**TERMS OF REFERENCE FOR THE ENGAGEMENT OF AN EXTERNAL AUDITOR**

**Livingstonia Synod AIDS Programme**

**(LISAP)**

1. **INTRODUCTION**

Livingstonia Synod AIDS Programme LISAP was established in 1994 to develop the response of the church to HIV&AIDS to go beyond its 3 hospitals to reach the whole catchment area of the Church. Since then, the department has gained vast experience in working with communities to develop holistic programmes to address issues of HIV&AIDS.

LISAP cherishes Eliminate new HIV infections and ensure healthy lives for people impacted by HIV and other health-related issues. This is done through empowerment of communities to use their full potential to identify their challenges and to implement solutions.

LISAP wishes to appoint an external auditor for a three year Contract – renewable annually from 2019 to 2021. The firm will conduct annual statutory audit in line with the International Accounting Standards (IAS) and the Malawian statutory requirements.

1. **OBJECTIVE OF THE AUDIT**

Audit the Financial statements for the Department annually for the financial year(s) running from period “1st January – 31st December 2018, 19 and 20”.

1. **SPECIFIC TASKS/SCOPE OF THE AUDIT**
   1. The programme subject to this audit includes the activities of LISAP during the year ended on 31st December 2018, 2019 & 2020. The subject of the audit is the statement of income and expenditure and related financial operations in connection with the LISAP activities for the period from 1st January – 31st December.
   2. The audit shall be carried out by an external, independent and qualified auditor in accordance with international standards issued by the International Federation of Accountants (IFAC).
   3. The auditor shall examine on a test basis that there is supporting documentation related to reported expenditure. The size of the test shall be based on the auditor’s risk analysis and that should be stated in the report. The auditor shall report the identified amount in case there is any missing supporting documentation.
   4. Conduct a review and evaluation of the systems of internal accounting control.
   5. Audit the financial statements of LISAP for the year ended 31 December.
   6. Examine, assess and report on compliance with the terms and conditions of the various financing agreements and applicable laws and regulations regarding accounting and taxes.
   7. Produce the annual audited financial statement – both consolidated and individual projects accounts - for the year ended 31 December together with the Management Letter by 31st March for the following year.
   8. Tasks as agreed and specified in detail in the letter of engagement that will authorise audit procedures.
   9. Express an opinion whether the submitted Annual financial Reports to the various donors are correct and give a true and fair view of the activities of the programme and whether the execution has complied with the rules and conditions governing the use of funds as expressed or referred to the in the various agreements.
   10. The audit should verify the findings and recommendations of previous audits have been adequately addressed.
2. **SECTION FOUR –RESPONSIBILITIES OF LISAP**
   1. LISAP shall provide the auditors the statements of receipts and expenditure relating to the programme and make adequate disclosure of all material aspects concerning the programme by 15th February each year.
   2. LISAP shall produce a management response to the observations and recommendations made by the auditors.
3. **EXPECTED RESULTS**
   1. **Audit Report**

5.1.1 This includes the audited financial statement and auditor’s opinion on the same as to whether the financial statements are presented fairly, in all material respects, in accordance with internationally accepted audit standards (IAS) of Generally Accepted Accounting Practice (GAAP).

5.1.2 The audit report should contain the main statement where the auditor clearly states the extent of the audit.

**5.2** **Management letter**

5.2.1 The auditor is expected to issue a management letter detailing main observations and recommendations arising from the audit. The management letter shall contain the audit findings made during the audit process, measures that have been taken as a result of previous audits and whether measures taken have been adequate to deal with reported shortcomings.

5.2.2 The auditor is expected to make recommendations to address any internal control system weaknesses identified, and present such recommendations in priority.

1. **REQUIRED PROFILE OF THE AUDITOR**
   * 1. **The external auditor selected to carry out the audit engagement should be:**

6.1.2. External to CCAP Synod of Livingstonia, LISAP in particular.

6.1.3. Legally registered with the Independent Regulatory Board for Auditors.

6.1.4 Experienced in auditing non-governmental organisations funded from a diverse of donors.

6.1.5 Able to meet deadlines in producing the audited financial statements as per audit engagement letter.

1. **TIME FRAME / DEADLINES**
   1. Commencement of audit assignment on or before 15th February.
   2. Draft report ready for presentation to the Management and Board by 15th March.
   3. The audit final report should be completed by 31st March.
2. **TENDER SUBMISSION**
   1. Please submit a detailed proposal detailing the following:

* Auditor’s confirmation of the requirements of the Terms of Reference
* Methodology for undertaking the Assignment
* Proof of registration with the Independent Regulatory Board for Auditors
* Summary of the Firm’s relevant experience
* Audit team members and their profile
* Estimated quotation for the overall cost of undertaking the audit. – HINT, LISAP has a projected income of MK660 million in the year 2018

All submissions and enquiries should be directed to: The IPC Chairperson, LISAP, P. O. Box 279, Ekwendeni. or by email to [info@lisap.org.mw](mailto:info@lisap.org.mw)