



JESUIT CENTRE FOR THEOLOGICAL REFLECTION

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REQUEST FOR EXPRESSIONS OF INTEREST (CONSULTING SERVICES – FIRMS SELECTION)

TERMS OF REFERENCE FOR EXTERNAL AUDIT FOR JESUIT CENTRE FOR THEOLOGICAL REFLECTION (JCTR)

0.BACKGROUND

The Jesuit Centre for Theological Reflection (JCTR) was founded in 1988 as a Civil Society Organisation (CSO). It is guided by faith and is a Ministry of the Society of Jesus (Jesuits). In the 35 years of its existence, it has provided critical understanding of current issues from a faith perspective and advocated for social justice. JCTR's ethos is derived primarily from the Christian faith and the Church's Social Teaching (CST), which in turn shapes its vision and mission.

JCTR has been active in promoting a faith perspective, Christian values, environmental stewardship, human rights, and empowerment of local communities relevant to the Zambian context. It undertakes various activities ranging from advocacy, research, consultancy, and community sensitization and skills training among others.

1. OBJECTIVE OF THE INSTITUTIONAL AUDIT

The objective of the audit of the Institutional Financial Statements (IFSs) is to enable the auditor to express a professional opinion(s) on the financial position of the institution at the end of each fiscal year, and on funds received and expenditures incurred for the relevant accounting period. The JCTR fiscal year ends on 31 December each year. The assignment is for Four (4) years with the first report being for the 2024 financial year.

The Institution's books of accounts provide the basis for preparation of the IFSs by the JCTR and are established to reflect the financial transactions in respect of the Institution. JCTR maintains adequate internal controls and supporting documentation for transactions.

2. PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The responsibility for the preparation of financial statements including adequate disclosure is that of JCTR. JCTR is also responsible for the selection and application of accounting policies. JCTR would prepare the IFSs in accordance with International Public Sector Accounting Standards (IPSAS).

The auditor is responsible for forming and expressing opinions on the financial statements. The auditor would carry out the audit of the Institution in accordance with the International Standards on Auditing (ISA), as promulgated by the International Federation of Accountants (IFAC). As part of the audit process, the auditor may request from the implementing agency written confirmation concerning representations made in connection with the audit.

4. SCOPE OF THE AUDIT

As stated above, the audit will be carried out in accordance with International Standards on Auditing (ISA) promulgated by the International Federation of Accountants (IFAC), and will include such tests and auditing procedures as the auditor will consider necessary under the circumstances. Special attention should be paid by the auditor as to whether the:

- a) **JCTR** financing has been used in accordance with the various donor financial agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
 - b) Goods, works and services have been procured in accordance with the JCTR Procurement Manual and donor regulations.
 - c) All necessary supporting documents, records, and accounts have been maintained in respect of all JCTR activities.
 - d) National laws and regulations have been complied with, and that the financial and accounting procedures approved for the organization.
- a) Assets procured exist and there is verifiable ownership by JCTR or beneficiaries and asset register is available.

In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters:

- a) ***Fraud and Corruption:*** Consider the risks of material misstatements in the financial statements due to fraud as required by ISA 240: The Auditor’s Responsibility to Consider Fraud in an Audit of Financial Statements. The auditor is required to identify and assess these risks (of material misstatement of the financial statements) due to fraud, obtain sufficient appropriate audit evidence about the assessed risks; and respond appropriately to identified or suspected fraud;
- b) ***Laws and Regulations:*** In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by JCTR with laws and regulations may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements;
- c) ***Governance:*** Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with Governance.
- d) ***Risks:*** In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level as required by Internal Standard on Auditing 330: the Auditor’s Procedures in Response to Assessed Risks.

5. AUDIT REPORT

The auditor will issue an opinion on the Institution’s financial statements (IFSs). The annual audit report of the accounts should include a separate paragraph highlighting key internal control weaknesses and non-compliance with regulations. The report should be ready by 15th March of the current year for previous year audit.

6. MANAGEMENT LETTER

In addition to the audit report, the auditor will prepare a management letter, in which the auditor will:

- a) Give comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
- b) Identify specific deficiencies or areas of weakness in systems and controls, and give comments on the perceived risks to the organization which may arise as a result of the identified deficiencies and make recommendations for their improvement; suggest the responsible person to ensure the recommendations are implemented and the date by which the recommendations are expected to be implemented;
- c) Report on the degree of compliance of each of the financial covenants in the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- d) Communicate matters that have come to his/her attention during the audit which might have a significant impact on the Organization;
- e) Give comments on the extent to which outstanding issues/qualifications issues have been addressed.
- f) Separate the policy and transaction issues.
- g) Give comments on previous audits' recommendations that have not been satisfactorily implemented; and
- h) Bring to the recipient's attention any other matters that the auditor considers pertinent, including ineligible expenditures.

7. AVAILABLE INFORMATION

The auditor will have access to all legal documents, correspondences, and any other information deemed necessary by the auditor. The auditor will also obtain confirmation of amounts disbursed and outstanding. Available information should include copies of the relevant: project appraisal

document; grant agreements; financial management assessment reports; supervision mission reports and implementation status reports.

8. TECHNICAL REQUIREMENTS

The Jesuit Centre for Theological Reflection (JCTR) now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

The audit firm should be registered and have a license from a national or regional Professional Accountancy Body. The firm should have relevant experience in accounting and auditing of development projects, especially donor-funded operations.

8.1 The key audit team will comprise, at least:

- a) Audit Partner shall be a qualified expert with a relevant professional qualification (ZICA, ACCA, CIMA, ICAEW etc.) and assuming or having assumed senior and managerial responsibilities in audit practice. He/she should be a member (Fellow) of ZICA with at least 10 years of professional experience as a professional Auditor and will be responsible for the audit and its performance, and for the report that is issued on behalf of the firm.
- b) An Audit manager shall be a member of ZICA and/or holder of full professional qualification (ZICA, ACCA, CIMA, ICAEW etc.) with at least 10 years’ experience in auditing, including relevant managerial experience of reputable audit firm;
- c) Auditors on the assignment shall be appropriately qualified ZICA, ACCA, CIMA, ICAEW holders or relevant bachelor’s degree holder with least 5 years’ experience in audit practice

Interested Consultants are also expected to pay attention to the information on conflict of interest related to this assignment:

JCTR requires consultants to provide “professional, objective, and impartial advice and at all times hold the Client’s interest’s paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests.

Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the Client.”

Further information can be obtained at the address below during office hours 08:00 to 17:00 hours.

9. SUBMISSION

Expressions of interests, Technical and Financial Proposals must be delivered in a written form to the address below (in person, or by mail, by **FRIDAY 01st NOVEMBER, 2024**

EOIs sent via mail should have “**INSTITUTIONAL AUDIT**” in the subject line.

The Executive Director Jesuit Centre for Theological Reflection (JCTR)

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Jesuit Centre for Theological Reflection (JCTR)

JCTR Repository

<https://repository.jctr.org.zm>

Booklet

Formation Programmes

2024-10-21

Request for Expression of Interest (Consultancy Services-Firms Selection): Terms of Reference for External Audit for JCTR

Muyebe, Alex S.J

Jesuit Centre for Theological Reflection

<https://repository.jctr.org.zm/handle/20.500.14274/1849>

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