

External Audit – Terms of Reference (ToR)

1. Background

These Terms of Reference (ToR) define the scope, objectives, responsibilities, and deliverables for the appointment of an External Auditor (the “Auditor”) to conduct an independent audit of the financial statements of CARE International Zimbabwe

The audit is intended to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, financial performance, and cash flows of the Organization in accordance with the applicable financial reporting framework.

2. Objectives of the Audit

The primary objectives of the external audit are to:

- Express an independent opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable accounting standards.
- Assess the adequacy and effectiveness of internal controls relevant to financial reporting.
- Evaluate compliance with applicable laws, regulations, and internal policies.
- Identify material weaknesses, significant deficiencies, and areas for improvement in financial management and governance.
- Enhance the credibility of the Organization’s financial information for stakeholders.

3. Scope of the Audit

The audit shall cover, but not be limited to:

- Statement of Financial Position
- Statement of Comprehensive Income
- Notes to the Financial Statements

The scope shall include:

- Examination, on a test basis, of evidence supporting amounts and disclosures in the financial statements.
- Evaluation of accounting policies and estimates used by management.
- Review of internal control systems relevant to financial reporting.
- Verification of assets and liabilities, where applicable.
- Review of compliance with statutory and regulatory requirements.

The audit period shall be for the financial year ending **30 June 2026**.

4. Audit Standards and Framework

The audit shall be conducted in accordance with:

- International Standards on Auditing (ISA)
- The Companies Act and other applicable local legislation
- Relevant professional and ethical standards, including the IESBA Code of Ethics for Professional Accountants

5. Responsibilities

5.1 Responsibilities of the External Auditor

The Auditor shall:

- Plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.
- Maintain independence and objectivity throughout the audit engagement.
- Communicate audit planning matters, significant findings, and deficiencies in internal control to those charged with governance.
- Issue an independent audit opinion on the financial statements.
- Prepare a Report to Management highlighting key findings, risks, and recommendations.

5.2 Responsibilities of Management

Management shall:

- Prepare and present the financial statements in accordance with the applicable financial reporting framework.
- Design, implement, and maintain adequate internal controls.
- Provide the Auditor with full access to all records, documentation, systems, and personnel relevant to the audit.
- Ensure timely availability of information required for the audit.

6. Independence and Confidentiality

The Auditor must:

- Be independent of the CARE International Zimbabwe and free from conflicts of interest.
- Disclose any potential threats to independence.
- Treat all information obtained during the audit as confidential and not disclose it to third parties without prior written consent, except where required by law or professional standards.

7. Audit Deliverables

The Auditor shall provide the following deliverables:

- Signed Independent Auditor's Report on the financial statements.
- Audited financial statements.
- Report to Management detailing:
 - Key audit findings
 - Internal control weaknesses
 - Recommendations for improvement

8. Reporting and Communication

- Significant audit issues shall be communicated on a timely basis.
- A closing meeting shall be held to discuss audit findings and recommendations.

9. Timeline

The Auditor shall provide the following timelines

- Audit planning
- Interim audit
- Final audit fieldwork
- Draft reports submission
- Final signed audit opinion

10. Audit Fees

- Audit fees shall be agreed in advance and specified in the engagement letter.
- Fees shall be based on the agreed scope of work and level of effort.
- Any additional work outside the agreed scope must be approved in writing by the CARE International Zimbabwe.

11. Access to Information

CARE International Zimbabwe shall grant the Auditor:

- Unrestricted access to all financial records, accounting systems, and supporting documentation.
- Access to management and staff as required.
- Access to minutes of Advisory Council and Executive meetings relevant to the audit.

12. Quality Assurance and Review

The Auditor shall maintain appropriate quality control procedures in line with professional standards and be subject to external quality assurance reviews by relevant professional bodies.

13. Limitation of Liability

Any limitation of liability shall be clearly defined in the audit engagement letter and shall comply with applicable laws and professional regulations.

14. Termination of Engagement

Either party may terminate the engagement by providing written notice in accordance with the terms specified in the engagement letter. All work completed up to the date of termination shall be remunerated.

15. Acceptance of Terms

These Terms of Reference shall form part of the audit engagement and shall be deemed accepted upon signing of the audit engagement letter by both parties.

16. Evaluation Criteria

Audit firms shall be evaluated based on the following Criteria.

Scoring %	#	REQUIREMENTS
20%	A	Overall Proposal Suitability (as based in the RFP)
10.00%	1	Audit Firm Profile with relevant audit experience, relevant team composition
10.00%	2	Demonstration of a clear understanding of the assignment at hand, the scope and expectations of the audit of INGOs
30%	B	Previous Work and Awards
10.00%	1	Experience in conducting independent audits of Country Office programs and rural livelihoods strengthening projects using International Standards on Auditing (ISAs)
10.00%	2	Relevant academic qualification from Engagement team leader
10.00%	3	Past performance references for similar audits
30%	C	Technical Expertise and Organizational Experience
15.00%	1	Audit plan, approach and methodology proposed are realistic and relevant to the objectives of the audit assignment
15.00%	2	Quality control mechanism is in place to support high quality audit
20%	D	Financial Proposal
20.00%		Submit your financial proposal