



EMERGENCY RESPONSE AND DEVELOPMENT INITIATIVE

(ERDI) South Sudan Programme

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07th May, 2024

TERMS OF REFERENCE FOR

EXTERNAL AUDIT OF ERDI FINANCIAL STATEMENTS FOR SAVE THE CHILDREN-HUMANITARIAN FUND (HF) PROJECT.

Project Name and Number “Emergency integrated Disaster, WASH and Protection Response to Flood Affected refugees, returnees, IDPs and the host vulnerable women, girls and children in Maban, Upper Nile State.”

1. Background

Emergency Response and Development Initiative (ERDI) is a NNGO registered with Relief and Rehabilitation Commission in 2018 Certificate No. 1,297. ERDI thematic areas include; Water, Sanitation & Hygiene, Education, Food Security and Livelihoods, Protection, climate change Health, Nutrition, Shelter/Non-Food Items, capacity building, and Peacebuilding.

ERDI partners with Save the Children International under the Local Response Pooled Fund (LRPF).

ERDI is seeking an external audit firm with experience of working with NNGOs funded by Save the Children International and responding to the challenges of finance and control in South Sudan. The audit firm should have a good local experience with NNGOs funded by Save the Children. The lead Auditor MUST have experience in working in South Sudan and understands the context. ERDI financial statements are prepared in accordance with the international Financial Reporting Standards and South Sudan Laws. The accounts are required to be audited by an external audit firm.

ERDI intends to engage an independent an External Auditor to audit financial statements for the period **1st December, 2023 to 31st May, 2024.**

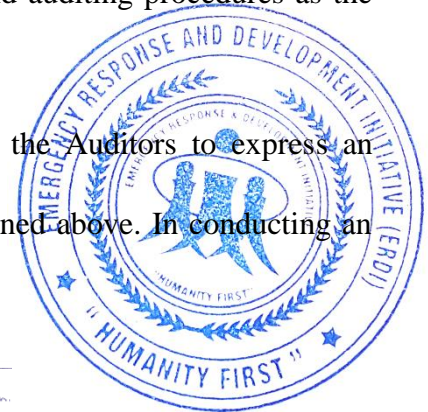
2. Auditing Standards

The financial audit shall be conducted in accordance with International standards on Auditing (ISA). In addition, any relevant local standards related to financial audits need to be taken into consideration by the Auditor. The audit shall include such tests and auditing procedures as the Auditor considers necessary for the assignment.

3. Objectives and Scope of the Audit

ERDI objective of the audit of financial statements is to enable the Auditors to express an independent professional opinion on the financial position of ERDI.

The audit shall be carried out in accordance with standards mentioned above. In conducting an audit, special attention should be given to the following: -



- a. Verify all funds have been used in accordance with the signed MoU with Save the Children and only for the purposes for which the funds were provided.
- b. Goods, works and services financed have been procured in accordance with ERDI established rules and procedures.
- c. Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented.
- d. The financial statements have been prepared by ERDI management in accordance with applicable accounting standards and give a true and fair view of the financial position of ERDI and of its receipts and expenditures for the period ended on the date stated above.
- e. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
- f. Express an opinion as to reasonableness of the financial statements in all material respects.
- g. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
- h. Conduct entry and exit meeting with ERDI Executive Director and Finance Manager.
- i. In addition to the audit report, the Auditors will prepare a Management Letter on the following: -
 - ✓ Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - ✓ Identify specific deficiencies and areas of weaknesses in the systems and controls and make recommendations for improvement.
 - ✓ Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of ERDI.
 - ✓ Bring to the ERDI Executive Director's attention any other matters that the auditors consider vital.

4. Deliverables and Timeline

Upon completion of the audit work, the Auditor shall issue an opinion on the financial statements prepared by management and a management letter.

The audit will be completed and audited financial statements should be signed by **31st May, 2024**.

5. Qualifications of the Audit Firm

The audit firm must meet the following minimum requirements to be considered by ERDI: -

- a) A brief profile of not more than 2 pages
- b) Valid certificate of incorporation
- c) Valid certificate from chamber of commerce
- d) Valid operational certificate
- e) Valid tax registration certificate
- f) Valid tax clearance certificate
- g) Registered Accountant with good record
- h) Must be Certified Public Accountant / Chartered Accountant
- i) Provide CVs and copies of certifications of key personnel to conduct an audit
- j) Must have been in practice for at least 5 years.
- k) Audit Approach: An outline of your audit strategy, including how you approach auditing key risks and where you would focus your substantive testing. Please highlight how your experience of dealing with NNGOs funded by Save the Children will impact on the audit



approach. As part of the overall approach, highlight how the firm will ensure that timelines are met.

- l) **Separate Fee Proposal:** Fee proposal, including: the fees breakdown; basis for future increase; the cost of specialist advice; the mechanism for resolving fees in the event of an audit over-run; the level of advice and advisory services which we can expect without additional charge. ERDI would like to see a focus on reducing the overall cost of external audit services to ERDI while at the same time maintaining value. The fee proposal should be submitted separately.
- m) The firm should have strong knowledge and experience in donor account auditing. The Lead Consultant should be an international qualified Accountant (CPA, ACCA or its equivalent) with experience in donor accounting and financial management.
- n) Identify the Audit Firm's contact person, phone number, email address and office location.

6. Letter of Engagement

A formal letter of engagement specifying the detailed scope of the Audit shall be prepared and signed between ERDI and the Auditor prior to the commencement of the Audit. The letter of engagement will spell out the terms and conditions, the fees and responsibilities of the parties.

7. Evaluation Criteria

The proposal will be evaluated according to the percentage and pricing: -

S/N	Evaluation Area	Score (%)
1.	Quality of Auditors to be engaged	25
2.	Technical competency and experience in the humanitarian sector	10
3.	Overall Audit approach (management of the audit given limited time)	10
4.	Experience auditing NNGOs funded by INGOs	25
5.	Added Value	10
6.	Fees	20
Total		100

8. Delivery of the Tender

Interested qualified Audit Firms should submit one electronic copy of the proposal via e-mail to the following electronic address: **finance.erdisouthsudan@gmail.com**. Proposals submissions must be delivered no later than 5:00 PM, South Sudan Local time on **17th May, 2024**. Under what circumstances will any submission be accepted after this time.

The Tender should be addressed to:

The Finance Manager,
Emergency Response and Development Initiative (ERDI).

Office Location: Munuki Block 5A Residential Area behind Trinity Energy Off Bilpam Road just after Continental Supplies for hand delivery.

For any queries and more information to this invitation for proposal, please contact on +211915989591 / +211 (0) 922 483 278.

