

TERMS OF REFERENCE

FOR

FINANCIAL PROJECT AUDITS

of project „Multi actor partnerships 100% renewable energies for everyone“ by Stiftung World Future Council in Hamburg, Germany

A. Background

a. About the Foundation World Future Council

The World Future Council (WFC) works to pass on a healthy and sustainable planet with just and peaceful societies to our children and grandchildren. To achieve this, we focus on identifying, developing, highlighting, and spreading effective, future-just solutions for current challenges humanity is facing, and promote their implementation worldwide. The Council consists of 50 eminent global change-makers from governments, parliaments, civil societies, academia, the arts, and the business world. Jakob von Uexkull, the Founder of the Alternative Nobel Prize, launched the World Future Council in 2007. We are an independent, non-profit organisation under German law and finance our activities with institutional partnerships and from donations.

b. Project background

The World Future Council is implementing a renewable energy project in Nepal, Uganda and Vietnam together with WWF Germany and Bread for the World. In total, nine organisations are involved in the project. The objective of the project is the introduction and conformation of Multi-Actor Partnerships (MAPs) with a common vision towards 100% Renewable Energy (RE) target in three different countries. The MAPs will develop narratives on the advantages and strategies for implementation of 100% RE scenarios and their multiplier effects. Therefore, this project identifies opinion leaders and key stakeholders to drive RE deployment and brings them together in a MAP. Together, stakeholders will develop a joint vision of what 100% RE means for their country and their region and will identify key action areas such as electricity, mobility or productive uses of RE. This information will be fed into the modelling process for 100% RE pathways.

The project is funded by the Bundesministerium für wirtschaftliche Zusammenarbeit (BMZ). The World Future Council is one of several implementing partners. Subject of this procurement are two financial audits (mid-term audit and final audit) for budgets allocated to WFC for the time of the project. Location of the service is the headquarter of the World Future Council in Hamburg, Germany. The audits are to be produced in English, while communication can take place in German.

Project title	Multi-Akteurspartnerschaften zur Implementierung nationaler Klimabeiträge mit 100% Erneuerbare Energien für alle im Globalen Süden
Project period	01.03.2020 – 30.04.2023 (may be extended)
Total project budget	3.322.896,58 EUR
Allocated WFC budget to be audited	423.652,00 EUR
Periods to be audited	01.03.2020 – 31.12.2021

	01.01.2022- 30.04.2023 (depending on extension)
Reviews to be completed by	15.03.2021 Apr. 15.07 2023 (depending on extension)
Estimated audit budget	8.000,- EUR (incl. VAT)

B. Description of the Assignment

a. Nature and scope of the engagement

The present Terms of Reference identify the objectives and expected outputs of this project audit assignment. However, it will be the responsibility of the selected audit company to identify and perform all necessary and appropriate auditing actions and methodologies in order to deliver on those objectives and outputs. The service will be provided in Hamburg, Germany (can potentially be conducted remotely). The assignment period is 15.01.2022 to 31.07.2023 (depending on extension).

b. Objectives

WFC is accountable to its donors and the back donor of WWF Deutschland, the Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ). WFC receives public funds and is obliged to verify that the funds are exclusively used for the agreed and intended purpose and that they have the capabilities and capacities to do so.

Therefore, the objectives of the present assignment are:

- a) Confirm that activities and costs charged to this project “Multi-Akteurspartnerschaften zur Implementierung nationaler Klimabeiträge mit 100% Erneuerbare Energien für alle im Globalen Süden” took place according to the cooperation agreement with WWF Germany and as reported by WFC to the project partners.
- b) Analysis and evaluation of the financial management system regarding
 - a. Internal control system of the organisation
 - b. Project bookkeeping

c. Methodology

The financial review should be conceived by the audit team in a way to achieve the above-stated objectives.

The whole assignment comprises:

- To examine all necessary records (hard and soft copies)
- The accountant shall be required to prepare the auditor’s certificates in accordance with the BMZ’s guideline attached to this ToR.
- In drawing up their certificate, the independent accountant shall follow the structure used for the record of accounts provided for the proof of use. The accountants shall explain the auditing mandate they were given and shall give an account of the documents used for the audit of proper use of funds and compliance with the terms of funding.

- The final audit certificate shall state the following (minimum requirement):

We hereby certify that we have conducted an audit relating to the statement of accounts of (name of the project-executing agency in the developing country) regarding the financing of the (name) project. Our audit was carried out on the basis of the following requirements pertaining to the use of funding: (list of relevant contracts and documents). We have looked at all the books and vouchers. Based on our audit, we confirm that:

1. All income and expenditure has been properly documented by means of receipts or vouchers.

2. The expenditures documented have been made in accordance with the requirements of the terms of the application and the grant approval and are in accordance with the purpose outlined in the application and in the financial plan. Any deviations from the financial plan are explicitly explained.

3. The income documented, which is entered in the accounts as the contribution made by the project-executing agency, the target group and/or other entities in the country where the project is being implemented, is correctly rendered in the accounts, with the source being explained as required.

4. The donor's conditions specified in the project agreement have (not) been met (with regard to the following aspects).

5. Special remarks.

- a debriefing with WFC focal staff before finalizing of the report
- obtain and integrate a declaration of completeness
- to produce reports, the first draft and final report after considering the input and contributions of all the relevant parties
- Any other incidental activities required in pursuit of the objective

d. Time schedule:

The whole assignment is expected to be carried out within 9 working-days from the date of commencement. The estimated time includes both financial reports.

Activity	Estimated Time (in man-days)
Preparation phase	2
On site work	4
Report writing	3
TOTAL	9

The assignment will take place during February 2022 and approx. June 2023 (depending on extension). The audit reports are to be finalised and handed to WFC 14 weekdays after the audit concludes, by latest mid-March 2022 and mid-July 2023 respectively.

e. Context of the measure, important factors of the organizational or project environment, possible prior consultancies if relevant

The project duration might be extended and the total budget to be audited slightly increased. Discussions to do so were initiated in autumn 2021.

f. Required steps before the verification:

The bidding audit firm shall:

- a) Provide proof that it is independent from WFC and is registered/accredited/authorised to undertake audit work in the country where the engagement will take place.
- b) Provide proof that it fulfills the international auditing standard and national standards.
- c) Provide CVs of relevant team members that showcase suitably qualified English and German-speaking auditors lead the audit team. In this context "suitably qualified" also means holding an recognised accountancy qualification (such as CPA, Chartered Accountant or Chartered Certified Accountant).
- d) The auditors have to provide evidence of their qualification, this could include:
 - a. proven records of having conducted at least 2 similar audits before within the last three years (including information on the service provided, audit period as well as public or private recipient)
 - b. written confirmation from the German embassy or a recognized institution (e.g. chamber of commerce)
- e) Read, understand and become familiar with all documentation relating to the project approval, management and reporting (this must apply to the whole audit team).
- f) Identify, confirm and assess internal controls that are likely to be relevant to and impact on the evidence that will be obtained for this engagement.
- g) Conduct a conference call with WFC ahead of the assignment to reconfirm and agree on the planned audit actions
- h) Liaise directly with the WFC to agree with them on the exact dates and timeframe of the audit and reconfirm that all required documents will be made available in their offices or online

g. Audit Report

The audit firm compile and testify the above outlined necessary project audit reports (incl. all required attachments) in English and make three hard copies available within 14 weekdays after completion of the audit on site.

As a minimum the audit report with audit opinion shall consist of all the points stated in chapter 2.

Especially the audit opinion must comply with the attached guideline of BMZ.

- Description of the audit methodology and process (activities implemented, methods applied, persons concerned, significant variations from planning to be explained)
- audit financial reports
- Notes and description of the findings including receipts or other evidence
- Description of the factors that facilitated or those that hampered accomplishing the task

C. Offers

The offers submitted should provide a description of proposed methods of project auditing for the matters listed, as well as the necessary proof of experience, independency, and standards set out in B-f. It is expected that the first phase of the assignment will involve a documental review to assess

the documents provided, as well as the Organisation's project approval and budget, including also contracts and obligations emanating from the WWF Deutschland Cooperation Agreement and related binding-documents. Offers should be signed.

The tender should include at least:

- Your full contact information, core competencies (description of expertise including language experience and CV of proposed consultants),
- Proposed methodology, standards, time schedule and approach for this project audits
- Quoted price, including details on:
 - Staff capacities
 - Upper range estimate travel costs and any additional charges and incidentals,
- List of 2 similar assignments within the last three years

When preparing the financial aspects of the offer, please take the following points in consideration:

- If the assignment involves travel, we can only reimburse actual costs (supported by invoices) for transportation and accommodation. The offer should include realistic upper estimates. Costs eventually reimbursed will be actuals, based on available proper receipts/documentation.
- Subsistence and any additional charges and incidentals (e.g. local transportation, writing materials, communication, printing, postage) incurred during the implementation of the contract cannot be invoiced separately and should be covered by the fee.
- Tenderers themselves will bear the costs of drawing up their tenders and WFC will not be liable to pay any compensation if a tender is rejected or if it decides not to select any tender.

a. Submission of offers

Tenders should be submitted by 26. November 2021 via E-mail to Josephin Ollesch, HR and Finance Manager – Josephin.ollesch@worldfuturecouncil.org (Stiftung World Future Council, Große Elbstraße 117, 22767 Hamburg). The tenderer and natural person shall be enclosed.

b. Award criteria

The contract will be awarded based on the following criteria (100% or 100 points):

- Quoted price 70%/70 points
- Experience 30% / 30 points

D. Attachments

- Guidelines for the funding of projects of importance to development under the responsibility of private German executing agencies by BMZ