



Global Finance Group
RfP Reference: IUCN-23-10-P90008

Attachment 1

Terms of Reference

Finance and Accounting Consultant

Objective

The objective of the Finance and Accounting Consultant RfP is to select up to two consultants to provide financial and accounting services on a periodic basis. The successful consultants selected through this RfP process will be in place for five years. Individual consultancy contracts will be prepared for each piece of work to be done.

The work can be summarised into three major categories:

- Year-end support to review balance sheet reconciliations and other year-end tasks
- Support to IUCN offices to perform reconciliations and train staff on the reconciliation process
- Special financial investigations and project work

Background

IUCN Global Finance Group requires additional support and resources during the year-end closing period where year-end financial closing and reconciliation packages are prepared by our offices. Year-end review work is done in Switzerland as the reconciliations and the year-end packages are embedded as part of the IUCN finance system.

Work to support IUCN offices to complete balance sheet and other reconciliations and special financial investigations and projects are periodic and ad-hoc and can be done based in Switzerland or as necessitates on site at another IUCN office depending on the work commissioned.

Scope and methodology

1. Year-end financial close and consolidation support

Maximum days for this work will be based on the number of offices and the size of the offices to be reviewed and secondly the number of accounts for global analytical review.

Indicatively, time for office review is:

Size of office	Estimated time for review and follow up
Small – under CHF 1 million	6 hours
Large – over CHF 1 million	10 hours

The consultant will be asked to review between 10-15 year-end financial packages.

The tasks will include:

- Review of offices year-end package
 - Review and follow up of all balance sheet reconciliations
 - Review of general ledger and subledger reconciliations auto generated from Jet reports
 - The list of items for review for each office is included in Annex 1
- Assist in the reconciliation of internal allocations globally at the consolidation level
- Assist in the clearing of the inter company balances for the offices
- Variances analysis for balance sheet accounts, salary/staff costs and staff related provision accounts at the global level
- Assist in collecting and compiling data for the notes to the financial statements
- Annex 1 provides an example of the year-end financial package

2. Financial reconciliation work:

(approximately 10-20 days per consultancy; ad-hoc work)

- **Reconciliation activities to be performed**

- **Balance sheet reconciliations for accounts not linked to a subledger**

Accounts identified at the General Ledger (GL) level, not linked to a subledger, for reconciliation and analysis which could include: prepaids, other accounts receivables, accruals, withholding tax payable, salaries and social charges payable and provision accounts, suspense accounts and hosted organisation advance accounts

- **Cash and Bank Subledger**

Reconcile and clear the Cash in Transit account and reconcile and make corrections for the GL to the SL reconciliation for Cash and Bank

- **Account Receivable (AR) Subledger (SL)**

Analyse the AR aging report and identify if there are any old items for follow-up and potential adjustment. Reconcile the GL to the SL for AR accounts and identify differences for correction. Coordinate with office to complete the corrections.

- **Account Payable (AP) Subledger**

Analyse the AP aging report and identify if any old items and unusual balances. This includes the three types of AP vendor categories: Implementing Partners, Staff vendor and Suppliers. Reconcile the GL to the SL for AP accounts or identify differences for correction. Coordinate with office to complete the corrections.

- **Improvements to be implemented**

As part of the review and reconciliation process document recommendations to help the office to improve the timeliness and accuracy of the regular reconciliation process for their offices. Provide training and templates to the local staff to continue the process to reconcile balance sheet accounts.

3. Financial compliance and investigation

(approximately 10-20 days per consultancy; ad-hoc work)

Work in this area can be varied: from work on a specific project or office level to global IUCN compliance with policy and procedures.

A sample of this work can relate to:

- Determine whether the financial records are following IUCN's policy and procedures including:
 - Ascertain whether the IUCN process for recording financial transactions followed standard IUCN procedures and that they were accurately recorded.
 - Check calculation of the financial records with reference to approved rates/unit price and approved policies
 - In the event of non-compliance, calculate the financial impact of using incorrect rates/unit price
 - Select a sample of transactions and check their validity
- Preparing financial reports or revising reports to donors for projects funded by restricted donations
- Provide a report on any aspects of non-compliance and make recommendations to strengthen the IUCN process and to address any control weaknesses identified.

Annex 1

Example questions and tasks in the year-end financial package submitted by offices:

Task Title	Description (additional information on each task available in the guidance notes)
Accruals and Accounts Payable entries check	Ensure all Accruals and Accounts payable entries in NAV are complete
Staff time and Management fee entries check	Ensure all Staff Time and Management Fee entries in NAV are complete
Review of the Trial Balance	Review Trial Balance: - the TB is in balance (total Debits =total Credits) and check on unusual balances (e.g. Assets accounts with credit balances and Liability accounts with debit balances) -
Review of Balance sheet accounts	Full review of the balance sheet accounts to ensure that any items outstanding for more than three months are followed up and cleared.
NAV revaluation of customers	Run NAV Adjust Exchange Rate for customers
AR aging review	Review Aged Receivable balances, comment on significant and long outstanding receivable amounts. Ensure that transactions are 'applied' at the subledger level.
Receivables sub-ledger reconciliation	Receivable balances reconciled between the sub-ledger and the General Ledger accounts and differences reviewed.
NAV Bank revaluation	Run NAV Adjust Exchange Rate for banks
Bank reconciliations and Petty Cash reconciliations	Bank accounts balances in NAV are reconciled to the Bank Statement and petty cash count agree with Petty cash balance in NAV.
Bank sub-ledger reconciliation	Bank, petty Cash and if applicable credit card GL account balances reconciled to the Bank sub-ledger and differences reviewed.
Balance sheet -Asset account reconciliation	Reconciliation of other balance sheet accounts: - Assets- inventory, prepaids, other accounts receivable. Ensure the reconciliation only shows items that comprise the balance.
NAV revaluation of vendors	Run NAV Adjust Exchange Rate for vendors
AP aging review	Review Aged Payable balance and comment on significant and long outstanding payables. Ensure that transactions are 'applied' at the subledger level
Payables sub-ledger reconciliation	Payables balances reconciled between the sub-ledger and GL accounts and differences reviewed.
Advances to Implementing partner balances reconciliation	Advances to implementing partners account cleared and reconciled
Inter-company reconciliation	Reconciliation of the Inter-company balances based on the IC balance comparison report, along with individual reconciliations for balance that are not matching between IC's.
Staff related provisions reconciliation	Staff provisions are entered and provision for staff termination and accrued leave accurately reflected in NAV
Suspense account balances reconciliation	Suspense accounts are reconciled and cleared.
Balance sheet -Liabilities account reconciliation	Reconciliation of other balance sheet accounts: - Liabilities- salary related accounts, other payables. Ensure the reconciliation only shows items that comprise the balance
Periodic review of Project balances	Run JET report by project and for analysis with relevant Project Managers

Task Title	Description (additional information on each task available in the guidance notes)
AV revaluation	Run AV revaluation process at end of each month
Analysis of projects in deficit with explanation and action for each deficit	Project in deficit analysis to be completed and uploaded with comments.
Review Country Control Exception report	Review Country Controls Exception report and correct existing issues. Include comments for items that are not corrected.
Review Internal Allocation exception report	Review External Donor Income account to ensure no Internal allocations are posted to the external income
End of year review of Project balances	Project balances are reviewed for valuation purposes and provision taken where necessary or written off
Review of purchase process and documents (non-actuals)	Review of outstanding Purchase Requisitions (RQ) Travel Authorisations (TA), Purchases Orders (PO), Blanket Purchase Orders (PBO) and Expense Claims (EC), ensure completed documents are moved to history or deleted if not used.
Listing of projects in deficit where additional income is not forthcoming and the deficit should be written off	Analysis of required project write offs (if applicable) to be completed and uploaded as per year end closing instructions.
NAV balance sheet revaluation	Please follow NAV procedure regarding closing year end in NAV and running Adjust Exchange Rate. Please contact your HQ focal point if you need assistance with this function
Fixed Assets sub-ledger reconciliation	Fixed Assets and accumulated depreciation account balances are reconciled to the sub-ledger.
Payroll reconciliation- reconciling the staff costs (50xx series) in NAV against the payroll records by individual staff member	Applicable to year end only. Ensure that payroll related information in NAV (50xxx series of GL accounts) are reconciled with payroll records and by individual staff member. Payroll reconciliation to be uploaded as supporting documents.
Review accrued amounts for implementing partners	Ensure accruals are done for Implementing partners at year end.
Review Internal Allocation transactions.	Ensure that transactions posted to internal allocation accounts (6xxxx series) are valid and no 'external' transactions are in these accounts. Internal allocation accounts should net off to zero at the global level.
List of future operating lease commitments	Future operating lease obligations prepared and uploaded as per year end closing instructions.
List of all project audited in the financial year and scheduled audits in the new year in respect of expenditures incurred in the previous year.	Project audit list prepared and uploaded as per year end closing instructions.
NAV Year-end closing procedure	Confirm that NAV Year-end procedures are run and completed.
Signed letter of representation for the year-end accounts	Scanned copy of the signed Letter of representation to be uploaded in PDF format. The letter of representation template is included in the year-end closing instructions sent out by HQ Finance.
Reviewed and signed copy of the year-end balance sheet	Signed copy of the final Balance sheet (in PDF format).
Reviewed and signed copy of the year-end income statement	Signed copy of the final Income and expenditure statement (in PDF format).