

TERMS OF REFERENCE FOR EXTERNAL AUDIT

1. Background

ActionAid Tanzania (AATZ) is a development organization registered and operating in the united republic of Tanzania (Mainland and Zanzibar). AATZ is also an affiliate member of the ActionAid international Federation, a global force working over 47 countries that is committed to justice, Gender equality and eradication of poverty. ActionAid Tanzania (AATZ) has been supporting a wide range of development initiatives in Tanzania since 1998. Its vision is to see Tanzania without poverty, injustice, and inequality in which every person enjoys a sustainable development and a life of dignity.

AATZ has rolled out five country strategy papers since its establishment, the current Strategy Paper (CSP V) defines strategic intent towards contributing to economic justice, climate justice, gender equality and ending poverty for the five-year period (2022- 2026). The CSP V program priorities include: 1. Gender Responsive Public Services and Inclusive Education, and 2. Community Resilience and systems change for Climate Justice The strategy builds on the gains and experiences achieved since its inception whilst taking a more transformative approach and commitment to the purpose AATZ stands for.

AATZ has development programs in mainland Tanzania and Zanzibar, at local level the organization has long -term district- based programs known as Local Rights Programs (LRPs) working directly with communities, community-based organizations, and CSOs in Mafia, Unguja, Pemba, Kilwa, Chamwino and Singida. Through partnership the geographical coverage extends to Mbozi, Kilosa, Kibondo, Kasulu and Tanga and at national level, we are partnering with national and international organizations, networks, coalitions, and forums to influence policies in favor of people living in poverty and exclusion.

2. SERVICE REQUIRED.

AATZ is looking for a reputable audit firm to provide service of auditing the financial statements of AATZ for three (3) years tenure, engaged annually subject to annual performance, starting with the financial statement for the year ending 2023.

3. OBJECTIVE AND SCOPE OF THE AUDIT

The objective of the audit is to obtain reasonable assurance about whether ActioAid Tanzania financial Statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes auditors' opinion. AATZ Financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS), and the audit shall be carried out in accordance with the International Auditing Standards (ISAs) and will include tests and verification procedures, as the auditors deem necessary. It is understood that misstatements can arise from fraud or error and that are considered material if, individually or aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements. As part of an audit in accordance with ISAs, the auditor is expected to exercise professional judgment and maintain professional skepticism throughout the audit. The auditor shall:

- Asses the organization's compliance with relevant regulatory authorities including but not limited to compliance to the Tanzania NGO Act and any related regulations. They shall ensure that proper books of accounts as required by GAAP and maintained adequate internal controls and supporting documents for transactions. The books of accounts of Actioaid Tanzania provide the basis for preparation of the financial statements.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough and appropriate to provide the basis for auditor's opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management use of the going concern basis of accounting and based on the audit evidence obtained whether material uncertainty exists related to events or condition that may cast significant doubt on the organization's going concern.
- The auditor must verify the correctness and accuracy of the accounts (present fairly the economy in the activities) and check whether the transactions covered by the accounts are in conformity with the project documents, the agreement with the donors (the partnership agreement), contracts and legislation and other rules and guidelines for grant management.
- As part of the audit the auditor will examine the client's organizational structure and existing procedures with special focus on accounting practices. Financial management and control. The audit of financial transactions will be based on spot check examinations of the quality of voucher material and its correct recording in the books, with a view, among other things to assessing its significance and risk.
- At the audit the auditor will verify:
 - (i) That the accounts are correct and accurate and do not contain significant errors or omissions.
 - (ii) That the financial provisions (accounting policies) contained in donor agreements or in agreement with donors or funders have been complied with, and
 - (iii) That the transactions comprised by the accounts are in conformity with the conditions and general objectives for the grants as agreed with the donors or funders.
- The auditors will also verify whether ActionAid Tanzania has practiced reasonable economies in the administration of the grants, and that the activities are managed with an attitude based on thrift.

4. DELIVERABLES

At the end of the audit, the auditor will be required to provide.

- Audited Financial Statements with auditor's report which includes auditor's opinion on the financial statements.
- the auditor shall prepare the management report including findings and recommendations in relation to:
 - (i) Significant deficiencies in relation to the internal controls
 - (ii) Suspicion of irregularities or other misuse of funds, including suspicion of grossly negligent administration, corruption, bribery or fraud or other significant non-compliance with agreements relevant for the grant.
 - (iii) Identified non-compliance with any donor agreement.

- (iv) Significant comments in relation to whether AATZ has practiced reasonable economies in the administration of the grants.

QUALIFICATION OF THE AUDIT FIRM.

- A firm should be duly established in the united republic of Tanzania, registered by the National board of Accountants and Auditors, and possessing all other necessary licenses to operate. The firm should have relevant experience in auditing similar organizations (International or National Non-governmental organization).
- The Auditor should be experienced in applying, whether ISA or INTOSAI audit standard, whichever is applicable for the audit. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA and INTOSAI standards, including experience in auditing the accounts of entities comparable in size and complexity to ActionAid Tanzania.

APPLICATION PROCESS.

- The Interested audit firm must send a full technical and financial (as two separate documents)
- Technical proposal shall at minimum include the following.
 - Section 1: Executive summary
 - Section 2: Firms Understanding of the service required by ActionAid Tanzania
 - Section 3: Firms Profile and relevant experience
 - Section 4: Technical response including approach and methodology.
 - Section 5: Proposed professional staff including their qualifications and experience.
 - section 6: Activity schedule and time frame
 - section 7: Appendices
 - Appendix 7.1 -Firms registration Details
 - Appendix 7.2- Business License
 - Appendix 7.3- Firms NBAA registration certificate
 - Appendix 7.4- Firms Tax identification number
 - Appendix 7.5 VAT registration certificate
- Financial proposal shall have a total estimated fee for the audit which includes both professional fees and reimbursables, quoted in TZS currency. The proposal shall contain a well detail budget which includes all assumptions used in arriving at the estimated Including but not limited to number of hours/Days per each team member, professional fee per hour/day for each team member, total professional fee, and other detailed estimated reimbursable cost. The proposed fee should indicate both fees before and after applicable taxes.

Please email your bid to the following address:

Human Resources & Administration Officer

ActionAid Tanzania

Email: jobs.tanzania@actionaid.org

Copying: mwanahawa.bongi@actionaid.org

*The deadline for applications is on **22nd October 2023, 1700 hrs***