

Request for Quotes for Auditing Services

Location: Virtual

Deadline for submission: 22/12/2022

Chemonics International is soliciting proposals from qualified individuals to audit the financial management systems for the CSSF: Support to Syria Civil Defence 22-23 Programme, a £9 million Programme managed by Chemonics and funded by the Foreign Commonwealth and Development Office in the UK (FCDO) for the period 16 May 2022 – 31 March 2023 (this is a two-year program of £9 million; however, this audit will only apply to the first year for FY22-23, which is currently £4.8 million, and will most likely increase by £2.3-4 million with an uplift in Q4), and for the Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme, a €5.14 million programme managed by Chemonics and funded by the Federal Foreign Office in Germany (FFO) for the period of 1 March 2022 – 31 December 2022. This will be a virtual audit. The eligible individual will have experience in conducting similar audit assignments of international development programmes. Prior experience in auditing FCDO and/or FFO programmes a significant asset. Availability to start with the assignment on 3 January 23 or earlier is also a significant asset.

Programme Summary:

The CSSF: Support to Syria Civil Defence 22-23 Programme is maintaining the delivery of essential services for 4.1 million host community and internally displaced persons (IDPs) in northwest Syria. The Programme provides financial support and capacity strengthening assistance to the Syria Civil Defence, to achieve this goal through a subaward mechanism. The Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme supports the continuation of essential service delivery, and specifically is used to fund volunteer stipends and allowances, management salaries, medical supplies for women's centres, gender-based violence trainings and certifications, firefighting and search and rescue training, and more. While the Programme leadership for both of these Programmes is based in Berlin, Germany, staff are located across the world and the team operates using a virtual office setup.

Your proposal should contain, but not be limited to the following considerations:

1. Eligibility - authorization by a statutory body to conduct audits.
2. Experience in relation to this scope for audits.
3. Confirmation of ability to complete the audit by 10 February 2023 and submit a final audit report by 17 February 2023.
4. Detailed audit plan including a strategy for developing two separate reports for FCDO and FFO.
5. Your fee proposal to conduct the basic audit function, along with your fee schedule for additional services that may be required beyond the scope of the audit engagement.
6. Estimated number of hours to complete the audit.
7. References from past experiences.

The final agreement will be in the form of a written contract following the standard agreement form used by Chemonics for contracting audit services.

We are targeting a start date of 03/01/2023 so please take this into consideration when submitting your proposals. Proposals should be submitted on or before 22/12/2022.

Please email proposals to Jonathan Lindsley at WHAPPMU@chemonics.com.

Terms of Reference - Independent Financial Audit for CSSF: Support to Syria Civil Defence Programme and Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme

1. Introduction

1.1. Background summary

The CSSF: Support to Syria Civil Defence 22-23 Programme and the Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme maintain the delivery of essential services for 4.1 million host community and internally displaced persons (IDPs) in northwest Syria. The Programmes provide financial support and capacity strengthening assistance to the Syria Civil Defence to achieve this goal, through a subaward mechanism. The Programmes are being managed mainly from Berlin, Germany, but staff are located across the world. Programme delivery is occurring in Northwest Syria. Funding is provided by the Foreign Commonwealth and Development Office in the UK and the Federal Foreign Office in Germany. The CSSF: Support to Syria Civil Defence 22-23 Programme started on 16 May 2022 and is currently expected to end on 31 March 2023. The contract value is £9 million (this is a two-year program of £9 million; however, this audit will only apply to the first year for FY22-23, which is currently £4.8 million, and will most likely increase by £2.3-4 million with an uplift in Q4). The Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme started on 1 March 2022 and is currently expected to end on 31 December 2022. The contract value is €5.14 million. These Programmes are part of a broader international donor group effort to support the delivery of essential services in Northwest Syria. As such, many costs are shared across multiple donors, but this audit will only focus on the Programme streams funded by the UK Foreign Commonwealth and Development Office and the German Federal Foreign Office.

Chemonics is seeking an external audit expert to carry out an audit of these programmes. The audit will cover the period 16 May 2022 to 31 March 2023 for FCDO, and 1 March 2022 to 31 December 2022 for FFO.

1.2. Audit Objective

The objective of the audit of the Financial Statements is to enable the auditor to express a professional opinion on the financial position of the Programmes and of the funds received and expenditures for the reporting period, as reported by the Chemonics and in particular to confirm that the reported expenditure has, in all material respects, been used in conformity with the provisions of the Head Contract, including any amendments thereto as contained in implementation letters, and any applicable guidelines in force and applicable to the audit scope, and with due attention to economy and efficiency.

The Audit needs to review and confirm that the Financial Statements agree with the Programme accounts (books of account) which provide the basis for preparation of the Financial Statements and are established to reflect the financial transactions in respect of the Programmes, as maintained by the Company.

To also confirm that the Financial Statements agree or reconcile with any other information reported to FCDO and FFO.

2. Scope

The audit will be carried out in accordance with international standards of auditing. It will include such tests and controls as the auditor considers necessary, including a virtual review of files and other relevant documents. Representative sampling may be used as the auditor considers necessary. This exercise is required to give full and satisfactory audit discharge to the Programme expenditure from 16 May 2022 to 31 March 2023 for FCDO, and 1 March 2022 to 31 December 2022 for FFO. Specific focus will be:

- To establish that the funds have been recorded and funds have been expended in accordance with the terms and conditions of the contract.
- Items and services have been procured in accordance with the guidelines included in the contract.
- Necessary supporting documents, records and accounts have been kept in respect of Programme expenditure.
- To establish the physical existence of FCDO- and FFO-funded Programme assets per the asset register, their conditions and locations.
- Whether the systems, procedures and controls, contractual or otherwise, adopted by CSSF: Support to Syria Civil Defence 22-23 Programme and Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme are efficient, effective and transparent.
- Whether these systems, procedures and controls enable CSSF: Support to Syria Civil Defence 22-23 Programme and Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme to discharge its contractual obligations to FCDO and FFO including its financial and Programme management obligations.
- Whether improvements to CSSF: Support to Syria Civil Defence 22-23 Programme and Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme systems, procedures and controls can be made as a result of the findings of this audit.
- Whether the funds in CSSF: Support to Syria Civil Defence 22-23 Programme and Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme account were deposited, transferred and expensed properly in compliance with FCDO and FFO guidelines and other relevant financial policies and procedures as stipulated under the contract.

3. Methodology

The approach should include but not be limited to:

- Prioritize the audit of the Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme with FFO, to be completed first.

- Hold separate pre-engagement meetings with the Company to present an outline of the planned approach for conducting the exercise.
- Request and hold formal interviews with the CSSF: Support to Syria Civil Defence 22-23 Programme and Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme teams and Programme management unit (PMU) with a view to forming an understanding on the effectiveness of the internal control system in the management of the Programmes.
- Examination of the financial transactions of the Programmes under the management of the Company for the above period in line with expectations set out in the Programme documents listed below (to be made available after the contract has been let). Note that the financial records would consist of all documents relevant to the raising of an invoice; for personnel this would mean being supported by timesheets rather than the actual invoices from consultants:
 - The Head Contract
 - Amendments to the Company's head contract,
 - Any other formal correspondence between FCDO and the Company, and FFO and the Company, which may have effect on the focus, direction and expenditure activities of the programme.
- Review and vet invoices for fees and reimbursable expenses by the Company and ascertain that:
 - The basis for which invoices have been calculated are in line with obligations within the Company's Head contract.
 - Deliverables from short- and long-term consultancies were properly delivered and received before relevant costs were charged to FCDO and FFO.
 - Duly authorised time sheets are available for consulting days charged to FCDO and FFO during the period under review.
- Review the procurement process and procedures for all short-term contracts for the period under review and ascertain that:
 - Transparent and open systems are in place to ensure negotiations for contracts (services, works and printing) are competitive and represent good value for money.
 - Appropriate procedures are in place to document and manage conflicts of interest that may arise from related party transactions.
- Express an opinion on the cost effectiveness, accuracy and completeness (i.e., value for money) of the financial transactions for the period under review.
- Review the grant system and procedures set in place.
- Prepare a Programmes expenditure report showing receipts and expenditure summaries from 16 May 2022 to 31 March 2023 for FCDO, and 1 March 2022 to 31 December 2022 for FFO, and express an opinion on the financial transactions for the period covered.
- Bring to the attention of Chemonics, FCDO, and/or FFO any suspected fraud or irregularity that arises during the audit and communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the Programmes.

4. Deliverables

- Two audited financial reports (hard and soft copies) for the periods noted. This will include one report for FCDO and one report for FFO (these reports must be separate).
- Two management letters (separate per programme), which should highlight observed weaknesses in the system of internal control and the recommendations for managing the identified issues over the life of the programmes.
- Statements of compliance with FCDO and FFO terms and conditions as contained in the Company's contract.
- Two verification reports on programme funded assets (separate for FCDO and FFO).
- A detailed audit note on the interim and final Proof of Employment Funds for the FFO/Maintaining Emergency Response Services in Northwest Syria with the Syria Civil Defence III Programme, including supporting documents.

5. Timing

The work is expected to commence no later than 3 January 2023. The audit firm is expected to submit first draft of report by 10 February 2023 and the final report not later than 17 February 2023.