



# Charity and Empowerment Foundation

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## TOR - FINANCIAL AUDIT JANUARY 1<sup>st</sup> 2019 – 31<sup>st</sup> December 2020

### INTRODUCTION

#### 1.1 Background Information

Charity and Empowerment Foundation is a non-governmental, national, humanitarian agency that was founded in 2017. The organization is devoted to the relief, emergency response, relief assistance, and advancement of people in greatest need in less developed areas of the country.

In South Sudan, our development work is centered in Lakes State, Central Equatoria, Jonglei, and Northern Bar El Ghazal State. CEF was established in South Sudan in 2017 in response to emergencies responses to community affected by war and communal conflict in the country in the mentioned areas. Our long-term development work is mainly focused on Education, Protection, WASH, Food Security and Livelihood, and Health

#### 1.2 Objective and scope of the audit

CEF wishes to engage the services of a reputable professional firm to provide internal audit services for the year starting January 1<sup>st</sup>, December 2019 to December 31<sup>st</sup>, 2020.

#### The objectives of the audit are to:

- Express an opinion on whether the income statement presents fairly, in all material respects, revenues received and costs incurred for the period audited in conformity with generally accepted accounting principles;
- Review CEF internal control structure in order to determine whether management has put in place satisfactory controls aimed at preventing, detecting, reducing or eliminating errors and irregularities, and to report any significant internal control deficiencies and material weaknesses; and
- Test compliance with the terms and requirements of donor agreements and applicable laws and regulations as part of obtaining reasonable assurance about whether the financial statements are free of material misstatements and report on any identified material instances of noncompliance.

#### The scope of the audit includes but not limited to:

- Examining CEF financial transactions to ensure supporting documents are accurate, reliable and free of material misstatement;
- Examining the effectiveness of systems, policies and procedures which were in place during the audit period;
- Reviewing procurement activities to determine whether CEF's procurement and contracting policy and procedures as well as best practices were followed and adequacy of these procedures;
- Reviewing commodity management in terms of recording both the donated and purchased inventory in the accounting system;
- Review of fixed assets management practices including maintenance of a fixed asset register.
- Review of personnel management including contingent liabilities for employees benefits after termination of services.

## Proposal for the Provision of External Audit Services

### 1.3 Deliverables

- i. Annual financial audit report for the period January 1, 2019 to December 31, 2020.
- ii. Management letter for the period January 1, 2019 to December 31, 2020.

We suggested the Audit be conducted in accordance with International Standards on Auditing (ISA) as published by the International Federation of Accountants (IFAC) with reference to ISA 800 (Special Considerations Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks).

For Inquiries Please Contact!!

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