



REQUEST FOR PROPOSAL – SASSCAL FINANCIAL & COMPLIANCE AUDIT

Ref: RFP-SASSCAL-2020

Title: Financial & Compliance Audit services for SASSCAL

Date of the RFQ: 6th October 2020

Closing Date: 2nd November 2020

Audit Firm

Language: English

BACKGROUND

The Southern African Science Service Centre for Climate Change and Adaptive Land Management (SASSCAL) has been established by five Southern African countries: Angola, Botswana, Namibia, South Africa and Zambia with financial support from the Federal Ministry of Education and Research. SASSCAL'S Mission is to strengthen the Regional capacity to generate and use scientific knowledge products and services for decision making in climate change and adaptive land management, through Research Management, Human Capital Development and Services Provision. The organization is registered as a non-profit with the Registrar of Companies in Namibia. SASSCAL is funded by the Member States, the German Partner and other donors and seeks an audit firm to perform the annual audit as required under section 21 of the Companies Act of Namibia.

A. OBJECTIVES OF THE ASSIGNMENT

The objective of the assignment is to permit the auditor to express an opinion on the annual financial statements and to perform an expenditure compliance verification.

These expenditures have been made under the financial positions of BMBF funding, Member State contributions and other grants and income that finance the SASSCAL Initiative.

B. SCOPE OF WORK:

The audit will be in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federations of Accountants, with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and will include such tests and controls as the auditor considers necessary as well as on-site visits if also deemed necessary.

The audit expected to be conducted is a **Financial and Compliance Audit**.

The audit shall cover all three disbursement mechanisms namely BMBF funding, Member State contributions and other grants and income that finance the SASSCAL Initiative at the Regional Secretariat and in the SASSCAL member Countries, namely Angola, Botswana, Namibia, South Africa and Zambia.

While the Disposition Fund, Other Grants and the Member State Contributions shall be audited according to the "Terms of References: Audit of Disposition Fund" (**Annex D**)

A sample audit is expected as well at the level of the National Research Partners. The National Research Partners in each country will be provided.

a. The assignment will be carried out at the following locations:

- i. SASSCAL Angola office in Huambo, Angola**
- ii. SASSCAL Botswana office in Gaborone, Botswana**
- iii. SASSCAL Namibia office in Windhoek, Namibia**
- iv. SASSCAL Regional Secretariat office in Windhoek, Namibia**
- v. SASSCAL South Africa office in Pretoria, South Africa**
- vi. SASSCAL Zambia office in Lusaka, Zambia**

C: FIRM REQUIREMENTS

Minimum requirements:

- An Audit firm that is registered in any of SASSCAL Member States, have an office in Namibia and is Internationally recognized.
- A firm with the capability and resources to perform audits in Angola, Botswana, Namibia, Zambia, and South Africa consecutively
- A firm with offices in each of the member states listed above

Minimum experience required:

- Demonstratable experience in performing similar work for similar organizations
- Qualified audit team

D: Deliverable and time schedule

All deliverables should be in English and the expected primary deliverables are:

- 1. Audited Financial Statement on the cash receipts and disbursements basis of accounting per Country**
- 2. Consolidated Annual Financial Statements (Balance sheet, Income statement, Cash flow Statement)**
- 3. Audit Report**
- 4. Management Letter**

Time Schedule is as per below table

Description	Period	Due Date
1 st Compliance & Financial Audit	1 st April 2019 until 31 st December 2020	30 th June 2021
2 nd Compliance & Financial Audit	1 st January 2021 until 31 st December 2021	30 th June 2022
3 rd Compliance & Financial Audit	1 st January 2022 until 31 st December 2022	30 th June 2023

E: LEVEL OF EFFORT

It is expected that the assignment will be for three Audit periods and will not be for more than three years. Following satisfactory performance, the Audit firm will be reappointed, or a new firm will be appointed at each Annual General Meeting

F: INFORMATION REQUIRED IN THE PROPOSAL SUBMISSION

SASSCAL invites eligible, qualified, and experienced Audit Firms to send their proposals for the work in the scope above, providing the following information.

1. A Technical Proposal containing

- Critical Analysis of the Organization Objectives and Terms of Reference
- Proposed Concept and Methods
- Conceptual and methodological approach
- A working program
- A staff Schedule as well as Key staff working on the SASSCAL Audit (Detailing staff qualifications and experiences)
- Work organization
- Back up services
- Procedures for quality control Management
- Planned logistics

2. Declarations

- Declaration of Association
- Declaration on associated firms
- Declaration of undertaking

3. Financial Proposal

- Cost of Personnel
- Allowance, Accommodation and Cost of transport (lump sums)
- Production of Reports
- Miscellaneous Cost

4. Payment Costs

- Detailed Invoices in **Euro** for the three-year contractual period
- Payments will be made in the Euro and **no advance** payments will be permitted
- Payments will only be executed after the final signed Audit reports are accepted by SASSCAL Management and Board.

5. Contents of the tender

Technical Proposal Detailed Contents:

- The technical proposal shall contain:
 - a) Critical Analysis of Project Objectives and Terms of Reference (TOR)**
- The Tenderer is explicitly encouraged to present a detailed critical analysis and the Tenderer's interpretation of the TOR. This might encompass critical comments and doubts about the suitability, consistency and feasibility of individual aspects and the concept, if any. The methodology suggested must take constructive account of these.
- b) Proposed Concept and Methods**
- This section will contain:
 - Conceptual and methodological approach proposed to carry out the services. In this context, the Tenderer is explicitly encouraged not to repeat the TOR but to show the suitability of his concept regarding the TOR and his comments made on these.
 - A working programme (bar chart) clearly showing the different assignment phases as well as the main tasks planned, their duration and their interactions. The chart shall also include deadlines for submission of reports.
 - A staffing schedule (bar chart) clearly showing times and places of effective assignment for each professional. The chart shall be completed or accompanied by a table stating the precise periods of duty for each professional by places of assignment. In this table the assignment of expatriate and local staff will be treated separately. The Tenderer is encouraged to include junior staff in his team subject to available guidance within a team headed by senior professional staff and application of adequate rates. If certain tasks are not exclusively performed at site, the Tenderer must describe how the execution and co-operation between site and home office staff is assured.

- A statement of work organization and an organization chart showing the Tenderer's organization as well as the interactions with SASSCAL.
- Responsibilities within the project team must be defined.
- Envisaged back-up services for the team working on the technical and administrative questions that could arise during implementation of the assignment as well as for the controlling and monitoring of the work.
- Procedures for quality control management of services (reports, documents), including those prepared by associates, before submission to SASSCAL.
- Planned logistics and facilities for the execution of the services.
- The Tenderer is invited to comment those items of the above-mentioned fields that require additional explanation. The texts and information should be compiled and presented in a way that is related to the assignment. Tenderers shall refrain from long explanations in the style of a textbook. The presentation of diagrams, tables and graphics is preferred.

c) Key Staff

- The Tenderer shall provide a detailed description of tasks to be performed by each team member (including back-up staff for monitoring and quality assurance) as well as details on the selection and experience of the proposed members regarding their tasks.
- Furthermore, the Tenderer shall provide updated curricula vitae (CV) of the proposed key staff. Key staff should have adequate education, professional experience, and experience in the region. Unless stipulated otherwise, region includes the country and neighboring countries with similar political, socio-economic, and cultural conditions. It is particularly expected that key staff has project- and job/post-related experience and has completed similar tasks of similar magnitude and with international financing. The CV shall indicate whether the proposed staff member is part of the Tenderer's permanent personnel or not. To support transparency and for ease of evaluation the Tenderer must summarize the essential data of proposed key.

In case of ambiguities the CV prevails.

- Key staff presented in the Tenderer's proposal shall not be replaced without the prior approval of SASSCAL. The Tenderer shall only replace staff with a person of equal or better qualification.

d) Sub-contractors

- Sub-contracting of partial services or of the entire services is not permitted.

e) Declarations

- The Tenderer shall provide the following declarations issued after the date of the invitation letter:
- Declaration(s) of association duly signed by the partners and clearly specifying the type of association and the lead firm.
- Declaration on associated firms: In a duly signed declaration the Tenderer (in case of an association one separate declaration for each member) has to reveal any links with other firms and give a binding declaration that should he be awarded the contract the firms with which he is associated will not intend to take part in the project in any other form;
- Declaration of undertaking: A duly signed declaration (in case of an association by all members)

Financial Proposal

- Based on the quantities of staff and other services the Tenderer will submit a Financial Proposal. All rates will be in the currency indicated in the RFP. The Financial Proposal shall contain the following information.
- a) Cost of Personnel: for staff including salary, social charges and overhead cost, bonus, vacation and sick leave, back-up services from home office (professional, personal and administrative), cost of IT equipment, company's professional insurance, risk and profit.

- b) Allowance and accommodation: only if necessary.
- c) Cost for Transport (lump sum)
- d) Production of Reports shall be offered as lump sum item per copy of a specific report covering costs for report production (including freight and local distribution) as specified in the TOR or in the Technical Proposal.
- e) Miscellaneous cost includes all expenses that might not be covered by the above categories. These costs should be expressed as lump sum items.
- Unless otherwise stated in the RFP no other cost items except those stated above will be accepted in the Financial Proposal and considered for payment. If the Tenderer regards an important cost component not covered by the above instructions, he may ask permission to include such item. Such a request shall reach SASSCAL not later than three weeks before submission date. The result will be communicated as a circular letter to all Tenderers.
- Unless otherwise stated in the RFP all taxes must be indicated in the Financial Proposal.

G: SELECTION CRITERIA

The proposals will be evaluated based on the following criteria:

Selection Criteria	Weighting
The Technical evaluation will be made using the following criteria and maximum points	
1. Concept & Methodology	45
1.1 Clarity and completeness of the tender	5
1.2 Critical Analysis of the TOR	10
1.3 Proposed concepts and Methods	20
1.4 International Presence	5
1.5 Experience with Donor Funded Institutions	5
2. Qualifications of proposed Staff	55
2.1 Audit leader or Team leader	20
2.2 Other Key Staff to be employed on the assignment	25
2.3 Personnel in the home office who will monitor and control the team and provide back-up services	10
Total (Maximum)	100

H: PROPOSAL EVALUATION

General

- The selection of the Consulting firm for the execution of services will be made in accordance with the selection criteria in section G

Technical Proposal Evaluation

- Only the Technical Proposals will be opened on the submission date. Financial Proposals remain sealed until the technical evaluation is completed.
- The quality of each technical proposal will be evaluated on a scale of 0 to 100 points, according to the criteria given in the RFP section G, which will be examined in accordance with the requirements as indicated in the Terms of Reference.
- If there are minor omissions in relation to the TOR points will be deducted. Omissions that restrict comparison with other tenders can lead to the exclusion of the applicant. Tenders are also rejected if the declarations required have not been submitted.

Financial Proposal

- After evaluation of the Technical Proposal, the Financial Proposals of those Tenderers will be opened whose technical Proposal achieved a minimum score of 75 points.
- After correcting any arithmetical errors, the evaluation of the price quotations will be made with and without reimbursable and miscellaneous costs. Any items missing in individual offers will be added.

Final Evaluation

- For the purpose of a combined evaluation the Technical Proposal of a Tenderer will be weighted 70 % as follows:

- $PT = 70 * T/To$, with
- PT = attributed score for Technical Proposal,
- T = Tenderer's score in the technical evaluation,
- To = highest 'technical' score of all Tenderers.
- The Financial Proposal of a Tenderer will be weighted 30 % as follows:
- $PF = 30 * Co/C$, with
- PF = attributed score for the Financial Proposal (points),
- C = Tenderer's corrected price of the Financial Proposal,
- Co = lowest corrected Financial Proposal.

- The total score of the Tender is
- $P = PF + PT$.

- The Tenderer, who submitted the proposal with the highest total score, will be invited for contract negotiations. The negotiations will cover the Technical Proposal and acceptable alternatives of implementation or staffing and payment pattern, but not the unit rates and prices that were considered in assessing the price quotation. If the negotiations with the Tenderer having the highest score will not be successful, negotiations with the Tenderer placed next will be undertaken until an agreement will be reached.

Consulting Contract

- The Technical and Financial Proposals of the successful Tenderer will become part of the Contract to be concluded. SASSCAL, however, reserves the right to negotiate and adapt those parts of the Tenderer's proposal, which are considered inadequate with the requirements of the work. Fees and unit rates that were considered in evaluating the price quotation are, in principle, not subject to negotiation

- The successful Tenderer will prepare a draft contract according to the standard contract form.

The contract with the selected Tenderer will come into force upon signing by the Tenderer and SASSCAL, Tenderers that have not achieved the minimum required score will be notified in writing. Their Financial Proposals will be returned unopened.

After the winning Tenderer has been notified of the award of Contract, the remaining Tenderers will be informed in writing about the rejection of their proposals. The result of the evaluation of their proposal and of that of the winning Tenderer will be transmitted to the Tenderers.

Cancellation of Tender

The tender procedure may be cancelled, prior to awarding the Contract, without thereby incurring any liability to the Tenderers, and notwithstanding the stage in the procedures leading to the conclusion of the Contract, if

- the project has been cancelled;
- circumstances underlying the invitation to tender have changed materially;
- no Tender satisfies the criteria for the award of the Contract;
- competition was inadequate;
- the conditions for a fair competition have not been implemented;

- the price quotations are obviously unreasonable and/or exceed the financial resources earmarked for the contract. In this case, SASSCAL may, as an alternative to re-tendering, enter negotiations with the winning Tenderer to try to obtain a satisfactory offer.

In the event of cancellation of the Tender procedure, Tenderers shall be notified thereof by SASSCAL. Such Tenderers shall not be entitled to compensation.

Other conditions

Other tender conditions or constraints, if any, are indicated in the RFP

I: SUBMISSION

This is a two-envelope submission. Technical and Financial proposals should be submitted in sealed separate envelopes.

The proposal should be submitted by hand delivery for the Attention:

Dr Jane M Olwoch
SASSCAL Executive Director
SASSCAL Financial & Compliance Audit Services
Michelle Mclean House
28 Robert Mugabe c/o Newton
Windhoek Namibia

It should be received by **17:00hrs on Monday the 02nd of November 2020.**

Related questions or comments should be directed to, Manager: Finance and Administration at tracylee.vanwyk@sasscal.org no later than 23rd October 2020.

Annex A: STAFF CV Format

The comprehensive Curricula Vitae of the assigned personnel shall be presented in the form as shown below:

1. Family name:
2. First names:
3. Date of birth:
4. Nationality:
5. Civil status:
6. Education:

Institution	
Date: from (month/year) to (month/year)	
Degree(s) or Diploma(s) obtained	

7. Language skills, mark 1 (worst) to 5 (best) for competence:

Language	Reading	Speaking	Writing

8. Membership of professional bodies:
9. Other skills:
10. Present position:
11. Years within the firm:
12. Key qualifications (relevant to the project):
13. Specific country experience:

Country	Date: from (month/year) to (month/year)

14. Professional experience record (projects):

Date: from - to (month/year)	
Location	
Company	
Position	
Description	

add more projects

...

15. Others (e.g. publications)

ANNEX B: Staff Characteristics

The following data must be indicated for the key experts proposed for the different posts. They must be backed unambiguously by details in the CV. In case of contradictions found during evaluation, details of the CV prevail. Tables may be adjusted according to the proposal and to the number of proposed key staff.

Team leader

Criteria	Name	
Professional education related to project and post	degree(s)	
Professional experience, from first job after professional education	years	
Specific assignment-related experience. Similar assignment with similar tasks	N° of assignments with > 1-year input	
Regional experience	countries	
Employment status with firm	years as employee	
In case of associate/retainer: a1-yearated years during short- or long-term assignments for the bidder	accumulated years	
Leadership experience (team leader, project manager)	N° of projects	

Home Office Support (Backstopping)

Criteria	Name	
Professional education related to assignment	degree(s)	
Professional Experience	years	
Management Experience	years	
Years with firm	years	

Local/regional key staff

Criteria	Name	NN 1	NN 2	NN 3
	Post/Function			
Professional education related to project and post	degree(s)			
Professional experience, from first job after professional education	years			
Specific project-related experience (acc. to post). Similar project with similar	N° of projects with > six months input			
Employment status with firm and/or accumulated years during short- or long-term	years			

ANNEX C: Financial Proposal Model

Model for Financial Proposal – Cost Break-down

SUMMARY	Amount NAD
1. – Personnel costs	
2. – Allowances for staff	
Sub-Total – Staff cost	
3. – Local transport (lump sum)	
4. – Reports and documents	
5. - Miscellaneous costs (lump sum)	
Sub-Total Logistics (Local transport, Reports and documents, miscellaneous costs)	
Total	
Value Added Tax (VAT) for contract	
GRAND TOTAL	

1. Key personnel	Unit	Quantity	Unit Rate NAD	Amount NAD
1.1 Audit Leader	days	...		
1.2 Other staff 1	days	...		
1.3 Other staff 2	days	...		
1.4 Other staff 3	days	...		
Sub-total personnel				
2. Allowances for staff	Unit	Quantity	Unit Rate NAD	Amount NAD
2.1 Audit Leader	days	...		
2.2 Other staff 1	days	...		
2.3 Other staff 2	days	...		
2.4 Other staff 3	days	...		
Sub-total allowances				
3. Local transport (lump sum)				
(local transport per country)	Unit	Quantity	Unit Rate NAD	Amount NAD
3.1 ...	...	...
3.2 ...	...	...
3.3...	...	...
Sub-total transport				
4. Reports and documents				
(Type of reports/documents to be stated)	rep./doc.	Quantity	Unit Rate NAD	Amount NAD
4.1 ...	...	...
4.2 ...	...	...
4.3...	...	...
Sub-total reports and documents				
5. Miscellaneous costs (lump sum)				

	Unit	Quantity	Unit Rate NAD	Amount NAD
5.1		
5.2		
5.3...		
Sub-total miscellaneous costs				



TERMS OF REFERENCE

FINANCIAL & COMPLIANCE AUDIT SERVICES

Table of Contents

BACKGROUND	15
OBJECTIVE	15
DURATION OF THE ASSIGNMENT	15
SCOPE OF WORK	15
REGULATORY FRAMEWORK.....	15
THE AUDITOR SHALL;	15
FINANCING MECHANISMS AND BUDGET DETAILS	16
PAYMENTS AND ACCOUNT STRUCTURE	17
SCOPE OF AUDIT.....	18
PREPARATION OF FINANCIAL REPORTS	18
AUDITOR’S OPINION	18
AUDIT REPORT	19
MANAGEMENT LETTER	19
AFRICAN UNION EXPENDITURE VERIFICATION	20
DURATION OF ASSIGNMENT	20
LOCATION OF ASSIGNMENT	20
DELIVERABLE AND TIME SCHEDULE	20
FURTHER COMMENTS	20

Background

The Southern African Science Service Centre for Climate Change and Adaptive Land Management (SASSCAL) was established by five Southern African countries: Angola, Botswana, Namibia, South Africa, and Zambia with support from the Federal Republic of Germany. The overall objective of SASSCAL is to improve the livelihoods of people and to enhance adaptive land use and sustainable economic development in Southern Africa under the global change conditions with focus on five thematic areas of Agriculture, Biodiversity, Climate, Forestry and Water. The SASSCAL initiative focuses on research, capacity development and the provision of appropriate products and services aimed at mitigating and/or dealing with some of the impacts of Climate Change.

OBJECTIVE

The objective of the audit is to permit the auditor to express a professional opinion on the financial statements and perform an expenditure compliance verification. These expenditures have been made under the financial positions of BMBF funding, Member State contributions and other grants and income that finance the SASSCAL Initiative.

DURATION OF THE ASSIGNMENT

The audit firm will be appointed for an initial period of 3 years subject to renewal for an additional year upon the following condition:

- Approval by Governing Board for the continuation of the audit contract

SCOPE OF WORK

Regulatory Framework

The audit will be in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federations of Accountants, with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and will include such tests and controls as the auditor considers necessary as well as on-site visits if also deemed necessary.

The auditor shall.

Conduct a Financial and Compliance Audit, carrying out the necessary tests of transaction, systems to assess adequacy and compliance. The audit will review both income and expenditure for compliance. The auditor shall give an opinion based on clause 4.7 requirements.

Plan the audit to have a reasonable expectation of detecting material misstatements in the SASSCAL financial statements.

Confirm that Financial Statements have been prepared in accordance with international Accounting Standards or Generally Accepted Accounting Principles and Practices.

Confirm that goods and services have been procured in accordance with SASSCAL policies and procedures and that Assets are well documented and safeguarded

Alert management of any potential risk areas and recommend risk management and mitigation strategies.

Financing Mechanisms and Budget Details

SASSCAL is funded by BMBF the initial donor, through identified financing mechanisms, five SASSCAL Member States, and other grants. The funders are expected to disburse funds to SASSCAL using the Disposition Fund Procedure. That is funds are deposited into a central bank account for each funding stream and distributed to the operational accounts based on quarterly forecasts.

The projected income for the Financial Year 2019 was approximately a minimum of Euro 2,400,000million to cover all SASSCAL operations exclusive of additional projects income. Project income is projected at a minimum of Euro 1,500,000 million.

Payments and account structure

I. BMBF Disposition Euro Bank Account – Standard Bank Namibia

The Disposition Fund is a Euro denominated bank account opened under SASSCAL with Standard Bank Namibia. BMBF through their funding mechanism disburses funds to the Disposition Fund and in turn SASSCAL Regional Secretariat disburses funds to the Special Accounts for the National Nodes.

Special Accounts are bank accounts in local currency of the National Nodes and the Regional Secretariat. These are:

- i. The Regional Secretariat has accounts in two denominations Namibian dollar and Euro opened under **SASSCAL with Standard Bank Namibia.**
- ii. SASSCAL Angola has accounts in two denominations mainly Kwanza and Euro opened under **SASSCAL with Standard Bank Angola.**
- iii. SASSCAL Botswana has two Pula denominated bank accounts opened under **Kalahari Conservation Society and under SASSCAL with Stanbic Bank Botswana**
- iv. SASSCAL Namibia, Namibian dollar denominated bank account opened under **SASSCAL with Standard Bank Namibia.**
- v. SASSCAL Zambia Kwacha denominated bank account opened under **NRSC-SASSCAL National Node with Stanbic Bank Zambia.**
- vi. SASSCAL South Africa account under National Research Foundation (NRF)

From 2020 SASSCAL will finance research activities at the national level under the above-mentioned Financing Agreement. Therefore, part of the total funds is disbursed to bank accounts in local currency of the National Research Partners list to be provided at initiation of audit

II RS Institutional Account (member state contributions):

SASSCAL Regional Secretariat, opened an account with Standard Bank named, RS Institutional Account in two denominations (Euro and NAD) into which the member state contributions are deposited from 2017 onwards. Funds will be distributed from the RS Institutional Account to the Nodes Operational Bank accounts to complement the funding from BMBF to cover annual operational budgets.

Scope of audit

The audit shall cover all funding mechanisms stated above in all Member States. While the Disposition Fund, Other Grants and the Member State Contributions shall be audited according to the this audit scope of work; the African Union WeMAST Project Grant expenditure verification shall be carried out according to the: “Terms of Reference for an Expenditure Verification of a Grant Contract” (Appendix 1).

The audit shall be a full-scope audit at the level of the Regional Secretariat and the National Executing Agencies/National Nodes.

At the level of the National Research Partners a sample audit shall be conducted covering a full financial year. The sample methodology shall ensure that each Research Partner Institution is covered within one yearly audit period. The technical proposal shall contain an outline for the conduction of the sample audit.

Preparation of Financial Reports

The preparation of the financial reports and the statements of expenditures on the cash receipts and disbursements basis of accounting is the responsibility of the Auditor. The financial information must be established in accordance with consistently applied accounting standards and the underlying Financing Agreements.

Auditor’s Opinion

The auditor’s opinion, established in the audit opinion report, will explicitly state whether:

- i. The payments have been made in accordance with the conditions of the relevant Financing Agreement and the grant agreement. Where ineligible expenditures are identified, these should be noted separately.
- ii. The Disposition Fund and accounting documents have been maintained in accordance with the provisions of the Financing Agreement. This also comprises interest earned from balances.

- iii. Expenditures are supported by relevant and reliable evidence. All supporting documents and records with respect to the statements of expenditure submitted as the basis for financial reports and fund requests have been made available.
- iv. The audited statements of expenditures can be relied upon to support the related reports. Clear linkage should exist between the statements of expenditures, the funding requests presented to funder and accounting records.
- v. Goods and services financed have been procured in accordance with the relevant Financing Agreement, and SASSCAL Policies and Procedures.
- vi. Specific deficiencies and areas of weakness have been identified in the internal systems and controls of the Project Executing Agency in the case of the Nodes. Where deficiencies are identified, these should be noted separately.
- vii. A statement of disclosure should be given on all audited items, whether there are findings or not.
- viii. An independent audit opinion should be provided on compliance of all SASSCAL policies and procedures.

Audit Report

The audit report will:

- a. Be issued by the auditor in English Language.
- b. Include all aspects specified in the preceding paragraphs
- c. Contain these Terms of Reference as integral part.
- d. Provide a schedule showing receipts and disbursements during the Audit Period.
- e. Include the balance of the Special Account at the beginning and end of the Audit Period.
- f. Comprise the auditor's statement to appraise and quantify the consequences of specific deficiencies, if any.

Management Letter

The auditor will also prepare a "Management Letter" in which the auditor will:

- a. Give comments and observations on the accounting records, systems and controls examined during the audit (as far as necessary for the understanding of the financial reports and the statements of expenditures)
- b. Identify specific deficiencies and areas of weakness in systems and controls of SASSCAL that have come to the auditor's attention, especially about withdrawal, procurement, storage, and payment transactions, and make recommendations for their improvement.
- c. Report on actions taken by the SASSCAL management to make improvements with respect to deficiencies and areas of weakness reported in the past.
- d. Bring to the SASSCAL Management's attention any other matters that the auditor considers pertinent.

African Union Expenditure Verification

The African Union, funded project expenditure verification should be conducted in accordance with the AU expenditure verification Terms of Reference and reporting should be done using the AU reporting templates and conditions.

Duration of Assignment

The contract will commence after signature of both parties and shall end after acceptance of the last report by SASSCAL, within six months of audit initiation meeting. Each audit will be preceded by an audit opening meeting in which the auditors will discuss the scope, methodology and schedule of audit. The audit will be closed by a similar meeting in which the auditors will present to SASSCAL management their findings and recommendations.

Location of Assignment

- a. The assignment will be carried out at the following locations:
 - i. SASSCAL Angola office in Huambo, Angola
 - ii. SASSCAL Botswana office in Gaborone, Botswana
 - iii. SASSCAL Namibia office in Windhoek, Namibia
 - iv. SASSCAL Regional Secretariat office in Windhoek, Namibia
 - v. SASSCAL South Africa office in Pretoria, South Africa
 - vi. SASSCAL Zambia office in Lusaka, Zambia
 - vii. Visits to the Research Institutions will be required where applicable
- b. A sample audit is expected as well at the level of the National Research Partners. The National Research Partners in each country will be provided.

Deliverable and time schedule

- a. The first Audit covering the period 1 April, 2019 until 31 December 2020 is expected to be conducted and report submitted before the end of June 2021. The audit should start in February each year. The three months of FY2019, that is Jan – March 2019 was audited in an extra ordinary audit conducted by the funder.
- b. The financial year for SASSCAL runs from 1 January to 31 December.
- c. The following audits are expected to cover the financial years 2021 and 2022 and shall be conducted not later than 2 months after the end of the audit period covered.
- d. The firm shall submit the Draft Final Report in hard copy and electronic version within 14 days upon completion of assignment to the Executive Director of SASSCAL.
- e. The Final Report, in at least 5 hard copies, within 14 days on receipt of management's comments and close out meeting.

Further comments

All figures referring to budget details are estimations as of status which may vary during project implementation and thus affect the scope of the audit. The requested audit shall cover for such potential variations if they do not result in significant extra work for the auditing firm.

SASSCAL Management will ensure that status of implementation of the auditor's recommendations arising from previous audits is made available to the auditing firm in good time for consideration within their subsequent audit report.

