TERMS OF REFERENCE (TOR)
FOR COALITION FOR HUMANITY INSTITUTIONAL AUDIT FY 2026

Introduction.

Coalition for Humanity (CH) is a humanitarian and development Organisation implementing humanitarian and development/resilience projects in South Sudan. CH has its headquarters in Juba, with a presence in Upper Nile, Unity and Central Equatoria States, and our ultimate goal is to reach people across the entire country. We focus on Food Security and Livelihoods (FSL), Water, Sanitation and Hygiene (WASH), Gender Based Violence (GBV), General Protection (GP), health and nutrition. CH has experience in integrating projects, forming a nexus across sectors to leverage resources. We consider Protection/GBV, Housing, land and property rights (HLP), peacebuilding and conflict transformation as cross-cutting issues, and we have successfully integrated these in WASH, FSL, Non-food items, Health and Nutrition. CH is committed to working with communities to build their resilience and to nurture the capacity of local people in delivering holistic and context-specific responses.

1. **The Purpose of the TOR.**

The purpose of these Terms of Reference (ToR) is to define the basis for engaging auditors for the institutional audit of Coalition for Humanity (CH) for the financial year ending 31st December 2026. It outlines the scope, objectives, and auditors' responsibilities in ensuring compliance with international auditing standards and regulatory requirements. The audit will enhance financial transparency, assess internal controls, and provide recommendations for improvement. Additionally, it ensures effective communication between auditors and CH's management, leading to timely reporting and well-structured deliverables, including audited financial statements and an audit opinion.

Qualified audit firms are invited to submit proposals to conduct the **institutional audit** for the financial year ending 31st December 2026**.** This document outlines the Terms of Reference (TOR) for the audit**.**

2. **Objectives of the Audit**

The objective of the audit for Coalition for Humanity (CH) South Sudan is to provide an independent opinion on whether the financial reports are prepared, in all material respects, in accordance with the applicable financial reporting framework. The auditor's opinion will determine whether the financial statements present a true and fair view or fairly reflect the financial position, performance, and cash flows of the organization. This assessment ensures compliance with relevant accounting standards, enhances financial transparency, and strengthens accountability within CH.

3. **Audit Methodology**

The audit will be conducted in accordance with International Standards of Auditing-ISA ensuring a thorough and objective assessment of Coalition for Humanity's financial statements. The auditor will design the audit procedures based on their own risk assessment. As a minimum, these are expected to include:

1. Inspection of Original Support Documentation – Reviewing financial records, receipts, invoices, and other supporting documents to verify accuracy and compliance.
2. Inspection of Inventory and Physical Assets – Examining inventory records and conducting physical verification of assets to confirm their existence and valuation.
3. Inspection of Computer Systems (Where Necessary) – Assessing the integrity, security, and reliability of financial data stored in digital systems to ensure compliance with financial reporting standards.

These procedures will provide a comprehensive evaluation of CH's financial position, internal controls, and overall financial management practices.

4. **Expectations and Output**

The audit aims to provide an independent and objective opinion on the truth and fairness of Coalition for Humanity's financial statements. As a key output, the auditors will issue a management letter highlighting areas for improvement in financial processes and internal controls, supporting CH in enhancing operational efficiency. Additionally, the audit report will assist in fulfilling tax obligations by ensuring compliance with relevant taxation legislation.

The audit is expected to be conducted in line with International Standards on Auditing (ISAs) and the applicable laws and regulations of the Republic of South Sudan, including the Non-Governmental Organizations Act, 2016.

5. **Key expectations include**:

1. Conducting the audit in adherence to the highest professional standards, including testing transactions and verifying the existence, ownership, and valuation of assets and liabilities.
2. Evaluating the adequacy of the accounting system as a foundation for preparing financial reports.
3. Providing a final audit report stating the auditor's opinion on whether the financial statements give a true and fair view of the organization's financial position, income, and resource allocation.
4. Upholding fundamental principles essential for prospective auditors:

    - Credibility – Ensuring transparency and trustworthiness.
    - Professionalism – Adhering to ethical and technical standards.
    - Independence – Maintaining objectivity and impartiality.
    - Quality of Service – Delivering accurate and reliable audit insights.
    - Confidence – Providing assurance to stakeholders regarding financial integrity.



5. **Audit Approach (to be described in the proposal)**

Your technical proposal should clearly outline the methodology and approach used to ensure a thorough and effective audit. Specifically, it should detail how you:

- Determine audit strategy and undertake audit planning **–** Explain how you assess risks, define objectives, and structure the audit timeline.
- Address matters of audit scope and materiality – Describe the criteria for determining materiality and ensuring a comprehensive review of financial statements.
- Identify and respond to critical audit issues – Outline your approach to detecting key risk areas and resolving significant financial concerns.
- Control and coordinate the audit process – Explain how you manage the audit workflow, team collaboration, and communication with Coalition for Humanity.
- Ensure appropriate responsibility for audit decisions – Detail the decision-making process, including partner and manager oversight.
- Conduct the reporting arrangements **–** Specify the format, timing, and content of audit reports and management letters.
- Approach the first year of the audit – If this is your first engagement, describe how you will familiarize yourself with Coalition for Humanity's operations, financial systems, and internal controls.

6. **Audit Scope**

The audit will encompass a comprehensive review of legal, financial, and management aspects to ensure compliance, accuracy, and efficiency in Coalition for Humanity's operations. The key areas of focus include:

7. **Legal & Organizational Aspects**

- Legal status of Coalition for Humanity South Sudan and adherence to constitutional and legal requirements.
- Governance and decision-making structures, including Board oversight and delegated authority limits.
- Compliance with taxation laws and employment regulations, including termination benefits and payroll deductions

8. **Accounting System**

- Evaluation of bookkeeping practices, supporting documentation, and adherence to financial regulations.
- Examination of key financial components, including:
    - Income and Expenditure Account
    - Balance Sheet
    - Bank Accounts (usage and reconciliation of bank & cash balances)
    - Debtors and Creditors
    - Stock (In-Kind Donation**s)**
    - Fixed Assets Register (additions and disposals during the accounting period)

- Donor grants – income and expenditure by donor and project, compliance with grant agreements, and identification of any ineligible or unsupported costs.
- Procurement, payroll, staff advances, cash transfers and foreign exchange transactions.
- Follow-up on the implementation of prior-year audit recommendations.
- Going concern and related-party transactions.

9. **Management & Internal Controls**

- Assessment of internal controls, including bank signatory arrangements.
- Efficiency and cost-effectiveness **in** resource utilization.
- Compliance with Coalition for Humanity's Financial Guidelines, procurement policy and other approved policies.
- Verification of staff benefits and entitlements as per employment contracts.
- Field Offices visits-the audit will cover the Juba head office and the field offices in various locations

10. **Audit Reporting**

- A Management Letter setting out, for each finding, the observation, risk rating, implication, recommendation and management's response.
- An Independent Auditor's Report expressing an opinion on the financial statements.
- Open and proactive communication between auditors and Coalition for Humanity's Head of Finance, Head of Operations, Head of Programmes, and Executive Director to ensure transparency throughout the audit process.

11. **Reporting & Submission**

Upon completion, the Audited Financial Statements and Management Letter should be submitted promptly to:

Executive Director
Coalition for Humanity
Plot 1784, Block IV
Off Gudele Road, along 7 Eleven road near Big Ben Pri/Secondary school, Juba, South Sudan

Additionally, two copies should be provided to the Head of Finance and Head of Programs, with findings discussed both during and after the audit to ensure clarity and alignment of key recommendations.

12. **Requirements for Proposals from Auditors**

Audit firms submitting proposals must outline their **understanding** of the audit scope, methodology, resource requirements, and proposed professional fees. Proposals will be evaluated against the following criteria: Technical Competency

- Auditors must demonstrate expertise in charitable and NGO financial activities**,** including:
    - Taxation & Payroll
    - NGO accounting and financial reporting, including donor reporting requirements
    - Risk Management
    - Ability to provide specialist financial advice relevant to the NGO sector.

13. **Independence and Ethics**

- Auditors must confirm in writing their independence from Coalition for Humanity, its Board and management, and their compliance with the IESBA Code of Ethics.
- Understanding of the organization's humanitarian focus and commitment to ethical financial practices.
- The auditor will be required to sign CH PSEA code of conduct, anti-fraud and corruption policies

14. **NGO Sector Experience**

- Proven experience auditing national and international NGOs in South Sudan, evidenced by at least three NGO client references.
- Audit team should include sector specialists who understand NGO-specific challenges and compliance requirements.
- The firm must be legally registered and licensed to practice in South Sudan, and must attach its certificate of registration, practicing license, tax clearance certificate and evidence of membership of a recognized professional accountancy body.

15. **Value for Money**

- Auditors must offer a proactive and **collaborative** approach, contributing insights beyond statutory compliance.
- Services should **be** cost-effective**,** maintaining a balance between competitive pricing and high-quality professional service**.**
- Transparent pricing with a clear breakdown of costs and a focus on overall value rather than just cost minimization.

Proposals should emphasize the auditor's ability to enhance financial oversight, risk management, and regulatory compliance while adding strategic value to Coalition for Humanity.

16. **Fees**

Your proposal should provide a clear breakdown of audit fees and the basis for cost estimation. This should include:

- Separate estimates of total audit fees for financial reporting and any additional services.

- Analysis of hours by staff grade – Provide a detailed breakdown of estimated hours per staff level (partner, manager, senior auditor, etc.) and their respective hourly charge rates.
- Basis of charging expenses – Clarify how expenses (e.g., travel, administrative costs) will be calculated and billed.
- Proposed billing schedule – Outline when and how invoices will be issued throughout the audit process.
- Fee structure for future audits – Indicate how fees will be reviewed and agreed upon in subsequent years, referencing costs from the 2026 audit for benchmarking.
- Fees must be quoted as a fixed amount in United States Dollars inclusive of all applicable taxes and reimbursements.

This ensures transparency in pricing and aligns expectations between the audit firm and Coalition for Humanity.

17. **Partner and Manager Commitment**

Coalition for Humanity expects audit proposals to include a **realistic commitment** of partner and manager time, ensuring adequate oversight and strategic input. Additionally, firms should outline how they will maintain **consistent staffing levels** throughout the audit period to ensure continuity and efficiency.

18. **Communication**

Effective communication is a key priority. Coalition for Humanity values a **collaborative, open, and transparent relationship** with its auditors. The audit firm is expected to:

- Maintain a **two-way dialogue** on matters such as accounting standard changes, audit fees, deliverables, and timelines.
- Provide **regular updates** on staffing and any relevant developments.
- Foster a **proactive and responsive** working relationship throughout the engagement.

19. **Risk-Based Approach**

Coalition for Humanity recognizes the importance of a **risk-based audit approach** and expects the appointed auditors to:

- Identify and focus on **high-risk areas** while ensuring comprehensive financial oversight.
- Have a **broad understanding of risk**, including **operational, regulatory, and organizational risks**, beyond just financial risks.
- Leverage their **experience and contextual understanding** to provide meaningful insights and recommendations.

The Audit firm should demonstrate their ability to **go beyond compliance** and add strategic value to the organization's financial governance.



20. Financial Year and Audit Timetable

Below are key dates in the accounting year for the preparation of accounts and audit reporting, we anticipate a similar pattern to each year in the future?

Financial year	1st January to 31st December 2026
Draft accounts available for audit	26th February, 2027
Timing of the start of desk review	1st March to 5th March 2027
Timing of the audit Field Visit	8th March to 18th March 2027
Management Responses and Clearance of Audit Queries	20th March to 25th March 2027
Sign off to Accounts by Auditors and CH	31st March, 2027
Expectation of renewal	Upon satisfactory performance

21. Staffing

The partner and Manager who will be assigned to the audit, including details of their relevant experience and qualifications shall be shared in advance and agreed upon by CH. The partner and manager so identified will devote their time to the audit in line with the timetable in Section 14. Any change in key personnel will require CH's prior written approval.

Your proposal should also contain details of other additional relevant services that your firm would propose providing but are not a necessary and integral part of the institutional audit, and where appropriate include these in the additional service section of the year's fee schedule. Any such services must be compatible with the auditor's independence requirements and will be contracted separately.

22. Responsibilities of Management

CH's management is responsible for preparing the financial statements, maintaining adequate accounting records and internal controls, and giving the auditors unrestricted access to all records, documents, premises and staff. Management will provide a signed letter of representation before the audit report is issued.

23. Independence, Confidentiality and Reporting of Irregularities

The audit firm must submit a signed declaration of independence and disclose any actual or potential conflict of interest. All information obtained during the audit shall be treated as confidential. Any suspected fraud, corruption or other serious irregularity identified during the audit shall be reported promptly and directly to the Chairperson of the Board. While on CH premises, the auditors shall adhere to CH's Code of Conduct, anti-fraud policy and safeguarding policy.

24. Contract Duration

The appointment will be for the audit of the financial year ended 31st December 2026, renewable annually for up to [three] years in total, subject to satisfactory performance and Board approval.

25. Submission and Evaluation of Proposals

Technical and financial proposals should be submitted as separate documents to tenders@ch-int.org

Copying: Vincent.odipo@ch-int.org richard.teny@ch-int.org, jimmy.shillaho@ch-int.org, viola.brenda@ch-int.org not later than December 05th, 2026.

Proposals should remain valid for **[90]** days