Terms of Reference

External audit of Farm Radio International’s financial, accounting, and administrative management in Uganda

1. INTRODUCTION

Farm Radio International (FRI) is a Canadian NGO, established in 1978 by radio broadcasters led by Dr. George S. Atkins.

Farm Radio International is based in Ottawa, Canada, and it supports African broadcasters in strengthening small-scale farmers and rural communities’ capacity to tackle poverty and food insecurity through radio coupled with information and communication technology (ICT).

FRI’s work focuses on three areas:

- **Broadcaster resources**: We produce scripts, information packs, a weekly e-newsletter shared with thousands of African radio broadcasters, and we host an online community called Barza.
- **Broadcaster training**: We offer content resources and skill training meant to support radio broadcasters in producing programs that will better serve their listeners.
- **Impact programming**: We collaborate with key research and development partners by helping them to use radio efficiently in their efforts to share knowledge and change behaviour, and thus contribute to improve livelihoods at scale.

Farm Radio International works in direct partnership with more than 1050 radio partners in 38 African countries and it has offices in Ghana, Tanzania, Ethiopia, Uganda, Mali, Burkina Faso, Nigeria, and Senegal.

2. OVERALL OBJECTIVE OF THE AUDIT

The audit is intended to help auditors express a professional view on the financial and administrative situation with respect to the applicable regulations of FRI’s country operations and the activities undertaken during the relevant period.

The audit will be performed according to acknowledged auditing principles and include all tests and controls deemed necessary for the occasion.
The auditor is responsible for providing an opinion on the financial statements based on international audit standards (ISA: International Standards on Auditing), published by the International Federation of Accountants (IFAC), and the regulations applied to NGOs in Uganda. Pursuant to these auditing standards, the auditor will ask Farm Radio International to submit a representation letter holding the management liable to produce the financial statement and maintain an appropriate internal control system.

3. SPECIFIC OBJECTIVE

The specific objectives of the audit include:

a) Having the auditor express his or her opinion on the financial report to ensure it provides an accurate and faithful picture of the revenues and expenses of projects.

b) Evaluating the internal control procedures (purchases, reception, and storage of purchased goods, contracting with a third party, etc) of projects through an evaluation of the internal control risks and the substantive deficiencies of this control.

c) Checking the compliance with the applicable laws and regulations to ensure that the recipient of the funds satisfactorily complies with the terms of the contract between parties.

d) Receiving the representation letter from the NGO’s senior managers, where they attest to the best of their knowledge that the financial report covers all transactions made and that it is accurate and complete in all respects.

e) Inventorizing project materials and equipment.

f) Ensuring NGO staff enjoy their rights.

g) Providing a complete report on the fiscal and social situation of Farm Radio International in the country with suggested solutions in case of non-compliance.

4. SCOPE OF THE MISSION

As mentioned above, projects will be audited in compliance with the International Standards of Auditing (ISA) published by IFAC and it will consist in auditing tests and procedures, as well as controls the auditor will deem necessary under the circumstances.

The auditor will ensure, among other things, that:
All resources available to the projects were used in accordance with the provisions of the applicable funding agreements, with due regard to economy and efficiency, and only for the purposes for which there were provided in reference to the funding agreement;

Procurements of funded goods and services were done through contracts awarded in accordance with the provisions of two applicable funding agreements based on FRI procurement procedures and that they were properly recorded in the account books of the projects;

Procurement screening include, inter alia, procurement documents and the implementation of the agreements or contracts;

Approved procurement plans exist with evidence related thereto;

The following documents will be available: reports on call for expressions of interest, terms of reference, invitation letters for individual consultants, requests for proposals, proposals/bids from tenderers, reports on the comparison of resumes, proposal evaluation, bid evaluation, draft contracts, minutes of negotiations, signed contracts, and payment substantiation;

Approval is received from authorized persons at the various stages of the procurement procedure;

There is compliance with the procurement methods approved in the procurement plan and the methods used for signed contracts;

Reports submitted by consultants, certificates of services provided, acceptance reports or delivery slips are available;

All necessary records, accounts, and entries were maintained for various project transactions (including expenditures covered by expense reports or special accounts). The books of account and the reports submitted to funders should clearly match.

The designated account is managed in consideration of the provisions of the funding agreements;

The overall financial performance of the projects is satisfactory, when comparing the completion of the program activities against the performance indicators as described in the project documents and noting any shortcomings and delays as well as the reasons for them (the auditor will make special mention of the performance of the fiduciary management of the projects);

The allocation of resources to activities, expense categories and components is respected, and any deviation is justified;

Ineligible expenses in the claims for reimbursement of funds identified by the audit were reimbursed to the special account. These expenses will be noted separately in the audit report;
The obligations of the projects in terms of periodic financial reporting, internal auditing, external auditing, procurement (compliance with procedures: periodic updating and approval of the procurement plan by the NGO, advertising, etc.), planning and budgeting, and the hosting of meetings of the steering committee or the equivalent body are met;

- The allocation of staff salaries to projects is consistent with the information in the timesheets completed monthly by each staff and they are of proper quality.

In compliance with IFAC standards, the auditor shall pay clause attention to the following elements:

a) **Fraud and bribery**: In accordance with the standard **ISA 240 (Auditor’s Responsibility to Consider Fraud and Error in an Audit of Financial Statement)**, the auditor shall identify and assess fraud risks, get, or provide sufficient audit evidence demonstrating the analysis of these risks and properly tackle identified or suspected fraud.

b) **Laws and regulations**: While designing the audit approach and performing the audit procedures, the auditor should evaluate the Project Coordination Unit’s compliance with laws and regulations that could significantly affect the financial statements as required by the standard **ISA 250 (Consideration of laws and regulations in an audit of financial statement)**.

c) **Governance**: Communicating with project managers responsible for governing significant auditing items in accordance with the standard **ISA 260 (Communicating with Those Charged with Governance)**.

d) **Risks**: In view of reducing audit risks to a low level, the auditor will implement appropriate audit procedures in response to the risks of misstatement identified in the assessment, this in accordance with the standard **ISA 330 (Auditor’s Responses to Assessed Risks)**.

The audit shall cover all aspects linked to finance and accounting, including:

- Management of cash and bank accounts; monthly reconciliation of balance sheets; cash management procedures and their validity in terms of control
- Payroll management, recording, and control
- Recording of funds received from funders, and control of their appropriate use in accordance with terms defined by funders
- Books of account, vouchers, and other documents
- Budgetary control

And more generally, the adequacy of practices regarding relevant procedure manuals will be checked, as well as the quality of these manuals.
5. EXPECTED RESULT

A complete financial audit report including financial statements, all accompanying notes, and a letter of reference shall be submitted to the Executive Director of Farm Radio International.

The report shall be well structured and include a comprehensive analysis of all aspects of accounting and fiscal management listed above; as well as documented recommendations for consolidating and improving Farm Radio International's fiscal management.

**NB:** Reports and/or communications on the auditor's work shall be approved by FRI's Audit Committee prior to any external communication, under threat of prosecution.

6. METHODOLOGY

The work shall be done based on documents. The audit shall follow a risk-based approach to assessing the risks faced by Farm Radio International.

7. TIMING

The indicative duration for the completion of each of the above audit assignments is a maximum of thirty (30) days from the date notified to the audit firm by Farm Radio International for the launch of the relevant assignment.

The selected audit firm will sign a 3-year contract for the audit of the fiscal years, starting 2021 to 2024 The continuation of the services for the year N+1 is however conditional on the satisfactory completion of the services for the year 21/22.

8. EXPERIENCE OF THE FIRM AND COMPOSITION OF THE TEAM

- The consultant must be an independent auditing and accounting firm, usually engaged in auditing, and regularly registered with an Order of Chartered Accountants internationally recognized by IFAC or FiDEF (copy of attestation or certificate of affiliation), with at least 10 years of proven experience in financial and accounting auditing of development projects and acceptable to GAC. This criterion is eliminatory;
- The consultant must have at least a solid experience in financial and accounting audit in general;
- The consultant must have a confirmed experience in the financial audit of the accounts of similar projects funded by donors, especially Global Affairs Canada, GIZ, USAID, UKAID. For this criterion, the amounts of projects audited over the last five years will be considered.
The key staff of the assignment shall include at least:

- A mission manager, who is a **Certified accountant**, with at least 7 years of experience in financial audit and a good knowledge of fiduciary management procedures and audits of projects/programs funded by Global Affairs Canada or another development partners;

- A chief of mission who has at least a university degree in audit, accounting, and other graduate degrees in management and audit, and with an experience of 5 years at least in financial audit and a good knowledge of fiduciary management procedures and audits of development projects;

- A senior auditor with a university degree in audit/accounting, with a minimum of 5 years of experience in fiduciary management or development project auditing; and

- An expert in procurement with a university degree in engineering, public administration, business law or management, with at least 5 years of professional experience, including at least 3 years of experience in procurement area as expert in procurement for development project or program or in an international organization. An experience in the auditing of procurement for a development project will be an asset.

9. **SERVICE PROVISION**

Offers of services shall include a description of the service ranging, a schedule of the tasks, and a comprehensive description of the composition of the audit team and the details of the honorariums and fees.

Please, send complete service proposals (technical and financial proposal) before **March 15th, 2022** by email at: jobapps@farmradio.org