

TERMS OF REFERENCE FOR THE PROCUREMENT OF EXTERNAL AUDIT SERVICE FOR THE PERIOD 2018

1. Introduction

MIET AFRICA was established as a non-profit education organization in 1996. Initially rooted in the province of KwaZulu-Natal in South Africa, over the years the organization's work has expanded to other provinces, into the Southern African Development Community (SADC) and further into Africa. MIET AFRICA's main focus is on supporting education development, as well as health and socioeconomic development where they impact on education. As an African NGO the organization is well placed to address the numerous challenges faced by vulnerable children and youth in the SADC Region. In this regard it has pioneered many models and programmes, and its influence extends across Africa and beyond.

SC Sweden Partner audits are required for all sub awards if:

- the amount spent by the partner on the sub award is more than SEK 284,000 during 2018
- or the award ends during 2018 and the total spend over the life of the award exceeds SEK 284,000.
An audit of the total amount shown in the final financial report from the partner should be carried out at the end of the sub award agreement.

In 2018, MIET AFRICA received a grant of R1 178 188 from **Save the Children International ESARO**. The actual amount spent was R1 147 355.

MIET AFRICA wishes to engage the services of an audit firm for the purpose of auditing the FoRCESA - Frontiers of Resistance – Championing Children's Rights across ESA Project, as stipulated in the agreement between MIET AFRICA and Save the Children International (SCI). The audit shall be carried out in accordance with International Auditing Standards and an opinion given according to IAS 806.

2. Scope of the Audit

The objective is to audit the financial report for the period 1st January 2018 to 31st December 2018 as submitted to SCI and to express an audit opinion according to ISA 800/805 on whether the financial report of the FoRCESA Project is in accordance with SCI instruction for financial reporting as stipulated in the agreement between SCI and MIET AFRICA.

3. Reporting

The scope of the audit shall be stated in the report and the methodology used shall be presented.

All audits are to be performed by a qualified, independent and external auditor. An agreement must be signed by a qualified and external auditor who is registered with an appropriate body of auditors and accountants.



4. **Audit Deliverables**

The qualified auditor shall issue an **audit certificate** in respect of reviewing the implementation of the agreement. The purpose of the audit certificate is to verify and recommend approval of the financial report. The audit certificate shall contain the following:

- An opinion according to ISA 805 whether the submitted financial report is in accordance with the accounting records
- A reference to the reports that the audit certificate refers to (copies of which is to be included in deliverables)
- A statement that the audit has been performed in accordance with International Standards on Auditing (ISA) and in accordance with these special instructions
- A statement whether the report has been drawn up in accordance with the agreement
- a statement on whether the auditor proposes that the report be approved or not

The qualified auditor shall issue a **management letter/audit memorandum**. The purpose of the management letter/audit memorandum is to review the internal control. The management letter/audit memorandum shall contain the following:

- The content and scope of the audit
- Significant observations on the activity covered by the report
- Measures taken as a result of previous audits and whether the measures have been adequate to deal with the reported shortcomings

Requirements for the audited organisation

- The organisation shall produce a **management response including an action plan** to be submitted to the Save the Children International.

5. **Timeline**

A draft report to be submitted to MIET AFRICA by 25th February 2019 for MIET AFRICA to respond by 28th February 2019. The signed reports needs to be submitted to SCI by the latest 15th March 2019.

6. **Quotes**

Please submit your quote for this procurement to Marion Cramer Chief Financial Officer on marion@miet.co.za to reach us no later than 06 February 2019.