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EISA seeks bids for a project financial audit of one of its projects, funded by the Swedish International Development Agency (SIDA). The average expenditure for the period under review is expected to reach R15 000 000.

The bids must contain as much information as possible about the company, such as its directors, years of experience in executing similar tasks and the fees for the services. The successful company will be contacted by e-mail for finalisation of the contract. Included below are the Terms of reference for the task.

**Bids must be sent by e-mail to [drake@eisa.org](mailto:drake@eisa.org) by 16:30 on 20 December 2024 (SAST).**

## **TERMS OF REFERENCE FOR AN ANNUAL FINANCIAL AUDIT FOR EISA's "AFRICAN DEMOCRACY STRENGTHENING PROGRAMME – PHASE V", Sida CONTRIBUTION NUMBER 16118, FOR THE PERIOD 1 JANUARY 2024 TO 31 DECEMBER 2024.**

### **Introduction**

EISA is a non-partisan international non-governmental organisation which was established in 1996. Its core business is to provide technical assistance for capacity building of electoral management bodies, political parties, parliaments, relevant government departments and civil society organisations operating in the democracy and governance fields throughout the African continent. EISA envisions an African continent where democratic governance, human rights and citizen participation are upheld in a peaceful environment. EISA strives for excellence in the promotion of credible elections, citizen participation, and the strengthening of political institutions for sustainable democracy in Africa.

Headquartered in Johannesburg (South Africa), EISA's current and past field offices include Angola, Burundi, Chad, Central African Republic, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Gabon, Kenya, Madagascar, Mozambique, Niger, Somalia, Sudan, Tanzania, Zambia and Zimbabwe, a reflection of its broader geographical mandate.

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Board of Directors: Dr Roukaya Kasenally (Chairperson) (Mauritius),  
Dr Tadjoudine Ali-Diabacté (Togo), Mr Linford Andrews (South Africa), Ms Martha Chizuma (Malawi),  
Mr Denis Kadima (DRC), Ms Charlotte Osei (Ghana), Mr Baïdessou Soukolgué (Executive Director) (Chad)

EISA wishes to engage the services of an audit firm for the purpose of auditing the Africa Democracy Strengthening Programme (ADS) – Phase V 2023-2025, as stipulated in the agreement between EISA and Sida. The audit shall be carried out in accordance with international audit standards issued by IAASB<sup>1</sup>. In addition, an assignment according to International Standards on Related Services (ISRS) 4400 shall be carried out. The audit and the additional assignment shall be carried out by an external, independent and qualified auditor.

## **I. Objectives and scope of the audit**

The objective is to audit the financial report for the period from 2023-01-01 to 2023-12-31 as submitted to Sida and to express an audit opinion according to ISA, applying ISA 800/ISA 805, on whether the financial report of “Africa Democracy Strengthening Programme (ADS) – Phase V” is in accordance with the EISA’s accounting records and Sida’s requirements for financial reporting as stipulated in the agreement between Sida and EISA.

## **II. Additional assignment; according to agreed upon procedures ISRS 4400, review the following areas in accordance with the Terms of reference below**

Mandatory assignments that must be included:

1. Observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget.
2. Observe and inspect whether the financial report provides information regarding:
  - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.
  - b) When applicable, compare if the opening fund balance for the reporting period matches with what was stated as the closing fund balance in the previous reporting period.
  - c) A disclosure of exchange gains/ losses. Inquire and confirm whether the disclosure includes the entire chain of currency exchange from Sida’s disbursement to the handling of the project/ programme within the organisation in local currency/ies, if applicable.
  - d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
  - e) Amount of funds that have been forwarded to implementing partners, when applicable.
3. a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/ programme.

*Choose a sample of three individuals for three different months and:*

- b) Inquire and inspect whether there are supporting documentation for debited salary costs.
  - c) Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.
  - d) Inspect whether EISA complies with applicable tax legislation with regard to personal income taxes (PAYE) and social security fees.
4. a) Inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/ or bank account.

### **III. The reporting**

The reporting shall be signed by the responsible auditor (not just the audit firm) and shall include the title of the responsible auditor.

#### *Reporting from the ISA assignment*

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated. The financial report that has been the subject of the audit shall be attached to the audit report.

The reporting shall also include a Management letter that discloses all audit findings, as well as weaknesses identified during the audit process. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order and with a risk classification.

Measures taken by EISA to address weaknesses identified in previous audits shall also be presented in the Management Letter. If the previous audit did not have any findings or weaknesses to be followed-up on, a clarification of this must be disclosed in the audit reporting.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

#### *Reporting from the ISRS 4400 assignment*

The additional assignment according to agreed upon procedures ISRS 4400 under section II, shall be reported separately in a "Agreed-upon procedures report". Performed procedures should be described and the findings should be reported in accordance with the requirements in the International Standard on Related Services 4400.

When applicable, the sample size shall be stated in the report.