

TERMS OF REFERENCE (TOR) FOR EXTERNAL AUDIT OF TWAWEZA EAST AFRICA FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2022

1. Background

Twaweza East Africa is a registered non-governmental organization with registration number 00NGO/R2/000422. Twaweza East Africa was originally incorporated in Tanzania under the Companies Act, No.12 of 2002 as a company limited by guarantee and not having share capital. Following the amendments to the Companies, Act, 2002 which required all Companies limited by guarantee that are not promoting commerce, trade and investment to register under the NGO Act, 2002, Twaweza East Africa acquired its status as a Non-governmental organization on 21 August, 2019.

The Organisation obtained a certificate of compliance to operate in Kenya and a certificate of registration in Uganda as per the laws of each of those countries and these remain valid beyond the status change from being a company limited by guarantee to a Non-Governmental Organization. Prior to being an independent legal entity, this Twaweza was an initiative to promote citizen involvement and public accountability in East Africa which was hosted by Hivos Tanzania Limited up to 31 December, 2014. Thereafter, Twaweza signed an oversight and guidance agreement with Hivos Netherlands which authorized them to monitor Twaweza activities until 30 April, 2019.

Twaweza wishes to engage the services of an audit firm for the purpose of auditing its financial statements for the year ending 31 December, 2022.

2. Audit Scope

The audit shall be carried out in accordance with International Standards (ISA) issued by IAASB. Sufficient audit evidence should be gathered to substantiate in all material respects the accuracy of financial statements. The audit reports should state if the financial statements of Twaweza present fairly, in all material respects, the financial position of Twaweza as of 31 December, 2022, and the results of its operations and cash flows for the year then ended in accordance with International Public Sector Accounting Standards and the NGO Act, 2002.

In the course of the audit, the Auditor should also point out if Twaweza have complied with all terms stipulated in donor contracts.

3. Auditor Independence and Qualification

The Auditors should disclose any relationship that might possibly compromise their independence.

The audit firm should be an international recognized firm and experienced in applying audit standards; The audit firm must employ adequate staff with appropriate professional qualifications and suitable experience in auditing the accounts of Non-governmental Organisations (NGO's).

Curriculum vitae (CVs) of key personnel who will be part of the Audit team should be submitted along with the proposal for provision of audit services to Twaweza. CVs should include details on audits of similar organizations carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit and experience in auditing financial statements compliant with the IPSAS.

4. Access to Facilities and Documents

The financial systems are automated in a web-based accounting package, the supporting documents in the form of payment vouchers are filed both in scanned copies and manually. The Head office approves all payments made and supporting documentation for payments made with respect to activities conducted in East Africa are maintained at the Head Office.

The Auditors will have full and complete access at any time to all records and documents (including books of accounts, Donors agreements, minutes of board and management meetings, bank records, invoices, contracts, employee records etc.). The Auditors will have a right of access to banks, consultants, contractors and other persons or firms engaged by Twaweza over the period under the audit review.

5. Reporting

The scope of the audit shall be stated in the report and the methodology used shall be presented.

The reporting shall be signed by the responsible auditor (not just the audit firm) and title.

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated, as well as a Management letter with audit findings and weaknesses identified during the audit process. The auditor shall regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation. The auditor shall make recommendations to address the weaknesses identified and the recommendations shall be presented in priority order. If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, the auditor shall state that fact.

Measures taken by Twaweza to address weaknesses identified in previous audits shall also be presented in the Management Letter.

6. Deadline

Please submit your proposal by email to jkalemera@twaweza.org cc gsaria@twaweza.org by 1700 hours on 28 March, 2022.