



**COMMUNITY
SUPPORT INITIATIVE**
"IF YOU SEE A NEED, TAKE THE LEAD"

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CALL FOR EXTERNAL AUDIT SERVICES

TERMS OF REFERENCE FOR PROJECT AUDIT

Project Name: Strengthening Accountability for good governance in South Sudan

I. BACKGROUND

The project, **Strengthening Accountability for good governance in South Sudan, 1020148-37** was approved on 1ST August 2022 to enhance good governance, Democracy, rule of law, accountability & transparency and respect for Human rights among the state and non-state actors in South Sudan. The grant contract signed between Civil Rights defenders (CRD) and the Community Support initiative (CSI) on 1ST August 2022 became effective on the same date.

The project has two components. Component 1 is capacity grant whereas Component 2 is documentation grant.

The Community Support Initiative (CSI) is seeking the services of an independent external auditor to carry out audits of the project's financial statements of the project mentioned above. The auditor will be appointed to conduct audits for the grant from 5th December to 118th December 2022].

2. OBJECTIVES

The objectives of the audit of the project financial statements is to enable the auditor to express opinions on (i) whether the project financial statements (including the notes thereto and supplementary statements) present fairly, in all material respects, (or give a true and fair view of) the grant financial position as at project end, and its cash flows for the period that ended, in conformity with the Generally accepted accounting standards, (ii) whether the proceeds of the grant were used for the intended purpose, and (iii) whether the project has complied with the covenants stated in the grant contract.

3. MANAGEMENT RESPONSIBILITY

The Community Support Initiative (CSI) is responsible for preparing and fairly presenting the project financial statements including adequacy of disclosure, and for maintaining sufficient internal controls to ensure that the financial statements are free from material misstatement, whether due to fraud or error. The Community Support Initiative is also responsible for ensuring that the funds were used only for the purposes of the project, for compliance with financial covenants, and for ensuring that effective internal controls including over the procurement process are maintained. The project's books of accounts provide the basis for preparation of the financial statements and are established to reflect the financial transactions in respect of the activities. This includes maintenance of adequate accounting records and supporting

documentation for transactions, selection and application of accounting policies, and safeguarding of project assets. Providing the auditor with all the necessary documentations for the audit.

4. AUDITING STANDARDS

The auditor will carry out the audit in accordance with International Standards on Auditing

5. AUDITOR RESPONSIBILITY

The auditor is responsible for forming and expressing an opinion on the project financial statements in accordance with the auditing standards. As part of the audit process, the auditor may request from the organization written confirmation concerning representations made in connection with the audit.

In the conduct of the audit, the auditor is expected to:

- Plan and perform the audit to reduce risk to an acceptably low level, including risks of material misstatements in the financial statements whether due to fraud or error,
- Design and perform audit procedures, and evaluate and report the results thereof including any noncompliance with laws and regulations,
- Communicate matters of governance arising from the audit of financial statements,
- Carry out tests to confirm compliance with the grant contract, such as:
 - Grant funds have been used in accordance with the conditions of the grant contract, with due attention to economy and efficiency, and only for the purposes for which the financing was provided,
 - Goods, works, and services financed have been procured and project expenditures have been incurred in line with the grant contract,
 - Assets and inventories procured from grant funds exist and there is verifiable ownership in accordance with the grant contract,
 - All necessary supporting documents, records, and accounts have been maintained in respect of all project activities,
- Review the activities of the project's designated account including deposits received, payments made, interest earned, exchange rates used, and reconciliation of period-end balances, and
- Review all financial reports submitted to the CRD and assess the methods used to compile the reports, ascertain that the information given in the reports accurately reflect the underlying records, documents and books of accounts, and verify that the information in the reports reconcile with the financial statements.

6. AUDIT SCOPE AND REPORTING

The auditor is required to deliver an audit report in the English language comprising:

- **AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS**

An auditor's opinion providing reasonable assurance over the audited project financial statements, including the notes thereto and supplementary statements.

- **AUDITOR'S OPINION ON COMPLIANCE WITH LEGAL AGREEMENT**

An auditor's opinion providing reasonable assurance that the (i) proceeds of the grant were used only for the purpose of the project¹, and (ii) project was in compliance with the covenants in the grant contract

7. MANAGEMENT LETTER

A management letter providing the auditor's observations and findings on accounting records, systems and internal controls that were examined during audit, including:

- Weaknesses and issues in accounting and internal control systems, including irregularities in the use of grant funds, ineligibility of expenditures, and procurement-related weaknesses and issues.
- Auditor's assessment of the causes, and recommendations to improve or rectify the identified weaknesses and issues.
- The organization's responses to the weaknesses and issues including explanations of the causes, proposed action plan to address the concerns, and the timeline for completion.
- Status of weaknesses and issues identified and reported in prior periods.
- Any continuing or persistent issues and weaknesses, and follow-up actions taken.
- Any matters the auditor considers pertinent or significant as to impact implementation.

The audit shall be for the following period:

- For the period 1st August to 15th December,2022

All audit reports shall be submitted to community Support Initiative on or before 21st December,2022.

8. AUDITOR QUALIFICATIONS

The auditor must satisfy the following minimum requirements:

- A legal entity in South Sudan with operating license granted by appropriate authority.
- Have adequate relevant professional and educational qualifications, or able to provide audit staff with adequate qualifications, experience, and competence.
- Technically competent and able to conduct audit in line with the auditing standards.
- Objective and independent from the project, its staff, and activities, and from all aspects of management or financial interests of Community Support Initiative (CSI).
- Possesses proven track record in financial audit of NGO sector projects.

Interested audit firm/ Individual should send their Expression of Interest (Eoi) together with financial Proposal not later than 18th December 2022 to Finance and Admin Manager, Community Support Initiative by email to avuenmanvok@gmail.com and Copy achiekcsi20@gmail.com

