



## **Request for Tender for Financial Audit**

The Carter Center – Democracy Program issues the following request for tender to conduct a financial audit of the Liberia Elections Observation Network (LEON) for the period from July 1, 2024, until May 31, 2025, in Monrovia, Liberia.

### **ORGANIZATION CONTEXT**

LEON is a platform of four Liberian civil society organizations: The Catholic Justice and Peace Commission (JPC), Liberia Crusaders for Peace (LCP), Federation of Liberia Youth (FLY) and National Union of Organizations for the Disabled (NUOD) and has successfully observed the 2017 and 2023 general elections in Liberia along with programming in legislative monitoring, social media monitoring, national surveys, and advocacy for election reform. The network aims to provide an avenue for civil society to participate in monitoring and to observe democratic processes and elections. LEON observes in line with the Declaration of Global Principles for Non-partisan Election Observers.

### **PROJECT OBJECTIVES**

Based on its longstanding commitment to Liberia peace and reconstruction, the Swedish International Development Cooperation Agency (SIDA) funded The Carter Center – Democracy Program to issue subgrant agreements to support LEON’s “Citizen Observer Project” from September 2021 until May 2025 in Liberia.

The project seeks to support national civil society organizations to contribute to democracy, peace, and development in Liberia. Under this project implementation agreement, LEON focuses on the following main areas of activity: advocacy on electoral reform; observation of legislative by-elections and elections and the presidential election, as and when they occur; monitoring the legislative branch to improve transparency, accountability, and citizen engagement; conducting surveys to ensure citizen input and assess the effectiveness of government programs.

### **SCOPE OF WORK**

The Carter Center, hereafter referred to as the “Cooperation partner” wishes to engage the services of an audit firm for the purpose of auditing the Citizen Observer Project, as stipulated in the agreement between the Cooperation partner and Sida. The audit shall be carried out in accordance with international audit standards (ISA) issued by IAASB<sup>1</sup>. In addition, an

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<sup>1</sup> The International Auditing and Assurance Standards Board (IAASB)

assignment according to International Standards on Related Services (ISRS) 4400 (Revised) shall be carried out. The audit and the additional assignment shall be carried out by an external, independent and qualified auditor.

## **I. Objectives and scope of the audit**

The objective is to audit the financial report for the period July 1, 2024 – May 31, 2025 as submitted to The Carter Center and to express an audit opinion according to ISA, applying ISA 800/ISA 805, on whether the financial reports of LEON are in accordance with the Cooperation partner's accounting records and Sida's requirements for financial reporting as stipulated in the agreement including appendices between Sida and Cooperation partner (Agreement).

## **II. Additional assignment; according to agreed upon procedures ISRS 4400 (Revised), review the following areas in accordance with the Terms of Reference below**

Mandatory procedures that must be included:

1. Observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget<sup>2</sup>.
2. Observe and inspect whether the financial report provides information regarding:
  - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.
  - b) When applicable, compare if the opening fund balance<sup>3</sup> for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
  - c) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
  - d) Amount of funds that has been forwarded to implementing partners, when applicable.
3. a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.

*Choose a sample of three individuals for three different months and:*

- b) Inquire and inspect whether there are supporting documentation<sup>4</sup> for debited salary costs.
- c) Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.

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<sup>2</sup> The budget is attached to the agreement with Sida as an annex and any updates should be supported by a written approval by Sida.

<sup>3</sup> I.e. funds remaining from disbursements made during previous reporting period/s

<sup>4</sup> Debited salary costs should be verified by supporting documentation such as employment contracts.

- d) Inspect whether the Cooperation partner comply with applicable tax legislation with regard to any personal income taxes and social security fees.
- 4. Review and confirm that the Cooperation partner screens IP's and/or suppliers to ensure that such parties are not subject to the European Union's financial sanctions list of persons, groups and organisations (EU Sanctions list).  
  
Enquire whether there has been any reported findings from the screening process and if so, report on such findings.
- 5. a) Inspect and confirm that any unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.  
  
b) **Applicable the final year:** Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to The Carter Center.

## **Follow up of funds that are channelled to implementing partners**

Mandatory assignments that must be included if the Cooperation partner forward funds to implementing partners (IP's):

Choose a sample of a minimum of 20 % of the total of disbursed funds as well as 100 % of the number of IP's or a maximum of 10 IP's.

- 6. Inspect and confirm whether the Cooperation partner has signed agreements with the selected IP's.
- 7. Inspect and confirm whether the Cooperation partner, in all agreements entered with IP's, included the requirement to carry out annual audits. The requirement shall specify that these audits shall be carried out with application of ISA (reporting according to ISA 800/805) and a separate assignment according to ISRS 4400 (Revised) should be included for project/programme support. If agreements regarding core support are entered into with IP's, the audit shall be conducted in accordance with ISA 700 or National standards on auditing.
- 8. Inquire and inspect whether the Cooperation partner has received financial reports and auditor reports from all IP's included in the selected sample:
  - a) Inquire and inspect whether the Cooperation partner has verified if reports from IP's are in line with the requirements in the Agreement.
  - b) Inquire and inspect whether the Cooperation partner has documented its assessment of the submitted financial reports and reporting from auditors including management responses and action plans from selected IP's.
  - c) Inquire and inspect whether the Cooperation partner has documented its follow-up actions based on the information provided in the financial reports and the reporting from the auditor of the selected IP's.

- d) Inquire and inspect whether the Cooperation partner has reported substantial observations<sup>5</sup> from selected IP's audit reports in its communication with the Carter Center. List observations<sup>6</sup> from IP's audit reports which have been part of this sample.

### **III. The reporting**

The reporting shall be signed by the responsible auditor (not just the audit firm<sup>7</sup>) and shall include the title of the responsible auditor.

#### *Reporting from the ISA assignment*

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated. The financial report that has been the subject of the audit shall be attached to the audit report.

The reporting shall also include a Management letter that discloses all audit findings, as well as weaknesses identified during the audit process. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order and with a risk classification.

Measures taken by the Cooperation partner to address weaknesses identified in previous audits shall also be presented in the Management Letter. If the previous audit did not have any findings or weaknesses to be followed-up on, a clarification of this must be disclosed in the audit reporting.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

#### *Reporting from the ISRS 4400 (Revised) assignment*

The additional assignment according to agreed upon procedures ISRS 4400 (Revised) under section II, shall be reported separately in an "Agreed-upon procedures report".

Performed procedures should be described and the findings should be reported in accordance with the requirements in the International Standard on Related Services 4400 (Revised).

When applicable, the sample size shall be stated in the report.

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<sup>5</sup> Deemed substantial by the Cooperation partner.

<sup>6</sup> Observations included in Management Letters and if applicable, qualified audit reports.

<sup>7</sup> If the audit firm is obliged to sign, refer to relevant legislation. Sida still needs to know who has been responsible for the audit assignment.

### **TIMEFRAME**

The following is a suggested timetable for the conduct of the audit, with a final report submitted by July 31

<b>Date</b>	<b>Activity</b>
May 20 – 26	Post and Procurement
June 2	Initial meeting with relevant TCC/LEON staff
June 3 – July 4	Commence Audit LEON at TCC Monrovia Office and conduct audit
July 7 - 9	Debrief meeting with LEON and TCC
July 11	Submission of the first draft report to TCC
July 17	Feedback session with TCC staff and LEON partners
July 23	Second draft shared with TCC and LEON partners
July 31	All feedback submitted to the auditor
August 8	Final Report Submitted

### **SUBMISSION**

Interested applicants to submit their applications to [liberiarecruitment@cartercenter.org](mailto:liberiarecruitment@cartercenter.org) with an indicative budget by close of business on **May 26, 2025**.