. The review shall also include any observations from auditors that Sida should be informed about.
- Are the same requirements for reporting exchange rate gains/exchange rate losses as stipulated in the agreement between Forum Syd and Sida, included in the agreements between Forum Syd and its implementing partners?

III. The reporting

The scope of the audit shall be stated in the report and the methodology used shall be presented.

The reporting shall be signed by the responsible auditor (not just the audit firm) and title.

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated, as well as a Management letter with audit findings and weaknesses identified during the audit process. The

³ Pay As You Earn

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auditor shall regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation. The auditor shall make recommendations to address the weaknesses identified and the recommendations shall be presented in priority order. If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

Measures taken by the organization to address weaknesses identified in previous audits shall also be presented in the Management Letter.

The additional assignment according to agree upon procedures ISRS 4400 under paragraph III, shall be reported separately in a “Report of factual findings”.

If the auditor conducts an additional assignment according to ISRS 4400 and assesses that the observations presented in the “Report of factual findings”, include the information that would have been included in a Management Letter, a Management Letter does not need to be developed. In such a case, the “Report of factual findings” shall include an explanation of why a Management Letter has not been developed.

Qualifications of the Auditor

The audit shall be carried out by an external, independent and qualified auditor and must be completely impartial, and independent from all aspects of management or financial interests in the entity being audited. Members of the auditing firm should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of the entity.

The auditor should be experienced in applying either ISA audit standards, whichever is applicable for the audit. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA standards, including minimum three years’ experience in auditing the accounts of entities comparable in size and complexity to the entity being audited. Experience in auditing of FSL supported projects is an asset.

Curriculum vitae (CVs) should be provided to FSL by the principal of the firm of auditors who would be responsible for signing the opinion, together with the CVs of managers, supervisors and key personnel proposed as part of the audit team. CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit.

HOW TO APPLY:

All interested bidders submit their Technical and Financial Proposals via email to Job.liberia@forumsyd.org and the Subject line should read: “**FSL 2019 January 1-May 31-2019 Audit Bid**”. Deadline for submission of applications is 7th September **2019**. Only shortlisted firms will be contacted. Please do not call or send emails to follow up bids.