

DATE: 06th Feb 2025

TO: Qualified Audit Firms of Certified Public Accountants

FROM: Uganda Timber Growers Association & Fairventures Worldwide

SUBJECT: Professional Auditing Services

RE: REQUEST FOR QUOTATIONS TO CARRY OUT AN INDEPENDENT AUDIT FOR THE FINANCIAL RECORDS OF UGANDA TIMBER GROWERS ASSOCIATION - IKU PROJECT.

Uganda Timber Growers Association (UTGA) is requesting quotations from Audit firms that have experience in providing external audit services for profit and not for profit organizations to carry out Independent audits on our financial records. We invite your firm to submit a proposal to us by February 28th, 2025 for consideration. Below is a description of our organization, the services needed and other pertinent information follows:

Background

Fairventures Worldwide (FVW) is a non-profit organization based in Stuttgart, Germany, that deals in forestry and timber value chain development with operations in Indonesia and Uganda. Donations, grants, business partnerships, and consultancy services fund the organization.

Currently, the organization is working on a variety of projects in Uganda, one of which is titled "Development of sustainable business models for reforestation in Uganda," and is funded by the German Ministry of Economic Cooperation and Development (BMZ) under their climate finance unit (IKU). FVW is partnering with the Uganda Timber Growers' Association (UTGA) to implement this project from August 2021 to April 2025.

Objectives of the Audit

The primary objective of this audit is to:

- ❖ Verify the accuracy and completeness of the financial records of the project.
- ❖ Assess the appropriateness and effectiveness of fund utilization in accordance with BMZ guidelines.
- ❖ Ensure compliance with contractual obligations and local regulations.

Scope of Work and location of audit

The audit will cover the following areas:

- ❖ Verifying accounting records for correctness and completeness
- ❖ Verifying the financial report in which all project-related revenues and expenditure must be shown and for which it must be confirmed that receipts are provided for all revenues and expenditure.
- ❖ Verifying how the provided project funds have been managed.
This includes: – Project funds transferred to the project partner in the current budget year or during the project

term , Interest earned in the current budget year or during the project term from project funds transferred to the project partner and other revenues from the project activity.

- ❖ Verifying to what extent the funds have been used appropriately for the purpose of carrying out the planned project objectives and activities.
- ❖ Verifying the cost-effectiveness of expenditure with regard to financial resources (to be used economically and as effectively as possible).
- ❖ Verifying the personnel costs and social security contributions to ensure that they are in line with local standards, legal in the respective project country and, above all, that they comply with contracts and that the contributions required by law are being withheld.
- ❖ Verifying that the cost plan is being adhered to by means of a comparison of objectives and effects (based on the most recent valid budget).
- ❖ Verifying the economic use of project equipment.
- ❖ Verifying the procured inventory, where it is being held and whether it has been/is being used appropriately for the purpose of carrying out the planned project objectives and activities.
- ❖ Verifying and confirming that project-relevant documentation is complete and correct.
- ❖ Verifying that all agreements fundamental to the project are being adhered to (contracts, German private executing agency guidelines, BMZ funding requirements, BNBest-P/private executing agencies and BMZ contract award guidelines).

The audit shall be conducted at the Uganda Timber Growers Association offices and if need be the auditors shall be travelling to the field (Jubiya Central Forest Reserve) to check on the company assets

Deliverables

The auditor is expected to produce the following deliverables:

- ❖ 3 copies of the audit report detailing the findings, conclusions, and any recommendations. The audit report must include the following,
- ❖ Presentation of the audit assignment and scope with extensive comments on the audit findings. The auditor must also state which documents were used for the audit of appropriate use of funds and compliance within the project term.
- ❖ Recommendations in case of complaints.
- ❖ Comment on how audit observations from previous years were followed up on, if required
- ❖ Deviations of actual expenditure from the planned expenditure in the most recent budget that exceed 30% of individual budget items, (main items in the budget), must be explained and reasoned.
- ❖ Deviations of actual expenditure from the planned expenditure in the current budget that exceed 30% of individual budget sub-categories, reasons must be given.
- ❖ An audit certificate prepared in accordance with the BMZ template.

- ❖ A supplementary document summarizing the audit processes undertaken, methodologies used, and any issues encountered.
- ❖ Management letter

The auditor must meet the following criteria:

- ❖ Hold a recognized qualification as an independent auditor.
- ❖ Demonstrate experience in auditing projects funded by international or governmental organizations.
- ❖ Provide evidence of independence from the local project partner and the Commissioning Organization.
- ❖ Submit confirmation of qualification from ICPAU

PROPOSAL CONTENT

In order to simplify the evaluation process and obtain maximum comparability, UTGA & FVW requires that all responses to the Request be organized in the manner and format described below.

Executive summary

Describe your understanding of the work to be performed and your firm's ability to perform the work within the time frame provided.

Professional experience

Describe how and why your firm is different from other firms being considered. This should include an explanation of the firm's philosophy, size, structure, practicing certificate from ICPAU and qualifications with serving not for profit organizations with a similar size and operations. Describe your firm's resources devoted to not for profit organizations and provide copies of newsletters or other resource materials addressing issues relevant to not for profit organizations if any. Discuss the firm's independence with respect to UTGA and FVW. IKU is funded by BMZ, so similar past experiences to audit BMZ funded projects is highly valuable

Team qualification

Identify the specific partners, managers, and in-charge staff who will be assigned to this engagement if you are successful in your bid. Provide their bios or CVs specifying relevant experience to the type of services requested. Also discuss commitments you make to staff continuity, including your staff turnover experience in the last three years

Audit approach

Describe how your firm will approach the proposed services, including the use of affiliates or staff from other locations, areas that will receive primary emphasis, and the type of assistance that will be required from UTGA & FVW's staff. Also discuss the firm's use of technology. Finally, discuss the communication process used by the firm to discuss issues with management

Fees

Please provide a firm estimate of fees for the services to be provided. It has been UTGA & FVW's practice for management to negotiate a fee for services prior to such services being rendered. There is only one project for auditing (IKU project) The project was implemented in Jubiya- Masaka -Uganda, so there may be or no need for travel.

Client references

Include a list of the relevant not for profit clients the firm has served within the past three years and furnish the names and telephone numbers of any references whom we may contact

AUDIT PROPOSAL INFORMATION

Audit period will be 01/08/2021 to 30/04/2025. (3years, 9 Months). The final decision of the selection of the firm to conduct the audit will be made by 15 March 2025 and successful bidders will be contacted.

All questions and correspondence regarding this Request For Quotations should be directed to Miss Sarah Nuwahereza through email at sarah.nuwahereza@fairventures.org

Timeline

The audit is expected to start on 1st April 2025 and will run for a period of 3 months

Reporting

The auditor will report directly to the management of UTGA, and FVW and will be required to present the findings.

Additional Provisions

- ❖ The auditor will be required to maintain confidentiality regarding all project-related information and documents.
- ❖ The auditor shall comply with the ethical standards and practices of the auditing profession.

SUBMISSION GUIDELINE

The proposals must be submitted electronically to info@utga.ug cc sarah.nuwahereza@fairventures.org

The subject line must be: IKU EXTERNAL AUDIT

Deadline: 28th, Feb 2025 Before 11:59 PM .