



Date of Issue	6 th June, 2023
Contract Title	Audit of Financial statements for EAWiBP- EIF Project
Closing Date for receiving quotation and time	30 th June, 2023 at 5:00 pm (East African Time)
Expected date of delivery	31 st August, 2023
Contracting Authority	East African Women in Business Platform (EAWiBP)

**Term of Reference for Audit of the Financial Statements
East African Women in Business Platform (EAWiBP)**

[Tanzania]

Introduction

EAWiBP is a forum that brings together businesswomen from across the East African Community (EAC). Its membership and board comprise of; national apex bodies/associations/networks of businesswomen (including associations of women formal and informal cross-border traders); professional women associations; and civil society organizations working to promote businesswomen and women’s socio-economic advancement.

EAWiBP received a grant of USD 450,000 from the Enhanced Integrated Framework to fund the project “Generating increased pricing and new markets for the women engaged in the shea butter value chains of South Sudan and Uganda.” EAWiBP is the main implementing partner and is partnering with Uganda Women Entrepreneurs Association Limited (UWEAL) and South Sudan Women Entrepreneurs Association (SSWEA) as the national implementing partners. EAWiBP is therefore seeking the services of a qualified audit firm to conduct an audit for this project for the period from 1st August 2020 to 30th June 2023.

Brief Project Background

EAWiBP in partnership with UWEAL and SSWEA are implementing a 2-year project titled “Generating increased pricing and new markets for the women engaged in the shea butter value chains of South Sudan and Uganda” The project will increase the participation of 7,400 women and men in the shea butter value chains of Uganda and South Sudan, resulting in improved product quality, new markets, increased exports, increased prices, increased foreign exchange earnings and increased participant incomes. The project will also result in the provision of decent work along with an improved means of earning a livelihood for participants.

The overall project objective is to increase women’s effective participation in the shea value chains. The specific objectives of the project are; to improve the quality of production to international standards; to increase the value of exports generated and to conserve shea trees in the 24 targeted districts. Participants will be able to engage in the full value chain and gain access to improved pricing at both the post-harvest and post shea butter extraction level.

Audit Objective

The objective of the audit of the project financial statements is to enable the auditor to express a professional opinion on the above project’s financial statement for the accounting period specified above. The project’s books of account provide the basis for preparation of the financial statements and are established to reflect the financial transactions in respect of the project.

Responsibility for preparation of financial statements

The responsibility for the preparation of financial statements, including adequate disclosure, is that of the project’s management. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the project.

Scope

The audit will be conducted in accordance with International Standards on Auditing or other standards acceptable to UNOPS such as International Standards of Supreme Audit Institutions. Those Standards require that the auditor plans and performs the audit to obtain reasonable assurances about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters:

- (a) In planning and performing the audit to reduce audit risk to an acceptably low level, the auditor should consider the risks of material misstatements in the financial statements due to fraud as required by [International Standard on Auditing 240: The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements.](#)
- (b) When designing and performing audit procedures and in evaluating and reporting the results thereof, the auditor should recognize that noncompliance by the entity with laws and regulations may materially affect the financial statements as required by [International Standard on Auditing 250: Consideration of Laws and Regulations in an Audit of Financial Statements.](#)
- (c) The auditor should communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required by [International Standard on Auditing 260: Communication with those Charged with Governance.](#)
- (d) In order to reduce audit risk to an acceptably low level, the auditor should determine overall responses to assessed risks at the financial statement level, and should design and perform further audit procedures to respond to assessed risks at the assertion level as required by [International Standard on Auditing 330: The Auditor's responses to assessed risks.](#)
- (e) In instances where certain aspects of an entity's operations are performed by a third party service provider, the auditor is expected to include an understanding and assessment of the internal control environment of the service provider during the audit process as required by [International Standard on Auditing 402: Audit Considerations Relating to an Entity Using a Service Organization.](#)
- (f) As part of the audit process, the auditor is expected to obtain written representations from management and, where appropriate, those charged with governance as required by [International Standard on Auditing 580: Written Representations.](#)

In evidencing compliance with agreed project financing arrangements the auditor is expected to carry out tests to confirm that:

- (a) All funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided as detailed in the project document attached to the signed MoU;

- (b) Goods, works and services financed have been procured in accordance with relevant financial rules and regulations; and
- (c) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities. The auditor is expected to verify that financial report issued during the period are in agreement with the underlying books of account.
- (d) There is a proper internal control in place in project management, procurement, finance, HR, asset management are in line

Project Financial Statements

The auditor should verify that the financial statements have been prepared in accordance with the MOU signed between EAWiBP and UNOPS, and relevant government rules and regulations.

Review of Annual Financial Statements and Interim Un-audited Financial Statements

The auditor is required to review all periodic Financial Reports submitted to UNOPS. Expenditures should be examined for eligibility based on the details in the Project Document and the MoU.

Review of bank Accounts

During the audit of the project financial statements, the auditor is required to review the activities of the project's bank account(s). Activities to be examined will include deposits received, payments made, interest earned and reconciliation of period-end balances.

Audit Reports

The auditor will issue a:

1. Financial audit report including an audit opinion on the financial statements for the project; a management letter to be discussed with the project team and the final report should include the Management comments/response to audit observations and recommendations with ratings of satisfactory, partially satisfactory, and unsatisfactory with a definition of each rating. The recommendations for each item should indicate the priority (High, Medium, Low), criteria, Condition, Cause, Consequence, and Corrective action and due date for implementation
2. In the management letter the auditor will:
 - (a) provide comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;

- (b) identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement;
- (c) report on instances of non-compliance with the MoU and project documents and any subsequent communications/instructions from UNOPS;
- (d) quantify and report expenditures that are considered to be ineligible;
- (e) communicate matters that have come to their attention during the audit which might have a significant impact on the implementation of the project; and
- (f) Bring to UNOPS' attention of any other matters that the auditor considers pertinent.

The auditor's opinion on the financial statements and management letter should be received by EAWiBP by 31st August, 2023.

Exit conference

Upon completion of the field work, the auditor shall hold a closing or exit conference with senior project management. The exit conference will give the auditor an opportunity to obtain management comments on the accuracy and completeness of the auditor's facts or conclusions, including whether or not management concur with the audit findings. The auditor will document the minutes of the exit conference for inclusion in the audit work papers.

Auditor qualification

In order to be a qualifying firm, it is envisaged that the firm will meet the following qualification requirements:

- Be a legal entity with business license acceptable to the government;
- The auditor must be completely impartial and independent from all aspects of management or financial interests in the project being audited;
- The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of the NIU;
- Be an entity acceptable to the Government of Tanzania and UNOPS as technically competent, independent and able to comply with International Standards on Auditing (ISA), and have adequate quality control to ensure compliance with ISA and other requirements.

General

The auditor is entitled to unlimited access to and should consult all information and explanations considered necessary to facilitate the audit including legal documents, project preparation and supervision reports, particularly recommendations of TFM missions on fiduciary issues, reports of reviews and investigations, correspondences, and bank account(s) information. The auditor may also seek written confirmation of amounts disbursed by UNOPS.

The auditor is encouraged to meet and discuss audit related matters including input to the audit plan with the project finance team and relevant finance team in the line ministry.