

**Report for an Expenditure Verification of Grant Funded,
Global Poverty Action Fund Impact Grant,
Improving income, assets and food security of 3,200 women affected by
conflict and poverty in South Kivu, DRC and Ruhango District, Rwanda.
GPAF-IMP-067**

For the Period 1 January 2015 to 31 December 2015

REPORT OF FACTUAL FINDINGS

Mark Brownbridge,
SCIAF Programme Officer,
Scottish Catholic International Aid Fund (SCIAF)
19 Park Circus,
GLASGOW,
G3 6BE.

Dear Mark,

In accordance with the terms of reference dated 28 January 2016 that you agreed with us, we provide our Report of Factual Findings ("the Report"), with respect to the accompanying Financial Report for the period 1 January 2015 – 31 December 2015 (Annex 1 of this Report). You requested certain procedures to be carried out in connection with your Financial Report and the Department for International Development (DFID) financed Project concerning Improving income, assets and food security of 3,200 women affected by conflict and poverty in South Kivu, DRC and Ruhango District, Rwanda grant number: GPAF grant Ref: GPAF-IMP-067.

Objective

Our engagement was an expenditure verification which is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Department for International Development (DFID). The objective of this expenditure verification is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

Standards and Ethics

Our engagement was undertaken in accordance with:

- International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the International Federation of Accountants ('IFAC');
- The Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the Code of Ethics for Professional Accountants;

Procedures performed

As requested, we have only performed the procedures listed in Annex 2 of the terms of reference for this engagement (see Annex 2 of this Report).

These procedures have been determined to assist in evaluating whether the expenditure claimed by you in the accompanying Financial Report is eligible in accordance with the terms and conditions of the Offer of Grant.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accompanying Financial Report.



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Had we performed additional procedures or had we performed an audit or review of the financial statements of the Beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Sources of Information

The Report sets out information provided to us by you in response to specific questions or as obtained and extracted from your accounts and records.

Factual Findings

The total expenditure which is the subject of this expenditure verification amounts to 236,185 £.

The Expenditure Coverage Ratio is 87%. This ratio represents the total amount of expenditure verified by us expressed as a percentage of the total expenditure which has been subject of this expenditure verification. The latter amount is equal to the total amount of expenditure reported by you to Department for International Development (DFID).

We report the details of our factual findings which result from the procedures that we performed in Chapter 2 of this Report.

Use of this Report

This Report is solely for the purpose set forth above under objective.

This Report relates only to the Financial Report specified above and does not extend to any of your financial statements.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely,

Peter Rutaremara,
Managing Partner,
RUMA Certified Public Accountants,
P. O Box 2611,
Kigali – Rwanda.

Date:-----



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1. Information about the Grant Contract

The Scottish Catholic International Aid Fund is implementing a project titled Improving income, assets and food security of 3,200 women affected by conflict and poverty in Bukavu and Uvira areas of South Kivu in Democratic Republic of Congo (DRC) and Kigoma sector and Ruhango District of Rwanda. The project is being implemented in conjunction with four local partners (Diocesan Justice and Peace Commission Bukavu, Diocesan Justice and Peace Commission Uvira, Comité Diocésain de Lutte Contre le SIDA, Bukavu, Episcopal Justice and Peace Commission Rwanda) at a total budget of GBP 507,861. Department for International Development (DFID) is granting the project GBP 327,973 representing 64% of the budget while SCIAF and the local partners are to generate the balance of the funds. It is a 36 months project with a starting date of January 2013 and ending 31 December 2015 and therefore this was the last year of the project. The project aims is to improve income, assets and food security for 3,200 women affected by conflict and poverty in South Kivu, DRC, and in Kigoma sector and Ruhango district, Rwanda, through increased productivity in agriculture and micro-enterprises via skills development, self help groups, quality agricultural inputs, access to credit and strong leadership. In support of these aims the project includes a complimentary health and justice component. In DRC the project focuses on women (and their families) in the district of Bukavu and Uvira who have experienced Sexual and gender based violence (SGBV) or been otherwise affected by conflict. They consist of widows, woman headed households, single mothers (due to sexual violence) and their children who have been abandoned by their relatives, displaced by violence and remain destitute. In the Kigoma sector of Rwanda, the project targets women who are landless (Umutindi) and destitute and marginal farmers (Umukene) who are living in extreme poverty and vulnerable to exploitation.

Brief description of the implementing partners is as follows;

Comité Diocésain de Lutte Contre le SIDA, Bukavu (CODILUSI)

CODILUSI has been working in the Bukavu area of South Kivu since 1970, assisting the most vulnerable, especially those affected by conflict, sexual and gender based violence. It has significant experience of delivering both health care and livelihoods programmes, including income generating activities, working with the most marginalized, especially women. BDOM CODILUSI has an experienced staff team and network of trained volunteers, and has worked with a number of international organizations, with funding from donors including the EC and Comic Relief. The organization is also working with the DRC government, for example BDOM collaborates with the Ministry of Health in the training of medical staff.

Diocesan Justice and Peace Commission Bukavu (CDJP Bukavu)

CDJP Bukavu has been working among conflict affected people in Bukavu district since 1967. The organization collaborates with the provincial Ministry for Gender Equality and is involved in training army and police officers and Catholic priests on human rights and national legislation on sexual and gender based violence. It has experience of working with a number of international organizations and UN agencies such as UNHCR. It has a team of experienced staff and a network of trained volunteers.

Rwanda: Episcopal Justice and Peace Commission Rwanda (CEJP Rwanda)

CEJP Rwanda has been working in Rwanda since 1982. It has national outreach, focusing on upholding human rights, community peace-building and practical activities to promote the wellbeing of the most vulnerable. It has also worked closely with the Rwandan government on the GACACA peace process and more recently with National Police on efforts to combat violence against women. CEJP Rwanda has worked with a number of international organizations, funded by institutional donors. The specific project output in Rwanda includes:

- 263 community organizations (SHGs) and three associations to be established and effectively managed by members.
- Increased and diversified livelihood opportunities through capacity building and improved market access.
- Enhanced productivity from agriculture.
- SGBV survivors receiving healthcare, psychosocial and legal support appropriate to their needs.

Diocesan Justice and Peace Commission Uvira (CDJP Uvira:)

CDJP Uvira has been working in the Uvira area of South Kivu since 1975, supporting sexual and gender based violence and conflict affected people. Its team of experienced staff and network of trained volunteers have developed the capacity to organize conflict affected people into groups for solidarity and group agricultural activities, which has proved to be a successful model in the current insecure political situation in Uvira territory. CDJP Uvira has worked with many international organizations.

2. Procédures performed and Factual Findings

We have performed the specific procedures listed in Annex 2 of the Terms of Reference for the expenditure verification of the Grant Contract ('ToR'). These procedures are:

- 2.1. General procedures
- 2.2. Procedures to verify conformity of expenditure with the budget and Analytical Review
- 2.3. Procedures to select and verify expenditure

We have applied the rules for selection of expenditure and the principles and criteria for verification coverage as set out in Annex 2 (section 2.3 to 2.5) of the ToR for this expenditure verification.

The total expenditure verified by us amounts to 205,596 £ and is summarized in the table below. The overall Expenditure Coverage Ratio is 87%.

BUDGET (GBP)	Expenditure Reported	Expenditure Verified	Percentage of the expenditure covered
	1 January -31 December 2015 GBP	1 January -31 December 2015 GBP	1 January -31 December 2015 %
1) CAPITAL EXPENDITURE.			
No capital expenditure.			
Sub-total for capital expenditure.			
2) PROJECT ACTIVITIES			
CDJP Uvira.			
Conduct household livelihood security assessment for 500 beneficiaries to identify livelihood opportunities.	-	-	-
Two days framers training on mixed and modern farming for 500 farmers in year one and two.	-	-	-
Provision of farming equipments for 500 women farmers in year one.	-	-	-
Provision of seeds for 500 women farmers in year one and two.	-	-	-
Formation of seeds banks in two villages.	924	923	100%
Support farmers to acquire small animals.	2,075	2,074	100%
Formation of 41 savings and credit units.	5,139	5,135	100%
One day training of 123 women leaders on savings and credit unit management.	415	415	100%
Formation of an association.	234	234	100%
Total CDJP Uvira budget for project activities.	8,788	8,781	100%
CDJP Bukavu.			
Conduct household livelihood security assessment for 300 beneficiaries (100 in each year) to identify livelihood opportunities.	249	249	100%
Support 300 beneficiaries (100 each year) to start micro-business or employment.	5,851	4,979	85%
Formation of 24 (8 per year) savings and credit units.	-	-	-
One day training of 72 women leaders on savings and credit unit management.	339	338	100%
One day workshop per annum for 50 police and army officials on human rights and protection of civilians.	1,159	885	76%
Two days training on listening and counseling for 10 catholic priests and 40 justice and peace committee members in year three.	2,575	2,575	100%
Healthcare, psychosocial and legal support to 320 project beneficiaries in three years.	10,877	6,333	58%
One day per annum workshop for 25 tax officials and 25 agricultural officials on better services to citizens.	1,155	1,155	100%

Agricultural tools for 18 women farmers	280	180	64%
Total CDJP Bukavu budget for project activities.	22,484	16,695	74%
CEJP Rwanda.			
Conduct household livelihood security assessment for 900 beneficiaries (300 per year) to identify livelihood opportunities.	689	689	100%
Two days framers training on mixed and modern farming for 900 women farmers.	5,628	3,189	57%
Provision of farming equipments for 900 women farmers (300 per year).	9,233	9,233	100%
Provision of seeds for 900 women farmers (300 per year).	9,299	6,182	66%
Formation of seeds bank in three villages.	1,521	1,000	66%
Support farmers to acquire small animals.	5,599	3,863	69%
Formation of 75 (25 per year) savings and credit units.	12,078	8,188	68%
One day training of 225 women leaders on savings and credit unit management.	967	695	72%
Formation of an association in year two.	200	200	100%
Total CEJP Rwanda budget for project activities.	45,215	33,240	74%
BDOM CODILUSI.			
Six days training for 13 staff on community organization, savings and credit, micro-business management and the sustainable livelihood framework at Bukavu, DRC in year one.	-	-	-
Conduct household livelihood security assessment for 1,500 beneficiaries (500 per year) to identify livelihood opportunities.	925	925	100%
Skill training to 300 beneficiaries (100 each year) if require.	7,668	7,007	91%
Support 600 beneficiaries to start micro-business or employment.	11,318	10,343	91%
Two days training for 8 staff on market linkages, monitoring and mentoring in Bukavu, DRC in year two.	-	-	-
Formation of 123 savings and credit units (41 per year).	405	370	91%
One day training of 369 women leaders on savings and credit unit management (123 per year).	1,047	957	91%
Formation of an association in year two.	198	181	91%
Two days training for 8 staff on networking and advocacy in year three.	2,740	2,739	100%
Total BDOM CODILUSI budget for project activities.	24,300	22,522	93%
Sub-total for project activities.	100,787	81,237	81%
3) ALL STAFF COSTS			
<i>For each staff member please provide organization, job title, location, and percentage of time spent on the project expressed as a full time equivalent (FTE)</i>			
SCIAF.			
SCIAF Programme Officer, Glasgow (0.5 FTE).	18,575	18,575	100%
SCIAF Programme Manager, Glasgow (0.1 FTE).	8,610	8,610	100%
SCIAF International Financial Accountant, Glasgow (0.1 FTE).	2,639	2,171	82%
Total SCIAF staff cost.	29,823	29,356	98%
CDJP Uvira.			
Project officer (100%) (1 FTE).	3,452	3,452	100%
Assistant accountant (100%) (1 FTE).	2,403	2,403	100%
Head of Logistics (100%) (1 FTE).	1,534	1,534	100%
Total CDJP Uvira staff cost.	7,389	7,389	100%
CDJP Bukavu.			
Director (50%) (0.5 FTE).	1,887	1,887	100%
Project Officer (100%) (1 FTE).	5,031	5,031	100%
Social Assistant (80%) (0.8 FTE).	3,773	3,773	100%
Lawyer (50%) (0.5 FTE).	1,887	1,887	100%
Total CDJP Bukavu staff cost.	12,577	12,577	100%

CEJP Rwanda.			
Project Coordinator 100% (1 FTE).	5,023	5,023	100%
CEJP Programme Coordinator (0.4 FTE).	2,622	2,622	100%
CEJP Accountant (0.3 FTE).	2,622	2,622	100%
CEJP Monitoring Officer (0.5FTE).	3,932	3,932	100%
CEJP Driver(1.0FTE)	3,198	3,198	100%
Total CEJP Rwanda staff cost.	17,398	17,398	100%
BDOM CODILUSI.			
Project Supervisor 100% (1 FTE).	3,260	3,260	100%
Financial Supervisor 40% (0.4 FTE).	2,377	2,377	100%
2 Local Project Supervisors 100% each (one for each Area Bukavu and Bweirembe) (2 FTE).	7,115	7,115	100%
Total BDOM CODILUSI staff cost.	12,752	12,752	100%
Sub-total for staff cost.	79,941	79,473	99%
4) OTHER ADMINISTRATION COSTS			
SCIAF Glasgow HQ			
International Telephone Calls to programme participants from UK to Partners			
Total SCIAF administration cost.			
CDJP Uvira HQ, DRC			
Travel Costs.	2,279	2,278	100%
Communication Cost.	2,466	2,465	100%
Office Cost.	2,423	2,423	100%
Total CDJP Uvira administration cost.	7,167	7,167	100%
CDJP Bukavu HQ DRC			
Fuel and Vehicle Maintenance.	1,760	1,157	66%
Communication Cost.	405	224	55%
Office Cost (paying papers, pens, other admin materials).	1,403	1,254	89%
Total CDJP Bukavu administration cost.	3,569	2,635	74%
CEJP Rwanda HQ Kigali.			
Travel Costs.	3,706	1,964	53%
Communication Cost.	1,843	1,053	57%
Office Cost.	1,313	1,244	95%
Vehicle Insurance	3,750	1,689	45%
Total CEJP Rwanda administration cost.	10,612	5,949	56%
BDOM CODILUSI HQ DRC			
Communication Cost per month.	965	952	99%
Office Cost.	2,174	962	44%
Travel Costs.	2,094	1,720	82%
Total BDOM CODILUSI administration cost.	5,233	3,634	69%
Sub-total for administration cost.	26,581	19,384	73%
5) MONITORING, EVALUATION & LESSON LEARNING			
SCIAF Programme Officer Field Visit one per annum.			
Annual Audit of Project	9,600	9,600	100%
Mid Term Evaluation	8,976	7,651	85%
Final Evaluation	10,300	8,250	80%
Translation Costs	-	-	-
Sub-total for monitoring, evaluation & lesson learning.	28,876	25,501	88%
TOTAL.	236,185	205,596	87%

We have verified the selected expenditure as shown in the above summary table and we have carried out, for each expenditure item selected, the verification procedures specified in section 2.4 of Annex 2 of the ToR for this expenditure verification. We report our factual findings resulting from these procedures below.

We have summarized the procedures performed and factual findings in the table below:

Ref	Procedures Performed	Factual Findings
2.1.1	<p>Financial Report compliance with the grant contract</p> <p>We have verified to see that the financial report complied with the conditions of the grant agreement.</p>	No Factual findings have arisen from this procedure.
2.1.2	<p>Rules for Accounting and Record keeping</p> <p>We have examined to find out whether SCIAF and implementing partners had complied with the rules of accounting and record keeping as stated in the Terms of Reference for the expenditure verification notably that;</p> <ul style="list-style-type: none"> • The partner keeps accurate and regular records and accounts of the implementation of the project using a dedicated double entry book keeping system as part of implementation of the project • The accounts of the project should be kept separately detailing all income, expenditure and interest accruing to the partner of the project • The accounts must provide details of interest accrued on funds paid by the Contracting Authority. 	<p>With respect to procedures performed, we noted that CEJP Bukavu had not opened separate bank accounts as of 31 December 2015, although separate verifiable projects accounts were maintained.</p> <p>Our review revealed the following as at 31 December 2015;</p> <ul style="list-style-type: none"> • CDJP Uvira had a fund balance of USD 999 and unreimbursed borrowings from another project amounting to USD 500. • BDOM-Codilusi had fund balance of USD 268. • CDJP Bukavu had a petty cash balance of Usd 125.65 and unreimbursed borrowings from other projects of USD 6,000. • CEJP Rwanda had a reconciled fund balance of Frw 781,451
2.1.3	<p>Reconciling the Financial Report to the Beneficiary's Accounting System and Records</p> <p>We have reconciled the information in the financial report to the partners accounting system and records (e.g. trial balance, general ledger accounts, and sub ledgers e.t.c).</p>	No Factual findings have arisen from this procedure
2.1.4	<p>Exchange Rates</p> <p>We have verified to ensure that correct exchange rates have been applied for currency conversions where applicable and in accordance with any applicable conditions of the Grant Arrangement.</p>	No Factual findings have arisen from this procedure as the exchange rates used in conversion into sterling pound of real costs borne in other currencies other than sterling pound are those provided by SCIAF to the partners on a quarterly basis
2.2.1	<p>Budget of the Grant Contract</p> <p>We have carried out an analytical review of the expenditure headings in the financial report. We have also verified as to whether the budget in the Financial Report corresponds with the budget of the Grant Contract (Authenticity and authorisation of the initial budget) and that the expenditure incurred was indicated in the budget of the Grant Contract.</p>	No Factual findings have arisen from this procedure.
2.2.2	<p>Maximum Grant Claimable</p> <p>We have verified that the total amount amounting to 303,958.91£ claimed for payment by SCIAF does not exceed the maximum grant claimable under the Grant Arrangement.</p>	No Factual findings have arisen from this procedure.

Ref	Procedures Performed	Factual Findings
2.2.3	<p>Amendments to the Budget of the Grant Contract</p> <p>We verified whether any changes have been made to the budget of the Grant Contract. If this is the case, we have verified that the beneficiary submitted a revised budget to the Fund Manager acting on behalf of DFID for approval with explanations of the changes made.</p>	<p>No Factual findings have arisen from this procedure. However with respect to the procedures performed, we noted that the budget of the grant contract was revised from £510,676 to £ 563,264.84</p>
2.3.1	<p>Eligibility of direct costs</p> <p>We have verified, for each expenditure item selected, the eligibility criteria set out in procedure 2.4.1 in Annex 2 of the TOR for this expenditure verification.</p>	<p>No Factual findings have arisen from this procedure.</p>
2.3.2	<p>Classification</p> <p>We have verified that expenditure for a transaction or action has been classified under the correct heading and subheading of the Financial Report as stipulated in annex 2 procedure 2.4.3.</p>	<p>No Factual findings have arisen from this procedure.</p>
2.3.3	<p>Reality</p> <p>We have exercised our professional judgment to obtain sufficient appropriate verification evidence as to whether the expenditure has occurred (reality and quality of the expenditure) and - where applicable - assets exist. We have verified the reality and quality of the expenditure for a transaction or action by examining proof of work done, goods received or services rendered on a timely basis, at acceptable and agreed quality and at reasonable prices or costs.</p>	<p>From the procedures performed we noted that CEJP Rwanda did not maintain timesheets for the period under review as evidence of contribution made by the staff partially funded under the project.</p>
2.3.4	<p>Compliance with Procurement</p> <p>We have verified whether all applicable procurement rules in the Grant Arrangement have been complied with taking into account the risks indicators specified in annex 2 of the TOR procedure 2.4.5</p>	<p>No Factual findings have arisen from this procedure</p>

2.1 General Procedures

We have obtained an understanding of the terms and conditions of this Grant Contract in accordance with the guidelines in Annex 2 (section 1) of the ToR.

2.1.1 Financial Report Compliance with the Grant Contract

We have verified to see that the financial report complied with the conditions of the grant agreement and no Factual findings have arisen from this procedure.

2.1.2 Rules for Accounting and Record keeping

We have examined to find out whether SCIAF and implementing partners had complied with the rules of accounting and record keeping as stated in the Terms of Reference for the expenditure verification notably that;

- The partner keeps accurate and regular records and accounts of the implementation of the project using a dedicated double entry book keeping system as part of implementation of the project
- The accounts of the project should be kept separately detailing all income, expenditure and interest accruing to the partner of the project
- The accounts must provide details of interest accrued on funds paid by the Contracting Authority.

With respect to procedures performed, we noted that CEJP Bukavu had not opened separate bank accounts as of 31 December 2015. Although, separate verifiable projects accounts were maintained. Our review revealed the following;

- CDJP Uvira had fund balance of USD 999 and unreimbursed borrowings from another project amounting to USD 500.
- BDOM-Codilusi had fund balance of USD 268.
- CDJP Bukavu had a petty cash balance of Usd 125.65 and unreimbursed borrowings from other projects of USD 6,000.
- CEJP Rwanda had a reconciled fund balance of Frw 781,451

2.1.3 Reconciling the Financial Report to the Beneficiary's Accounting System and Records

We have reconciled the information in the financial report to the partners accounting system and records (e.g. trial balance, general ledger accounts, and sub ledgers e.t.c)

No Factual findings have arisen from this procedure

2.1.4 Exchange Rates

We have verified to ensure that correct exchange rates have been applied for currency conversions where applicable and in accordance with any applicable conditions of the Grant Arrangement.

No Factual findings have arisen from this procedure as the exchange rates used in conversion into sterling pound of real costs borne in other currencies other than sterling pound are those provided by SCIAF to the partners on a quarterly basis.

2.2 Procedures to verify conformity of Expenditure with the Budget and Analytical Review

2.2.1 Budget of the Grant Contract

We have carried out an analytical review of the expenditure headings in the financial report. We have also verified as to whether the budget in the Financial Report corresponds with the budget of the Grant Contract (Authenticity and authorisation of the initial budget) and that the expenditure incurred was indicated in the budget of the Grant Contract.

No Factual findings have arisen from this procedure.

2.2.2 Maximum Grant Claimable

We have verified that the total amount amounting to 303,958.91£ claimed for payment by SCIAF does not exceed the maximum grant claimable under the Grant Arrangement.

No Factual findings have arisen from this procedure.

2.2.3 Amendments to the Budget of the Grant Contract

We verified whether any changes have been made to the budget of the Grant Contract. If this is the case, we have verified that the beneficiary submitted a revised budget to the Fund Manager acting on behalf of DFID for approval with explanations of the changes made.

No Factual findings have arisen from this procedure. However with respect to the procedures performed, we noted that the budget of the grant contract was revised from £510,676 to £ 563,264.84.

2.3 Procedures to verify selected expenditure

We have reported further below all the exceptions resulting from the verification procedures specified at Annex 2 section 2.4 of the ToR for this expenditure verification in so far these procedures did apply to the selected expenditure item.

We have quantified the amount of the verification exceptions found and the potential impact on the Department for International Development (DFID) contribution, should the expenditure item(s) concerned be ineligible. We have reported all exceptions found including the ones of which we cannot quantify the amount of the verification exception found and the potential impact on the Department for International Development (DFID).

2.3.1 Eligibility of Direct Costs Accuracy and Recording

We have verified, for each expenditure item selected, the eligibility criteria set out in procedure 2.4.1 in Annex 2 of the TOR for this expenditure verification.

No Factual findings have arisen from this procedure.

2.3.2 Classification

We have verified that expenditure for a transaction or action has been classified under the correct heading and subheading of the Financial Report as stipulated in annex 2 procedure 2.4.3.

No Factual findings have arisen from this procedure.

2.3.3 Reality

We have exercised our professional judgment to obtain sufficient appropriate verification evidence as to whether the expenditure has occurred (reality and quality of the expenditure) and - where applicable - assets exist. We have verified the reality and quality of the expenditure for a transaction or action by examining proof of work done, goods received or services rendered on a timely basis, at acceptable and agreed quality and at reasonable prices or costs.

From the procedures performed we noted that CEJP Rwanda did not maintain timesheets for the period under review as evidence of contribution made by the staff partially funded under the project.

2.3.4 Compliance with procurement

We have verified whether all applicable procurement rules in the Grant Arrangement have been complied with taking into account the risks indicators specified in annex 2 of the TOR procedure 2.4.5

No Factual findings have arisen from this procedure.

3. Annexes

Annex 1: Financial Report for the Grant Contract

Contract No: GPAF-IMP-067.Period.1 January 2015 to 31 December 2015

ORGANISATION	Scottish Catholic International Aid Fund (SCIAF).		TOTAL COST OF PROJECT	£507,861	In GBP and as a %age of total funds	
PROJECT TITLE	Livelihoods Programme for Conflict Affected People.		DFID CONTRIBUTION	£323,973	In GBP and as a %age of total funds	
COUNTRY	Democratic Republic of Congo and Republic of Rwanda.		OWN CONTRIBUTION	£183,888	Including sources, in GBP and as a %age of total funds	
GPAF REFERENCE No.	IMP-02-CN-1356.		ADDITIONAL FUNDING EXCHANGE RATE	£55,404	Including source and date	
DATE (when budget prepared)	18/12/2012		Note selection criteria for all beneficiaries are listed within the Log Frame document. So not explained within budget, for selection process please review log frame			
INFLATION RATE(No greater than relevant UK Treasury Rate)	2013-14 2.5%, 2014-15 2.5%, 2015-16 2.5% taken from UK HMT site. Inflation not applied to Programme Activities, only to salary and admin costs.		Inflation rate used in the project budget should not exceed the UK Treasury Rates of inflation for each financial year (01 April – 31 March). These rates, referred to as GDP deflators can be found on the UK treasury website. For financial years in the future please use the last available UK treasury predicted rates.			

BUDGET (GBP)	Type of unit	No. of Units	Unit cost	Full Budget	Full Revised Budget	Total Actual Project Expenditure	Total Actual Project Expenditure	Total Actual Project Expenditure (Year 3)					Total Cost for Current Report(Y R3)	Cumulative Cost to date 31 December 2015	Utilization in percentage
								Total cost for 3YRS	Total cost for 3YRS	Year 1	Year 2	Total Cumulative Actual costs to 31December 2014			
1) CAPITAL EXPENDITURE.															
No capital expenditure.															
Sub-total for capital expenditure.															
2) PROJECT ACTIVITIES															
CDJP Uvira.															
Conduct household livelihood security assessment for 500 beneficiaries to identify livelihood opportunities.	500 People.	500	1.48	740	740	740	-	740	-	-	-	-	-	740	100%
Two days framers training on mixed and modern farming for 500 farmers in year one and two.	500 Farmers.	500	16	8,000	8,005	2,003	5,763	7,766	-	-	-	-	-	7,766	97%
Provision of farming equipments for 500 women farmers in year one.	500 Farmers.	500	10	5,000	7,506	5,006	2,507	7,513	-	-	-	-	-	7,513	100%
Provision of seeds for 500 women farmers in year one and two.	500 Farmers.	500	12.8	6,400	6,404	3,204	3,134	6,338	-	-	-	-	-	6,338	99%
Formation of seeds banks in two villages.	2 Seed banks.	10	100	1,000	1,000	-	940	940	-	422	-	502	924	1,864	186%

Support farmers to acquire small animals.	186 Beneficiaries.	186	26.88	5,000	4,989	-	3,210	3,210	-	-	-	2,075	2,075	5,285	106%
Formation of 41 savings and credit units.	41 Units.	41	10	410	7,914	414	3,009	3,423	-	2,900	-	2,239	5,139	8,561	108%
One day training of 123 women leaders on savings and credit unit management.	123 Leaders.	123	17.25	2,122	2,071	-	1,001	1,001	-	-	-	415	415	1,416	68%
Formation of an association.	1 Association.	1	200	200	200	-	-	-	-	-	-	234	234	234	117%
Total CDJP Uvira budget for project activities.				28,871	38,829	11,367	19,564	30,931	-	3,322	-	5,466	8,788	39,719	102%
CDJP Bukavu.															
Conduct household livelihood security assessment for 300 beneficiaries (100 in each year) to identify livelihood opportunities.	300 Beneficiaries.	300	2.5	685	728	416	63	479	-	-	249	-	249	728	100%
Support 300 beneficiaries (100 each year) to start micro-business or employment.	300 Beneficiaries.	300	50	15,000	14,967	4,138	5,185	9,323	871	-	4,979	-	5,851	15,174	101%
Formation of 24 (8 per year) savings and credit units.	24 Units.	24	10	240	239	63	96	159	-	-	-	-	-	159	66%
One day training of 72 women leaders on savings and credit unit management.	72 Leaders.	72	15.33	1,104	736	-	-	-	-	339	-	-	339	339	46%
One day workshop per annum for 50 police and army officials on human rights and protection of civilians.	150 Officials.	150	23.2	3,480	3,549	1,229	1,090	2,319	68	1,090	-	-	1,159	3,478	98%
Two days training on listening and counseling for 10 catholic priests and 40 justice and peace committee members in year three.	50 People.	50	47.32	3,036	3,033	-	447	447	-	-	2,575	-	2,575	3,022	100%
Healthcare, psychosocial and legal support to 320 project beneficiaries in three years.	320 Beneficiaries.	320	93.75	29,983	33,469	9,248	14,122	23,370	1,716	4,458	3,868	836	10,877	34,247	102%
One day per annum workshop for 25 tax officials and 25 agricultural officials on better services to citizens.	150 Officials.	150	23.2	3,480	540	1,151	1,155	2,306	-	-	-	1,155	1,155	3,461	641%
Agricultural tools for 18 women farmers					3,471		260	260	100	100	-	81	280	540	16%
Total CDJP Bukavu budget for project activities.				57,008	60,733	16,245	22,418	38,663	2,755	5,986	11,671	2,072	22,484	61,148	101%
CEJP Rwanda.															
Conduct household livelihood security assessment for 900 beneficiaries (300 per year) to identify livelihood opportunities.	900 Beneficiaries.	900	1.55	1,396	1,434	126	842	968	689	-	-	-	689	1,657	116%
Two days framers training on mixed and modern farming for 900 women farmers.	900 Beneficiaries.	900	14.66	13,194	13,036	5,842	2,010	7,852	1,230	2,233	1,471	695	5,628	13,480	103%
Provision of farming equipments for 900 women farmers (300 per year).	900 Beneficiaries.	900	10	9,000	14,079	2,410	1,475	3,885	2,114	1,440	2,800	2,879	9,233	13,118	93%
Provision of seeds for 900 women farmers (300 per year).	900 Beneficiaries.	900	15.6	14,040	13,345	2,740	2,200	4,940	4,538	-	2,641	2,120	9,299	14,239	107%
Formation of seeds bank in three villages.	3 Seed banks.	15	100	1,500	1,500	-	-	-	1,000	-	-	521	1,521	1,521	101%
Support farmers to acquire small animals.	187 Beneficiaries	561	26.73	14,996	15,061	5,339	4,606	9,945	393	2,751	2,455	-	5,599	15,544	103%
Formation of 75 (25 per year) savings and credit units.	75 Units.	75	10	750	16,948	248	-	248	250	8,337	3,242	250	12,078	12,326	73%
One day training of 225 women leaders on savings and credit unit management.	225 Leaders.	225	9.66	2,174	2,174	725	680	1,404	242	-	-	725	967	2,371	109%
Formation of an association in year two.	1 Association.	1	200	200	200	-	-	-	200	-	-	-	200	200	100%
Total CEJP Rwanda budget for project				57,249	77,776	17,430	11,813	29,242	10,656	14,760	12,608	7,190	45,215	74,457	96%

activities.															
BDOM CODILUSI.															
Six days training for 13 staff on community organization, savings and credit, micro-business management and the sustainable livelihood framework at Bukavu, DRC in year one.	13 Staff + 2 trainers.	15	583.33	6,036	6,036	6,036	-	6,036	-	-	-	-	-	6,036	100%
Conduct household livelihood security assessment for 1,500 beneficiaries (500 per year) to identify livelihood opportunities.	1,500 Beneficiaries.	1,500	1.48	3,046	1,747	228	1,932	2,160	925	-	-	-	925	3,085	177%
Skill training to 300 beneficiaries (100 each year) if require.	300 Beneficiaries.	300	75	22,500	22,401	8,026	7,485	15,511	7,668	-	-	-	7,668	23,179	103%
Support 600 beneficiaries to start micro-business or employment.	600 Beneficiaries.	600	50	30,000	29,868	9,868	9,184	19,052	11,318	-	-	-	11,318	30,370	102%
Two days training for 8 staff on market linkages, monitoring and mentoring in Bukavu, DRC in year two.	8 Staff members + 1 trainer.	9	337.22	3,035	3,024	-	3,024	3,024	-	-	-	-	-	3,024	100%
Formation of 123 savings and credit units (41 per year).	123 Units.	123	10	1,230	1,252	-	826	826	-	-	405	-	405	1,231	98%
One day training of 369 women leaders on savings and credit unit management (123 per year).	369 Leaders.	369	8.62	3,181	3,166	1,045	1,019	2,064	-	-	1,047	-	1,047	3,111	98%
Formation of an association in year two.	1 Association.	1	200	200	200	-	-	-	-	-	198	-	198	198	99%
Two days training for 8 staff on networking and advocacy in year three.	8 Staff members + 1 trainer.	9	337.22	3,035	3,035	-	-	-	2,740	-	-	-	2,740	2,740	90%
Total BDOM CODILUSI budget for project activities.				72,263	70,729	25,203	23,470	48,673	22,651	-	1,649	-	24,300	72,973	103%
Sub-total for project activities.				215,391	248,067	70,245	77,265	147,510	36,062	24,069	25,929	14,727	100,787	248,296	100%
3) ALL STAFF COSTS															
<i>For each staff member please provide organization, job title, location, and percentage of time spent on the project expressed as a full time equivalent (FTE)</i>															
SCIAF.															
SCIAF Programme Officer, Glasgow (0.5 FTE).	1 staff member	36	3,102	57,972	57,267	14,908	23,005	37,913	4,644	4,644	4,644	4,644	18,575	56,488	99%
SCIAF Programme Manager, Glasgow (0.1 FTE).	1 staff member	36	2,380	8,842	10,054	1,742	9,074	10,816	2,152	2,152	2,152	2,152	8,610	19,426	193%
SCIAF International Financial Accountant, Glasgow (0.1 FTE).	1 staff member	36	3,077	11,552	11,556	2,286	5,840	8,126	660	660	660	660	2,639	10,765	93%
Total SCIAF staff cost.				78,367	78,877	18,936	37,919	56,855	7,456	7,456	7,456	7,456	29,823	86,678	110%
CDJP Uvira.															
Project officer (100%) (1 FTE).	1 staff member	36	300	11,209	11,172	3,640	3,485	7,125	857	916	763	916	3,452	10,578	95%
Assistant accountant (100%) (1 FTE).	1 staff member	36	200	7,473	7,448	2,426	2,324	4,750	572	611	611	611	2,403	7,153	96%
Head of Logistics (100%) (1 FTE).	1 staff member	36	128	4,781	4,761	1,548	1,483	3,031	365	390	390	390	1,534	4,565	96%
Total CDJP Uvira staff cost.				23,463	23,381	7,614	7,292	14,906	1,794	1,916	1,763	1,916	7,389	22,295	95%
CDJP Bukavu.															
Director (50%) (0.5 FTE).	1 staff	36	150	5,604	5,548	1,791	1,859	3,650	471	414	414	588	1,887	5,536	100%

	member															
Project Officer (100%) (1 FTE).	1 staff member	36	400	14,945	14,794	4,776	4,956	9,732	1,255	1,104	1,104	1,568	5,031	14,763	100%	
Social Assistant (80%) (0.8 FTE).	1 staff member	36	300	11,209	11,095	3,582	3,717	7,299	941	828	828	1,176	3,773	11,073	100%	
Lawyer (50%) (0.5 FTE).	1 staff member	36	150	5,156	5,102	1,344	1,859	3,203	471	414	414	588	1,887	5,089	100%	
Total CDJP Bukavu staff cost.				36,914	36,539	11,493	12,391	23,884	3,137	2,760	2,760	3,921	12,577	36,461	100%	
CEJP Rwanda.													-	-		
Project Coordinator 100% (1 FTE).	1 staff member	36	400	14,993	15,596	4,993	5,557	10,550	1,118	1,166	1,166	1,574	5,023	15,573	100%	
CEJP Programme Coordinator (0.4 FTE).	1 staff member	36	200	7,497	8,148	2,496	3,129	5,625	629	656	656	682	2,622	8,248	101%	
CEJP Accountant (0.3 FTE).	1 staff member	36	200	7,497	8,148	2,496	3,129	5,625	629	656	656	682	2,622	8,248	101%	
CEJP Monitoring Officer (0.5FTE).	1 staff member	36	300	11,245	11,872	3,745	4,343	8,088	943	983	983	1,023	3,932	12,020	101%	
CEJP Driver(1.0FTE)	1 staff member				4,732		3,128	3,128	770	803	803	823	3,198	6,326	134%	
Total CEJP Rwanda staff cost.				41,232	48,496	13,730	19,286	33,016	4,089	4,263	4,263	4,784	17,398	50,414	104%	
BDOM CODILUSI.													-	-		
Project Supervisor 100% (1 FTE).	1 staff member	36	300	11,165	11,075	3,949	3,040	6,989	817	916	916	611	3,260	10,250	93%	
Financial Supervisor 40% (0.4 FTE).	1 staff member	36	200	7,443	7,383	2,633	2,027	4,660	545	611	611	611	2,377	7,037	95%	
2 Local Project Supervisors 100% each (one for each Area Bukavu and Bweirembe) (2 FTE).	2 staff members	72	130	9,676	16,249	3,321	2,916	6,237	750	2,122	2,122	2,122	7,115	13,351	82%	
Total BDOM CODILUSI staff cost.				28,284	34,707	9,903	7,983	17,886	2,112	3,648	3,648	3,343	12,752	30,638	88%	
Sub-total for staff cost.				208,260	222,000	61,676	84,871	146,547	18,588	20,043	19,890	21,420	79,941	226,487	102%	
4) OTHER ADMINISTRATION COSTS													-	-		
SCIAF Glasgow HQ													-	-		
International Telephone Calls to programme participants from UK to Partners	Calls 2 per month	288	5	1,375	530	-	-	-	-	-	-	-	-	-		
Total SCIAF administration cost.				1,375	530	-	-	-	-	-	-	-	-	-	0%	
CDJP Uvira HQ, DRC													-	-		
Travel Costs.	1 per month	36	175	6,594	6,450	1,994	1,465	3,459	85	437	444	1,313	2,279	5,737	89%	
Communication Cost.	1 per month	36	120	4,580	4,623	1,405	2,033	3,438	500	678	533	754	2,466	5,904	128%	
Office Cost.	1 per month	36	180	6,766	6,991	2,130	2,033	4,163	500	506	526	890	2,423	6,586	94%	
Total CDJP Uvira administration cost.				17,940	18,063	5,529	5,531	11,060	1,085	1,621	1,503	2,958	7,167	18,227	101%	
CDJP Bukavu HQ DRC													-	-		
Fuel and Vehicle Maintenance.	1 per month	36	125	4,715	4,712	1,249	1,701	2,950	579	1,154	-	28	1,760	4,710	100%	
Communication Cost.	1 per month	36	20	754	1,051	238	255	493	68	56	177	105	405	898	85%	
Office Cost (paying papers, pens, other admin materials).	1 per month	36	100	3,774	3,772	725	1,708	2,433	394	766	-	244	1,403	3,836	102%	
Total CDJP Bukavu administration cost.				9,242	9,534	2,212	3,664	5,876	1,041	1,975	177	376	3,569	9,444	99%	
CEJP Rwanda HQ Kigali.													-	-		
Travel Costs.	1 per month	11	140	1,541	4,918	1,086	880	1,966	1,212	269	584	1,640	3,706	5,672	115%	
Communication Cost.	1 per month	36	100	3,722	1,475	617	1,366	1,983	617	470	681	76	1,843	3,826	259%	
Office Cost.	1 per month	36	100	3,678	4,032	794	1,089	1,883	712	68	480	53	1,313	3,196	79%	
Vehicle Insurance	1 per month				3,834		1,766	1,766	1,315	786	235	1,414	3,750	5,516	144%	

Total CEJP Rwanda administration cost.				8,941	14,259	2,497	5,101	7,598	3,856	1,593	1,980	3,183	10,612	18,210	128%
BDOM CODILUSI HQ DRC													-	-	
Communication Cost per month.	1 per month	36	125	1,722	3,522	1,664	1,861	3,525	-210	392	392	392	965	4,491	128%
Office Cost.	1 per month	12	40	4,652	4,643	530	346	876	743	253	1,053	125	2,174	3,051	66%
Travel Costs.				1,489	2,344		872	872	-415	332	295	1,882	2,094	2,966	127%
Total BDOM CODILUSI administration cost.				7,863	10,509	2,194	3,080	5,274	118	977	1,739	2,399	5,233	10,507	100%
Sub-total for administration cost.				45,360	52,895	12,432	17,376	29,808	6,100	6,167	5,398	8,916	26,581	56,389	107%
5) MONITORING, EVALUATION & LESSON LEARNING													-	-	
SCIAF Programme Officer Field Visit one per annum.	1 per year	3	2,000	6,151	5,666	1,288	5,405	6,693					-	6,693	118%
Annual Audit of Project	1 per year	3	5,000	15,763	15,138	-	4,500	4,500				9,600	9,600	14,100	93%
Mid Term Evaluation	1 mid term	1	5,000	5,000	5,000	-	-	-	8,976			-	8,976	8,976	180%
Final Evaluation	1 mid term	1	10,000	14,000	14,000	-	-	-				10,300	10,300	10,300	74%
Translation Costs	1 Per Annum	3	250	750	500	-	-	-					-	-	0%
Sub-total for monitoring, evaluation & lesson learning.				41,664	40,303	1,288	9,905	11,193	8,976	-	-	19,900	28,876	40,069	99%
TOTAL.				510,676	563,265	145,641	189,417	335,057	69,726	50,278	51,217	64,963	236,185	571,242	101%

Annex: 2 Terms of Reference Expenditure Verification



SCIAF and RUMA CPA Firm Terms of Reference

1. Terms of Reference for an Expenditure Verification Project

This agreement is between Scottish Catholic International Aid Fund (SCIAF) and **RUMA CPA** (the Auditor), who will carry out the expenditure verification report of the Department for International Development (DFID) funded **Improving income, assets and food security of 3,200 women affected by conflict and poverty in South Kivu, DRC and Ruhango District, Rwanda** (GPAF-IMP-067). **Subject of the Engagement**

The subject of this engagement is the Annual Financial Report in connection with the Grant for the project with implementation 01/01/2013 to 31/12/2015. The information, both financial and non-financial, which is subject to verification by the Auditor, is all information which makes it possible to verify that the expenditure claimed by SCIAF in the Financial Report has occurred, and is accurate and eligible. Annex 1 to these ToR contains an overview of key information about the Grant and the Project concerned.

2. Engagement Type and Objective

This constitutes an engagement to perform specific agreed-upon procedures regarding expenditure verification of the Project. The objective of this expenditure verification is for the Auditor to verify that the expenditure claimed by SCIAF in the Financial Report for the Project financed by the DFID has occurred ('reality'), is accurate ('exact') and eligible and to submit to SCIAF a report of factual findings with regard to the agreed-upon procedures performed.

Eligibility means that the funds provided by the grant have been spent in accordance with the terms and conditions of the Grant Arrangement. The Auditor should verify that the specific areas of compliance are being carried out as per the contract with the donor and detailed in the checklist provided.

As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. DFID derives its assurance by drawing its own conclusions from the factual findings reported by the Auditor on the Financial Report and the payment request of SCIAF relating thereto.

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Registered Scottish Charity No: SC012302. Company No: SC197327 www.sciaf.org.uk

Scottish Catholic International Aid Fund

SCIAF is the official overseas aid and development charity of the Catholic Church in Scotland and a proud member of Caritas Internationalis.

3. Responsibilities of the Parties to the Engagement

SCIAF

- SCIAF is responsible for providing the Financial Reports for the Project financed and for ensuring that these Financial Reports can be properly reconciled to SCIAF's accounting and bookkeeping system and to the underlying accounts and records.
- SCIAF accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon SCIAF, and as the case may be his partners, providing full and free access to SCIAF's staff and its accounting and other relevant records.

'The Auditor' refers to the Auditor who is responsible for performing the agreed-upon procedures as specified in these ToR, and for submitting a report of factual findings to SCIAF. By agreeing these ToR the Auditor confirms that he/she meets at least one of the following conditions:

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).
- The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR.
- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

4. Scope of Work

5.1 The Auditor shall undertake this engagement in accordance with these ToR and:

- in accordance with the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the IFAC;
- in compliance with the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, SCIAF requires that the auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*.

5.2 The Terms and Conditions of the Grant Arrangement

HP

The engagement fee listed above shall include all necessary and relevant expenses incurred by the Auditor to perform the engagement. SCIAF shall neither be liable for, nor reimburse any additional expenses not originally budgeted for within the agreed fee in the first paragraph.

In preparing the budget the Auditor should note that SCIAF will only fund economy class air. All necessary visa costs should also be included in the budget and engagement fee. SCIAF will not reimburse any additional expenditure out with these items, nor will it reimburse any items subsequently incurred that were not already budgeted for. Receipts (copies of travel documents such as air/bus/taxi tickets and hotel receipts) must be provided to evidence all expenses (transport & travelling and lodging & feeding). These costs will be included as part of the overall engagement in the Auditor fee listed above.

SCIAF shall make payments in the following way; an initial 40% (£1,300) of the agreed audit fee shall be sent at the commencement of the audit work. The remaining 60% (£1,950) plus up to £3,100 refund of expenses shall be paid upon the production of an invoice sent to the SCIAF Headquarters in Glasgow, Scotland and subject to the SCIAF being satisfied that the expenditure report has been completed as per the terms and conditions of the contract. SCIAF will make payment only to a bank account of the company and not to an individual bank account.

Should the report not be of sufficient quality, and fail to meet the requirements of the DFID the SCIAF reserves the right to withhold part of, or the entire agreed fee.

SCIAF is not liable for any local taxes or employee costs, including health and/or any liability costs, incurred as a result of this verification report. The obligation to pay these shall rest with the Auditor and not with SCIAF.

No additional verification work should be conducted by the Auditor, until a prior written agreement has been made with SCIAF and any necessary increase in the fee for the engagement has been agreed.

The Auditor is responsible for all their logistics and security arrangements.

7.2 Contract

SCIAF will draw up a contract with the Auditor based on terms of reference and in accordance with Scottish Law which will be agreed and signed by both parties prior to the beginning of the audit process. The SCIAF will share the audit with all interested parties including the Donor and partners.

Mark Brownbridge, SCIAF Programme Officer, will represent the SCIAF and be the contact and co-ordination point for this audit process. mbrownbridge@sciaf.org.uk

Mari Everett, SCIAF International Financial Accountant, will be a second source of contact with the Auditor. meverett@sciaf.org.uk



Agreement of Terms of Reference: 27 January 2015

Audit Work to Commence: 8 February 2016

Auditor to present draft report: 8 March 2016

Auditor to present final report: 15 March 2016

The parties **SCI AF** and **RUMA CPA** have agreed to the terms and conditions of the contract and for the work to begin on the 8 February 2016 and end on the 15 March 2016.


SCI AF
Scottish Catholic International Aid Fund
12 Park Circus
Glasgow
Scotland
Company Number: SC197327
Charity Number: SC012302

Lorraine Currie
Head of Integral Human Development Department
SCI AF


RUMA Certified Public Accountants
P.O.Box 2611
KIGALI - RWANDA
Tel: 0252 573781
Fax: 0252 574816

Obed Wachira Rugara
Partner
RUMA CPA

Date: 27.1.2016

Date: 28/1/2016

Annex 3: Information about the Subject of the Expenditure Verification

Reference number and date of the Grant Contract	GPAF-IMP-067
Grant title	Improving income, assets and food security of 3,200 women affected by conflict and poverty in South Kivu, DRC and Ruhango District, Rwanda.
Country	DRC / Rwanda
Beneficiary	Scottish Catholic International Aid Fund 19 Park Circus GLASGOW UK G3 6BE
Start date of the Project	1 January 2013
End date of the Project	31 December 2015
Total cost of the Project	£507,861 Revised Budget: £563,264.84
Grant maximum amount	£323,972
Total amount received to date by SCIAF from Donor	Total amount received as per 31 December 2015 £282,022.57
Total amount of any outstanding payment requests	None
Donor	Department for International Development (DIFD). Fund Manager – email: gpaf@tripeline.com
Auditor	Peter Rutaremara Managing Partner RUMA CPA Printer Set House, 3rd Floor Avenue de la Paix PO BOX 2611 Kigali, Rwanda

Annex 2: Scope of Work – Procedures to be performed

The Auditor designs and carries out his/her verification work programme in accordance with the objective and scope of this engagement and the procedures to be performed as specified below. When performing these procedures the Auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations.

The Auditor obtains sufficient appropriate verification evidence from these procedures to be able to draw up a report of factual findings. For this purpose the Auditor can refer to the guidance provided by International Standard on Auditing 500 "Audit Evidence" and in particular by the paragraphs relating to 'sufficient appropriate audit evidence'. The Auditor exercises professional judgment as to what is sufficient appropriate verification evidence where he believes that the guidance provided by ISA 500, the terms and conditions of the Grant Arrangement and the ToR for this engagement are not sufficient.

1 Obtaining a sufficient Understanding of the Project and of the Terms and Conditions of the Grant Contract

The Auditor obtains a sufficient understanding of the terms and conditions of the Grant Arrangements by reviewing the Grant Arrangement and its annexes and other relevant information, and by inquiry of SCIAF. The Auditor ensures that he obtains a copy of the original Grant Arrangement (signed by SCIAF and DFID) with its annexes. The Auditor obtains and reviews copies of the mid-year Narrative Report as well as the financial report

If the Auditor finds that the terms and conditions to be verified are not sufficiently clear he should request clarification from SCIAF.

2 Procedures to verify the Eligibility of Expenditure Claimed by SCIAF in the Financial Report for the Project

2.1 General Procedures

2.1.1 The Auditor verifies that the Financial Reports complies with the conditions of the Grant Arrangement.

2.1.2 The Auditor examines whether SCIAF has complied with any applicable rules for accounting and record keeping of the Grant Arrangement. The purpose of this is:

- To assess whether an efficient and effective expenditure verification of the Financial Report is feasible; and
- To report important exceptions and weaknesses with regard to accounting, record keeping and documentation requirements so that SCIAF can undertake follow-up measures for correction and improvement for the remaining implementation period of the Project.

2.1.3 The Auditor reconciles the information in the Financial Reports to SCIAF's accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.).

2.1.4 The Auditor verifies that the correct exchange rates have been applied for currency conversions where applicable and in accordance with any applicable conditions of the Grant Arrangement.

2.2 Conformity of Expenditure with the Budget and Analytical Review

The Auditor carries out an analytical review of the expenditure headings in the Financial Reports and:

- verifies that the budget in the Financial Reports corresponds with the Grant Arrangement (authenticity and authorisation of the initial Budget) and that the expenditure incurred was foreseen in the budget of the Grant Arrangement.
- verifies that the total amount claimed for payment by SCIAF does not exceed the maximum grant claimable under the Grant Arrangement.
- verifies that any amendments to the Budget of the Grant Arrangement have been properly authorised.

2.3 Selecting Expenditure for Verification

2.3.1 Expenditure Headings, Subheadings and Items

The expenditure claimed by SCIAF in the Financial Report is presented under different expenditure headings. The form and nature of the supporting evidence (e.g. a payment, a contract, an invoice etc) and the way expenditure is recorded (i.e. journal entries) vary with the type and nature of the expenditure and the underlying actions or transactions. However, in all cases expenditure items reflect the accounting (or financial) value of underlying actions or transactions no matter the type and nature of the actions or transactions concerned.

2.3.2 Selecting Expenditure Items

Value should be the primary factor used by the Auditor to select expenditure items or classes of expenditure items for verification. The Auditor selects high value expenditure items to ensure an appropriate coverage of expenditure.

Moreover, the Auditor uses his judgment to select specific expenditure items or classes of expenditure items. The Auditor may use factors such as his knowledge of the Project and the characteristics of the expenditure categories, classes and items being verified such as for example expenditure items that are unusual or inherently risky or error prone.

2.4 Verification of Expenditure

The Auditor verifies the expenditure and reports all the exceptions resulting from this verification. Verification exceptions are all verification deviations found when performing the procedures set out in this Annex. In all cases the Auditor assesses the (estimated) financial impact of exceptions in terms of ineligible expenditure. For example: if the Auditor finds an exception with regard to procurement rules he assesses to which extent this exception has led to ineligible expenditure. The Auditor reports all exceptions found including the ones of which he cannot measure the financial impact. Having selected the expenditure items the Auditor verifies them by testing for the criteria set out below.

2.4.1 Eligibility of Direct Costs

The Auditor verifies the eligibility of direct costs with the terms and conditions of the Grant Arrangement. He verifies that these costs:

- are necessary for carrying out the Project. In other words the Auditor verifies that expenditure for a transaction or action been incurred for the intended purpose of the Project and that it has been necessary for the activities and objectives of the Project. The Auditor further verifies that the direct costs are provided for in the Grant Arrangement Budget and comply with the principles of sound financial management, in particular value for money and cost effectiveness;
- have actually been incurred by SCIAF or his partners during the implementation period of the Project;
- are recorded in the accounts of SCIAF and are identifiable, verifiable and substantiated by originals of supporting evidence.

The Auditor also considers any non-eligible costs as may be described in the Grant Arrangement.

2.4.2 Accuracy and Recording

The Auditor verifies that expenditure for a transaction or action has been accurately and properly recorded in SCIAF's accounting system and the Financial Report and that it is supported by appropriate evidence and supporting documents. This includes proper valuation and the use of correct exchange rates.

Moreover, records, accounting and supporting documents:

- shall be easily accessible and filed so as to facilitate their examination (shall be available in the original form,
- should preferably be obtained from independent sources outside the entity (an original supplier's invoice or contract is more reliable than an internally approved receipt note);
- which are generated internally is more reliable if it has been subject to control and approval;
- Obtained directly by the Auditor (e.g. inspection of assets) is more reliable than evidence obtained indirectly (e.g. inquiry about the asset).
- If the Auditor finds that the above criteria for evidence are not sufficiently met, he/she should detail this in the factual findings.

2.4.3 Classification

The Auditor verifies that expenditure for a transaction or action has been classified under the correct heading and subheading of the Financial Report.

2.4.4 Reality (occurrence / existence)

The Auditor exercises professional judgment to obtain sufficient appropriate verification evidence as to whether the expenditure has occurred (reality and quality of the expenditure) and - where applicable - assets exist. The Auditor

verifies the reality and quality of the expenditure for a transaction or action by examining proof of work done, goods received or services rendered on a timely basis, at acceptable and agreed quality and at reasonable prices or costs.

2.4.5 Compliance with Procurement

The Auditor verifies whether all applicable procurement rules in the Grant Arrangement have been complied with. Where the Auditor finds issues of non-compliance with procurement rules, he reports the nature of such events as well as their financial impact in terms of ineligible expenditure. When examining these procurement documents the Auditor takes into account the risk indicators listed below:

- Inconsistencies in the dates of the documents or illogical sequence of dates. Examples:
 - Tender dated after the award of contract or before the sending of the invitations to tender
 - Tender by the winning tenderer dated before the publication date of the tender or dated significantly later than tenders from other tenderers
 - Tenders by different candidates all having the same date
 - Dates on documents not plausible/consistent with dates on accompanying documentation (e.g. date on the tender not plausible/consistent with the postal date on the envelope; date of a fax not plausible/consistent with the printed date of the fax machine)
- Unusual similarities in tenders by candidates participating in the same tender. Examples:
 - Same wording, sentences and terminology in tenders from different tenderers
 - Same layout and format (e.g. font type, font size, margin sizes, indents, paragraph wrapping, etc.) in tenders from different tenderers
 - Similar letterhead paper or logos
 - Same prices used in tenders from different tenderers for a number of subcomponents or line items
 - Identical grammar, spelling or typing errors in tenders from different tenderers
 - Use of similar stamps and similarities in signatures
- Financial statement or other information indicating that two tenderers participating in the same tender are related or part of the same group (e.g. where financial statements are provided, the notes to the financial statements may disclose ultimate ownership of the group. Ownership information may also be found in public registers for accounts.)
- Inconsistencies in the selection and award decision process. Examples:
 - Award decisions not plausible / consistent with selection and award criteria
 - Errors in the application of the selection and award criteria
 - A regular supplier participates as a member of a tender evaluation committee
- Other elements and examples indicating a risk of a privileged relationship with tenderers:
 - The same tenderer (or small group of tenderers) is invited with unusual frequency to tender for different contracts
 - The same tenderer (or small group of tenderers) wins an unusually high proportion of the bids
 - A tenderer is frequently awarded contracts for different types of goods or services
 - The winning tenderer invoices additional goods not provided for in the tender (e.g. additional spare parts invoiced without clear justification, installation costs invoiced although not provided for in the tender).
- Other documentation, issues and examples indicating a risk of irregularities:
 - Use of photocopies instead of original documents
 - Use of pro-forma invoices as supporting documents instead of official invoices
 - Manual changes on original documents (e.g. figures manually changed, figures 'tippexed', etc.)
 - Use of non-official documents (e.g. letterhead paper not showing certain official and/or compulsory information such as commercial registry number, company tax number, etc.)

2.5 Verification Coverage of Expenditure

The Auditor applies the principles and criteria set out below when planning and performing the procedures for expenditure verification of Sections 2.3 and 2.4 above. This allows the Auditor to rationalise his verification work.

Verification by the Auditor and verification coverage of expenditure items does not necessarily mean a complete and exhaustive verification of all the expenditure items that are included in a specific expenditure heading or subheading. The Auditor should ensure a systematic and representative verification but depending on certain conditions (see further below) the Auditor may obtain satisfactory verification results for an expenditure heading or subheading by looking at a limited number of selected expenditure items.

The Auditor may apply statistical sampling techniques for the verification of one or more expenditure headings or subheadings of the Financial Report. For this purpose the Auditor examines whether the 'populations' (i.e. expenditure subheading or classes of expenditure items within an expenditure subheading) are suitable and sufficiently large (i.e. they should be made up of a large amount of items) for effective statistical sampling. This enables the Auditor to obtain and evaluate verification evidence to form a conclusion on the total of the population from which the sample is drawn. The Auditor may refer to IFAC International Standard on Auditing 530 'Audit sampling and other selective testing procedures' for guidance.

2.5.1 Expenditure Coverage Ratio ('ECR')

The Expenditure Coverage Ratio ('ECR') represents the total amount of expenditure verified by the Auditor expressed as a percentage of the total amount of expenditure reported by SCIAF in the Financial Report. The Auditor ensures that the overall ECR is at least **65%**. The Auditor selects expenditure items (see Section 2.3.2). If he finds an exception rate of less than 10% of the total amount of expenditure verified (i.e. 6, 5 %) the Auditor finalises verification procedures and continues with reporting. If the exception rate found is higher than 10% the Auditor extends verification procedures until the ECR is at least **85%**. The Auditor then finalises verification procedures and continues with reporting regardless of the total exception rate found.

The Auditor ensures that the **ECR for each expenditure heading** in the Financial Report is at least **10%**.

2.6 Verification of Revenues of the Project

The Auditor verifies that revenues (including inter alia grants and funding received from other donors and revenue generated by SCIAF in the context of the Project) have been appropriately allocated to the Project and correctly disclosed in the Financial Report. As this engagement is not an audit the Auditor is not requested to assess the completeness of revenues.