



TERMS OF REFERENCE FOR EXTERNAL AUDIT SERVICES

Introduction

These Terms of Reference (TOR) covers External Audit services to Windle International Uganda (WIU) for financial years 2023 - 2025.

Background

Windle International Uganda (WIU) is a registered International Non-Governmental organization that has been operating in Uganda since 1996. The primary mission of WIU is to train and equip refugees and war affected communities through education as its core business. WIU is part of a larger family of Trusts brought together under the umbrella of Windle International Federation, headquartered in Oxford, UK.

Objective of the External Audit

The objective of the audit of WIUs financial statements is to enable the auditors to express an independent professional opinion on the financial position of WIU and to ensure that the funds utilized have been used for their intended purposes.

Scope of Audit of WIU Financial Statements

- *Develop an understanding of the accounting system and obtain all related documentation, manuals, written policies, relevant procedures and other guidelines and ensure they have been complied with during the period under review. Assess the reasonableness of expenditures, ascertain there was no double funding and report on whether value for money has been achieved.*
- *Assess organization structure in terms of effectiveness and efficiency of the framework of authorities, workflows, adequacy of staffing and competence of staff especially in the finance function and appropriate segregation of duties. Evaluate the control environment.*
- *Critically review implementation, monitoring and supervision exercised over the donor funded projects. Review work plans, project reports, vis a vis the appropriated project resources and assess the general achievement of value for money; budgets and financial expenditure, beneficiary selection, operational procedures and their effects on service delivery. Ascertain the funds opening and closing balances as well as exchange gains/loss under each funding agreement*
- *Review the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel including performance appraisal, payroll preparation and remittance of statutory deductions and management of personnel records. Ascertain the existence and completeness of any documented human resource policies and or guidelines.*
- *Review adequacy of the accounting and financial operations and reporting systems. This will include budget control, cash management, certification and approving authority, receipt of funds, disbursement of funds, proper recording of management intervention and override, records maintenance and control.*

- Review the set procurement procedures and policies for competitiveness, transparency and effectiveness. Testing them for compliance and where there is departure, review documented reasons for such. Ascertain that assets (permanent and consumable) and services procured meet the requirements of funded activities.
- Review the management and safeguard of the assets, travel activities, vehicle management, office premises and lease management, office communications and records maintenance as well as the control and management of consumable and permanent inventories.
- Review the appropriateness and adequacy of the management information systems and the security and control of equipment and data whether manual, semi or fully computerized.
- Review the status of the previous audit findings and recommendations detailing levels of implementation to date, the consistency of practice and general usefulness to the organization.
- Assess the extent of compliance with the terms and conditions of the funding agreement over the period under review.
- Presentation of the draft Annual Audited Financial Statements, including all findings material or non-material, together with the Management letter to the Finance & HR Committee. Comments and concerns raised by the Committee must be addressed and corrected before the financial statements are presented to the Board of Trustees (BOT) for approval.

Proposal Submission

Interested audit firms shall hand deliver separate technical and financial proposals to WIU Kampala Office, PO Box 24230, Plot 726, Mawanda Road, Mulago Hill, Kampala by 19th July'2023.

a) The Technical proposal shall:

- Include a listing of staff to be assigned to the engagement including their level of seniority and experience, the plan for quality management, monitoring, and auditing including proven experience with similar audit tasks.
- Demonstrate similar audit assignments that have been delivered on time and to the satisfaction of the client.
- Experience in working with donor funded programmes.

b) **Financial proposal**

The Financial proposal shall include (a) Breakdown of fees and (b) Project related expenses. The auditor's financial proposal shall therefore include all costs for fee and staff related expenses inclusive of VAT and any other taxes applicable.

Evaluation Criteria

The bids/proposals will be evaluated 50% on technical and 50% on financial criteria.

Appendix 1: Evaluation Criteria

Criteria	Requirement/Definition	Maximum Points	Scores Awarded
1. Consultants' professional qualifications and experience	CIA/ CPA/ACCA and internal audit experience of the firm or individual auditor	30	
2. Firm or consultant understanding of WIU	Firm understands WIU current operational and future needs in the context of internal controls and risks	15	
3. Adequacy of the proposed work plan and methodology	Proposal addresses each of the key tasks/activities in the scope of work	15	
4. Proposed operational costs by WIU	Reasonableness/ affordability of proposed costs	40	