



BUDGET ADVOCACY NETWORK

Terms of Reference – External Audit

Background summary

The Budget Advocacy Network (BAN) is a Network of Civil Society Organisations in Sierra Leone committed to work on budgets and budget policies to enhance policy making and implementation for sustainable and equitable development. BAN was established in 2006. The Budget Advocacy Network is organised around the three principle of the budget i.e. participation, transparency and accountability. The purpose is to ensure a greater inclusiveness in the budget process, increase access to information and improved responsiveness geared towards achieving pro-poor budgeting and programmes and effective service delivery. BAN draw it strengthen from its membership which are Transparency International (TISL) Campaign for Good Governance (CGG) Network Movement for Justice and Development (NMJD), Western Area Budget Education Network (WABEAN), Actionaid International Sierra Leone (AASISL), Search for Common Ground (SFCG), and Christian Aid (CA). BAN is an accountable institution and as such it is accountable to its citizen, the board and the government. One tools its accountable process is the annual financial audit of the operation of the organization. It is bounded by law as per the BAN governance document and also the Corporate Affairs Commission law to submit its annual audited financial statement.

It is on this bases that BAN is seeking an external registered auditor to carry out a comprehensive audit of all BAN activities for a period of three (3) years (2022-2024 BAN financial year).

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 BAN at the end of the reporting period and of the funds received and expenditures for the reporting period, and in particular to confirm that the reported expenditure has, in all material respects, been used in conformity with the provisions the intended purpose.

To also confirm that the Financial Statements agree with the Project 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 all the Projects,

To also confirm that the Financial Statements agree or reconcile with any other information reported on.

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. This exercise is required to give full and satisfactory audit discharge to all project expenditure. 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 contracts.
- ❖ Items and services have been procured in accordance with BAN procurement policy
- ❖ Necessary supporting documents, records and accounts have been kept in respect of programme expenditure.

- ❖ To establish the physical existence of assets per the asset register, their conditions and locations.
- ❖ Whether the systems, procedures and controls, contractual or otherwise, adopted BAN are efficient, effective and transparent.
- ❖ Whether improvements to BAN systems, procedures and controls can be made as a result of the findings of this audit.
- ❖ Whether the funds in BAN account were deposited, transferred and expensed properly in compliance with BAN guidelines and other relevant financial policies and procedures

Methodology

The approach should include but not be limited to:

- ❖ Hold separate pre-engagement meetings with the BAN to present an outline of the planned approach for conducting the exercise.
- ❖ Request and hold formal interviews with BAN projects and financial management team and with a view to forming an understanding on the effectiveness of the internal control system in the management of the project.
- ❖ Examination of the financial transactions of all BAN expenses.
- ❖ Review and vet invoices for fees and reimbursable expenses by BAN
- ❖ Review the procurement process and procedures for all short term contracts for the period under review
- ❖ Review the assets register to ensure it is up to date and confirm that.
- ❖ Prepare a project expenditure reports showing receipts and expenditure summaries

Deliverables

- ❖ Audited financial report (hard and soft copies) for the period noted.
- ❖ A management letter, which should highlight observed weaknesses in the system of internal control and the recommendations for managing the identified issues over the life of the programme.

Audit Duration

Three years. Each year audit work shall be completed within two weeks from the date of commencement of the audit.

1st year – 1st January to 31st December 2022

2nd year- 1st January to 31st December 2023

3rd year - 1st January to 31st December 2024

Qualification

The audit firms based in Sierra Leone will be eligible to apply.

Application

Interested audit firm should send their Expression of Interest stating their proposed professional fees per year and all other cost associated in conducting the audit to the Chairman of BAN on abu.brima@nmjdsl.org on or before **1st May 2023** and copy the BAN Coordinator on abkamara@ban-sl.org. The selected audit firm should be ready to negotiate with the Executive Committee of BAN for the appropriate fees per annum.