

# Action With Africa Challenge

## Audit Guidelines 2024

### Introduction

To support the integrity of the *Action With Africa Challenge* in 2024, Enactus Germany requires an audit of the winning teams selected through the final application on 6 May 2024.

The goal of the audit is to verify the data provided in the course of the *Action With Africa Challenge* application process by Enactus teams.

### Audit Procedure

All winning Enactus teams will be audited against their submitted documents, including but not limited to the 1<sup>st</sup> Progress Report. They will need to upload references, emails, receipts and other relevant substantiation to a cloud storage provided by Enactus Germany.

The uploaded documents will be reviewed online and verified by independent third-party auditors. The process may be supervised by staff from the related Enactus Country Organization. Auditors appointed on behalf of Enactus Germany have the right to address questions to the Enactus project teams and request additional information at their discretion.

#### TOP 12

Enactus teams ranked within this bracket will need to pass a remote audit carried out by a third-party in November 2024. All Enactus teams will be asked to upload the relevant documents to a cloud storage provided by Enactus Germany ahead of the scheduled audit.

#### TOP 6

Enactus teams ranked within this bracket will need to pass an audit carried out by a third-party auditor.

The audit process shall start after the announcement of the TOP 6 in June 2024 and will be completed in November after the submission of the 2<sup>nd</sup> Progress Report. All TOP 6 Enactus teams will be asked to upload the relevant documents to a cloud storage provided by Enactus Germany ahead of the scheduled audit.

### Scope of Audit

The audit will focus on two parts:

#### *Legal Aspects*

This check focuses on formal aspects including but not limited to verifying the existence of a business legal entity and bank accounts (if applicable).

#### *Business Aspects*

This check focuses on the submission documents, particularly the information specified in the 1<sup>st</sup> Progress Report submitted by 6 May 2024.

All teams must prove that data, assumptions and information stated in the 1<sup>st</sup> Progress Report are correct or have been calculated correctly. The 1<sup>st</sup> Progress Report includes the following sections:

- **Needs Assessment:** The needs assessment shall prove that the team's business idea meets or creates demand of its target group. Enactus teams shall provide records and other materials used when having carried out the Needs Assessment.
- **Proof of Concept:** The business idea must have been tested and proven to work. Enactus teams must provide records and other materials used when having realized the Proof-of-Concept.
- **Business Model:** The auditors may ask questions to verify statements made about the chosen Business Model.



- **Unique Selling Point (USP):** A strong USP is crucial to stand out from one's competitors. The auditors may ask questions to verify statements made about the USP.
- **Financial Planning:** Concerns the project's financial planning between 1 September 2023 and 30 April 2024, 1 September 2023 and 31 August 2024 as well as a forecast from 1 September 2024 to 31 August 2025. Enactus teams must provide accurate calculations, records of actual income and expenses as well as other documentation that prove the data stated in the submitted Progress Reports.
- **Local Partnership:** Teams working with an external partner organization need to explain who does what. The auditors shall verify the partner's existence, contributions made as part of the cooperation and check its integrity to receive payments on behalf of the Enactus team.
- **Job Creation:** Only report jobs that have been created within the designated periods.. The auditors will check the job results against plausibility and request records as well as calculations provided by the Enactus team.
- **SDG Impact Metrics:** The project has to present and explain the impact on up to three SDGs. The auditors will check the reported SDG impact against plausibility and review records provided by the Enactus team.

*Other aspects that may be addressed are:*

- Conduct interviews with target groups, customers, partners and advisors.
- Check annual reports, e.g. of project partners and other third parties.

## Award Payments

Enactus Germany reserves the right to:

- Split the transfer of the awarded project funding in two or more installments,
- Carry out a Due Diligence prior to payment of each installment,
- Audit the correct use and spending of the project funding after having issued any payment,
- Request reports on how the project funding has been used and which impact has been achieved.

## How can a team fail the audit

Teams may not pass the audit, if there is a case of material infractions. Such material infractions could include, although are not limited to following:

- The Project never existed.
- The Project need has been exaggerated.
- Project results and outcomes have been exaggerated.
- Actions or outcomes taken by third-parties, presented intentionally as if they were taken by the team.
- Clear mismatch or gap between project beneficiaries, sponsors and team.
- The team has falsified information on team structure, membership or finances.
- Actions or outcomes from prior years presented intentionally to mislead that they were achieved in current year.

*Source: Enactus Competition Handbook 2024*

## Self-auditing Tips

Self-Auditing is an on-going process! As an Enactus team, this should be a natural phase of all your programmatic and operational activities:

- Do not wait until the end of the program year to audit yourself or prepare for the audit by your Enactus Country Office! Create an actual Audit Strategy.
- Take proactive measures in documenting your processes, systems, outcomes, etc.



- Consider appointing a member of your team with the task of managing all auditing procedures or request that a faculty person at your institution (preferably with auditing/accounting background) review your processes and lend advice on how to best prepare. You may also reach out to an external source in advance and ask for their expertise on how to best manage your self-audit.
- Inform your project beneficiaries (well in advance) that they may be subject to interview by the audit committee. This will avoid any challenges later when the audit is being implemented.

*Source: Enactus Competition Handbook 2024*

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Contact [awa@enactus.de](mailto:awa@enactus.de) in case you have any questions.

