

TERMS OF REFERENCE FOR EXTERNAL AUDIT SERVICES

1. Background

Comprehensive Rehabilitation Services for People with Disability in Uganda (CoRSU) is a highly specialized Rehabilitation Hospital which was established in 2009 as a local NGO with the main objective of providing high quality Rehabilitation and Surgical services to people with disability in Uganda.

Over a period of 10 years, CoRSU Hospital has changed the lives of over 32,000 children through surgical services and rehabilitated over 64,000 patients through a variety of services and disciplines

2. Vision and Mission Statement

CoRSU vision; "People with disability in Uganda are able to access rehabilitation services that improve their quality of life and that they are fully integrated in society".

CoRSU mission, "To be a center of excellence in Uganda providing orthopaedic, plastic surgery and comprehensive rehabilitation services for people with disabilities prioritizing children".

3. General Information



Title of Consultancy:	Statutory Audit for 2021
Type of Contract:	Consultancy
Duration of the assignment:	2 months
Location:	Kisubi
Supervisor:	CEO, CoRSU
Date of Issue:	Monday 23 rd August 2021

4. Objectives of the Assignment

The objective of audit is to enable the auditor express an opinion on whether;

- a. the financial statements present fairly, in all material respects, the actual expenditure incurred and the revenue/ grants received for Hospital for the period under review is in conformity with the applicable contractual conditions; and that the project funds provided have, in all material respects, been used in conformity with the applicable donor contractual conditions and the hospital financial policies and regulations.
- b. the internal control system set up and operated by CoRSU for the purpose of managing risks to the achievement of CoRSU's objectives, was suitably designed and operated effectively in the period being audited.

5. Scope of work



These terms of reference address the requirements for external audit of financial statements of CoRSU for one calendar year–for the year 2021 from $1^{\rm st}$ January to $31^{\rm st}$ December.

- 1. The audit will be carried out in accordance with the International Auditing Standards and will include tests and verification procedures as the auditors deem necessary.
- 2. Verify all funds have been used in accordance with the established rules and regulations of CoRSU and only for the purposes for which the funds were provided.
- 3. Establish that goods, works and services financed have been procured in accordance with CoRSU's established rules and procedures.
- 4. Appropriate supporting documents, records and books of accounts relating to all activities have been kept and that clear linkages exist between the books of accounts and the financial statements presented to external auditors.
- 5. The financial statements prepared by CoRSU management are in accordance with applicable accounting standards and give a true and fair view of the financial position of CoRSU and of its receipts and expenditures for the period ended on that date.
- 6. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control systems that are used to monitor expenditures and other financial transactions.
- 7. Express an opinion as to reasonableness of the financial statements in all material respects.
- 8. Include in their audit reports, an opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
- 9. Conduct audit entry and exit meeting with Senior Management Team (SMT) of CoRSU as well present audit findings to the CoRSU Board.
- 10. In addition to the audit report, the auditors will prepare a Management Letter on the following:
- a. Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the external audit.
- b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
- c. Report on the implementation status of recommendations pertaining to management letters of previous period audit reports.
- d. Communicate to management matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
- e. Bring to CEO's attention any other matters that the auditors consider pertinent to his role as an accounting officer for the institution.

6. Final product/deliverables



The Audit Report and Management Letter

On completion of the audit work, the external auditor will submit:

- 1. Four (4) original copies of the Audit Report to the attention of the Chief Executive Officer (appended to the Financial Statements along with the reports).
- 2 Management letter in accordance with the scope of work described here before.

7. Monitoring and Progress controls

An external draft audit report of the year following the end of the period under review shall be submitted by 18th February 2022 and a final signed audit report with certified statements shall be submitted by 1st March 2022. The draft management letter shall be submitted by 15th March 2022. The financial statements for the financial year will be made available to external auditors not later than 15th January 2022 following the end of the financial year.

The External Auditor will have to present the annual audit report to the CoRSU Board and the Board Finance Committee and provide any clarifications required by Board Members. The External Auditors will be required to present the signed Audit Report at the Annual General Meeting. The external audit should be carried out in accordance with national, IAS and ISA auditing standards or all applicable standards. Sufficient audit evidence should be gathered to substantiate in all material respects the accuracy of financial statements. The audit report of the external auditors should clearly state if the audit was not in conformity with any of the above and indicate the alternative standards or procedures to be followed.

8: Review/approval time

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CoRSU draft audited financial statements should be presented to the CoRSU Board Finance Committee by the 15th April 2022 for review. The External Auditor shall present final Audit Report and CoRSU Financial report at the Annual General meeting that will be scheduled by the Board.

9: Auditor Independence, Qualifications and Experience

a) Auditor Independence:

The external auditor must be completely impartial and independent from all aspects of management or financial interests in CoRSU. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the Board affairs and management of CoRSU. The external auditor should disclose any relationship that might possibly compromise his/her independence.

b) Qualifications and Experience

The external auditor should be experienced in applying ISA audit standards, IFRS for SME'S, and IASs whichever is applicable for the audit.

The external auditor must employ adequate staff with appropriate professional qualifications and suitable experience of not less than 5 years with ISA, IFRS and IAS standards. Prior experience in auditing accounts of entities with an annual budget of

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about UGX 15Billion and Donor funded projects or hospitals is essential to this assignment.

Curriculum vitae (CVs) should be provided to CoRSU by the partner of the audit firm who would be responsible for signing the opinion, together with the CVs of audit managers, supervisors and key personnel proposed as part of the audit team.

The engagement team should comprise of the Audit Manager preferably with 7 years' experience in Auditing with sound knowledge of Donor Funded projects and should be a member of a recognized Accountancy Professional body.

CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit; and experience in auditing financial statements compliant with the International Public Sector Accounting Standards.

10: Application Process

Four (4) sets of the technical and financial proposals (1 Original and 3 Copies) in a fully



sealed envelope shall be hand delivered at the CoRSU Administration Block Reception.

The proposals should include an Expression of Interest Letter to provide the above mentioned Consultancy services, the Firm's profile including previous related experiences proposed detailed Methodology to deliver required services, A work plan and Budget for the activities and final deadline, Business Registration, Valid Tax Clearance, Evidences of operations in Uganda by providing reference contacts for clients to whom the firm has provided similar services.