

TERMS OF REFERENCE (SCOPE OF WORK)

FOR EXTERNAL FINANCIAL AUDIT SERVICES

I. BACKGROUND

The Radio Community (TRC) is a South Sudanese non-governmental organization, registered in 2015 under South Sudan laws. The Radio Community manages a network of four community-based radio stations across South Sudan with its HQ based in Juba that support the operations in areas of engineering, HR, editorial, and management. Its mission is sustainable radio stations that inform, educate, and entertain. The Radio Community operates as an independent media organization managing the network of four community-based local language radio stations with a commitment to public service broadcasting. The organization's vision is a country where people can make informed decisions about their lives. And our values accuracy, fairness, and independence.

The Radio Community is one of the Internews sub-grantee **SG-R-SS1301-106**, under prime **USAID Cooperative Agreement AID-668-A-13-00005**, Strengthening Free and Independent Media in South Sudan (**i-STREAM**), for the period under audit, running from **1st October 2019 to 30th September 2020**.

II. TITLE

Audit of the Financial Statements of USAID Resources Managed by The Radio Community under the **Internews Sub-grant SG-R-SS1301-106, under prime USAID Cooperative Agreement AID-668-A-13-00005**, Strengthening Free and Independent Media in South Sudan, **i-STREAM** (balance sheet, income statement, and cash flow statement) for the period from **1st October 2019 to 30th September 2020**.



III. OBJECTIVES

The objective of this engagement is to conduct a financial audit of the USAID-funded resources managed by The Radio Community under the **Internews Sub-grant SG-R-SS1301-106**. Under prime **USAID Cooperative Agreement AID-668-A-13-00005**, Strengthening Free and Independent Media in South Sudan (i-STREAM) for the period running from **1st October 2019** to **30th September 2020** under U.S. Government Auditing Standards and the USAID "Guidelines for Financial Audits Contracted by Foreign Recipients (Guidelines)." These audit guidelines are available in the links below:

- 1) <https://www.usaid.gov/sites/default/files/documents/1868/591maa.pdf>
- 2) http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

The financial audit shall include:

- I. A specific audit of The Radio Community USAID-funded i-STREAM project/program
- II. Preparation of Fund Accountability Statement.

The fund accountability statement is the basic financial statement to be audited that presents The Radio Community revenues, costs incurred, cash balance of funds provided by USAID under i-STREAM. The auditors must examine the fund accountability statement for USAID programs, including the budgeted amounts by category and major items; the revenues received from USAID for the period covered by the audit; the costs reported by The Radio Community as incurred during that period. The revenues received from USAID less the costs incurred, after considering any reconciling items, must reconcile with the balance of cash-on-hand or in bank accounts.

The auditors may prepare or assist The Radio Community in making the fund accountability statement from the books and records and where The Radio Community accepts responsibility for the statement's accuracy before the audit commences.

The fund accountability statement should be expressed in U.S. dollars. The fund accountability statement should be reconciled to the USAID funds included in the general-purpose financial statements by a note to the financial statements or the fund accountability statement. All currency amounts in the fund accountability statement, cost-sharing schedule, and the report findings, if any,



must be stated in U.S. dollars. The auditors should indicate the exchange rate(s) used in the notes to the fund accountability statement.

A financial audit of the funds provided by USAID under the i-STREAM program must be performed under U.S. Government Auditing Standards and accordingly include such tests of the accounting records as deemed necessary under the circumstances. The specific objectives of the audit of the USAID funds are to:

- Express an opinion on whether the fund accountability statement for the USAID-funded programs presents fairly, in all material respects, revenues received, costs incurred for the period audited in conformity with the terms of the agreements and generally accepted accounting principles or other comprehensive bases of accounting (including the cash receipts and disbursements basis and modifications of the cash basis).
- Evaluate The Radio Community internal control related to the USAID-funded programs, assess control risk, and identify significant deficiencies, including material weaknesses. This evaluation should include the internal control related to required cost-sharing contributions.
- Perform tests to determine whether The Radio Community complied, in all material respects, with agreement terms (including cost-share contributions, if applicable) and applicable laws and regulations related to USAID-funded programs. All material instances of noncompliance and all illegal acts that have occurred or are likely to have occurred should be identified. Such tests should include the compliance requirements related to required cost-sharing contributions, if applicable.
- Determine if The Radio Community has taken adequate corrective action on prior audit report recommendations.

The audit must be performed in accordance with generally accepted auditing standards of the American Institute of Certified Public Accountants (AICPA). Auditing standards that have been prescribed by the laws of South Sudan or adopted by an association of public accountants in South Sudan, or auditing standards promulgated by the International Organization of Supreme Audit Institutions or International Auditing Practices Committee of the International Federation of Accountants. The objective of this audit is to express an opinion on whether those statements present fairly, in all material respects, the



financial position of The Radio Community in the period under audit and the results of its operations and cash flow for the year then ended, in conformity with generally accepted accounting principles.

The selected firm is expected to conduct an audit The Radio Community financial statements in accordance with International Standards on Auditing and express an audit opinion on the financial statements. At the end of the assignment, the auditor should:

- 1) Express an opinion on whether the financial statements give an accurate and fair view of the state of The Radio Community affairs as of 30 September 2020 and the incoming resources and application of resources, including income and expenditure and cash flows, for the year then ended.
- 2) Confirm whether the financial statements have been properly prepared in accordance with Generally Accepted Accounting Practices.
- 3) Prepare a financial statement, balance sheet, cash flow statements and fund accountability statement for a nonprofit organization
- 4) Prepare a Management Letter presenting the auditors' findings and recommendations on the internal controls, procurement, assets and inventory management, operations and logistics, human resources, and accounting matters, including control weaknesses identified in the course of the audit.

IV. EVALUATION OF PROPOSAL (TECHNICAL AND FINANCIAL) SHALL BE BASED ON THE FOLLOWING CRITERIA:

Evaluation Criteria	% Weighting
1. Understanding the Terms of Reference and general audit approach.	15 %
2. Track record of the bidder/audit firm in conducting similar audits for nonprofit organizations.	35 %
3. Quality/qualification of the bidder/audit firm or its key personnel on this assignment.	30 %
4. Cost (in USD).	20 %
Total Weighting	100 %



V. TIMELINE OF THE AUDIT

- Submission of auditor's firm's proposal application not later **Thursday 31st December 2020**.
- Audit engagement confirming acceptance of Scope of Work by **Monday, 11th January 2021**.
- Submission of the list of audit requirements for TRC to prepare before the commencement of the onsite audit sent by no later than **Monday, 18th JAN 2021** to **The Radio Community CEO** cmarol@theradiocommunity.org
- Onsite audit to commence on **Monday, 25th January 2021** to **Friday, 29th January 2021**. The first audit draft report submitted The Radio Community by no later than **Friday, 5th February 2021**.
- Submission of the management letter and in-person audit report briefing by no later than **Friday, 12th February 2021**.
- Following the in-person audit report briefing, the management of **TRC will have up to 5 business days** to respond with any comments for auditor consideration. The audit firm will then have **1-3 business days** to make any final edits/revisions and submit the final audit report not later than **February 25th, 2021**, to The Radio Community CEO Chris Marol, cmarol@theradiocommunity.org



Primary contact:

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