

**Catholic Relief Services**  
**Inventory of Distribution Goods Count for fiscal year end – September 30, 2022**

## **Scope of work for external audit firm**

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### **Background:**

CRS Country Programs (CP) with inventory of Distribution Goods such as donated and purchased Food Commodities, Pharmaceuticals, Bed nets, Pre-positioned goods, Program Materials, Construction Materials, etc., valued USD 750,000 or greater by the end of FY2022 (on September 30, 2022) are required to engage an independent external auditor to perform observed physical stock count for the fiscal year and issue a report containing their opinion as to the accuracy of the count results. The eligible audit firms should meet the following criteria:

1. Certified and registered to operate by governing law of the local government.
2. Qualified under the United States Government’s “Yellow Book” audit.
3. Have at least three years’ prior experience in undertaking physical inventory for food aid programs.
4. Have adequate experienced staff for the assignment.

### **Objective:**

The auditor is required to observe the year-end physical count and determine:

1. The physical existence of the inventory.
2. The physical condition of the inventory.
3. The effectiveness of the physical count procedures.
4. The validity and completeness of receiving & issuing documents and inventory records.

### **Procedure:**

1. Representatives of the audit firm attend the physical count at the end of the fiscal year to observe the counting process and the diligence to capture relevant data in the count sheet.
2. The auditors familiarize themselves with the warehouse layout, stacking process, documentation and count sheets before the count commences.
3. The count includes all purchased and donated food commodities, pharmaceuticals, bed nets, pre-positioned goods, program materials, construction materials, etc. for which CRS has title. The inventories may be located in CRS managed warehouses and/or outside storage facilities due to lack of space. Inventory distributed to sub-recipients before September 30, 2022 does not constitute inventory of CRS.

4. Perform cut-off test on receiving, dispatch and warehouse transfer documents and verify against the warehouse registers and records.
5. Check the composition of CRS inventory count team. Staff responsible for warehouse management should not be part of the count team. But they can be present during the count to respond and clarify to queries raised by the count team. Verify that the role of the count team is well defined and understood by all team members.
6. Conduct count and ensure to countersign on count sheets to attest observation of the physical count.
7. Note the general warehouse management situations such as stacking, existence and functioning of warehouse safety and security equipment.
8. Ensure the proper use and monitoring of inventory count sheets and tags by the count team.
9. The movement of goods has to be suspended during the count or sufficient care is exercised if movement is allowed due to management approved and compelling reasons.
10. Count is done simultaneously on all warehouses. Otherwise, the auditors should ascertain the existence of adequate measures to control transfer of items from one warehouse to another.
11. Identify items held on behalf of third parties and not qualified as inventoriable goods for CRS and document the count separately.
12. Make a final tour of the warehouse to make sure that all items are counted before concluding the count.
13. Reconcile the physical count with stock cards, register books and Food log records maintained by CRS office.
14. Review shipping documents, bill of lading and packing lists of the fiscal year. Compare quantities shipped as per these documents with quantities in inventory records. Include, in the final report, quantity and type of commodities in transit at the end of the fiscal year. The commodities in-transit might be at sea, port or through in-land transportation but have not yet received at CRS warehouses before or on September 30, 2022.
15. Examine discrepancies identified in the course of count and on reconciliation with inventory records. Recount some or the entire inventory items until satisfied with the count result.
16. Consult CRS senior management in case of disagreement in the count and when recounting the whole inventory is necessary implying extended timetable and also affecting the normal warehouse operations.

## Location of warehouses and estimated inventory:

- The auditors are expected to observe and report the physical count in all inventory locations (warehouses and outside storage facilities). Here are estimated quantities by warehouse location:

Location	Inventory items - Inkind							
	Vegi. oil	Lentils	CSB+	CSB	Sorghum	Mosquito Net	Drugs	etc.
PAP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CAYES	90	30		69		2295	N/A	425
Jeremie	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Petit Place Caseau	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Quantity</b>	90	30	0	69		2295		425

Location	Inventory items - Purchased									
	Construction Materials	TARPS	Kit Shelter	KIT Hygiene	KIT Cuisine	Aquatabs	BOOKS	Jerry Can	Other Project Materials	Fournitures Scolaires
PAP									175084	253879
CAYES	37211	2889	1658	192		519360		1274	18379	22224
JEREMIE									793	1030
PPC				840	340		69368			
<b>Total Quantity</b>	<b>37211</b>	<b>2889</b>	<b>1658</b>	<b>1032</b>	<b>340</b>	<b>519360</b>	<b>69368</b>	<b>1274</b>	<b>194256</b>	<b>277133</b>

### Deliverables:

- Issue a report and opinion detailing the following:
  - Commodity type, unit of measurement, warehouse location, donor source and packing list and other available identifications. Separately report in-kind and purchased inventories and indicate items in poor physical condition, damaged or unfit for human consumption. Report shortages or overages and other irregularities identified during the count and reconciliation with inventory records.
  - The report should be prepared using the same unit of measure (such as Kg, Pieces, etc.) as the one used for reporting Monthly Inventory Report to HQ.

2. Submit draft report to Global Finance (Seyoum Adamu) for review and comments on or before October 14, 2022.
3. Incorporate management comments via adding CRS Management response to the report and submit the final report to Global Finance (Seyoum Adamu) on or before October 28, 2022.
4. Send one original copy of the report directly to CRS' external auditors, BDO, no later than November 18, 2022, to the address that will be provided separately.

### **Selection Process:**

The interested and qualified auditors should submit the followings to be considered for the offer:

1. A proposal including the scope of work (SOW), engagement time frame, number of staffs assigned to the engagement. **30 marks**
2. *Proof of Qualification(registry) under the United States Government's "Yellow Book" audit (must)*
3. Audit firm's professional reference; Curriculum Vitae (CV) and professional references of the staffs assigned to the engagement (CVs should include, but not limited to, information pertaining to similar audit performed by staffs, skills, education, language skills, and etc.). **30 marks**
4. Copies of certification and registration forms to operate by local governing laws where the company's HQ is located.
5. Conflict of interest statement.
6. A detailed financial proposal in US Dollars. **40 marks**  
Note that CRS contractual payment terms in effect are:
  - a. 30% upon signing the audit agreement,
  - b. 40% upon presentation of the interim reports
  - c. 30% upon receipt of the final reports by CRS

The audit firm will be selected based on its proposal, professional qualification and experience in conducting similar audit, and financial offer.

Please submit the documentation directly to: Jolene Coachy Jean-Baptiste at [jolenecoachy.jeanbaptiste@crs.org](mailto:jolenecoachy.jeanbaptiste@crs.org) : Lawan Marouma Gonimi [lawanmarouma.gonimi@crs.org](mailto:lawanmarouma.gonimi@crs.org)

This request for proposal will be open from **8/11/2022** to **8/22/2022**.

All of the proposals with incomplete documentation or not following the criteria set above may not be considered for evaluation.

This proposal offer in no circumstances should be regarded as a contract or commitment on our part.

CRS is not obligated to discuss or disclose any information regarding the bid evaluation process.

Any question regarding this request for proposal should be addressed to Jolene Coachy Jean-Baptiste at [jolenecoachy.jeanbaptiste@crs.org](mailto:jolenecoachy.jeanbaptiste@crs.org) before August 16, 2022