

Terms of Reference for
Annual Audit of Women in
Business Enabling
Women
Entrepreneurship in
Rwanda –
Second Cohort
including ISRS 4400
(Revised)

Introduction

Norrskan Rwanda Limited, hereafter referred to as the “Cooperation partner” wishes to engage the services of an audit firm for the purpose of auditing the **Women in Business Initiative - Enabling Women Entrepreneurship in Rwanda**, as stipulated in the agreement between the Cooperation partner and Sida represented by the Embassy of Sweden in Kigali (The embassy). The audit shall be carried out in accordance with international audit standards (ISA) issued by IAASB. In addition, an assignment according to International Standards on Related Services (ISRS) 4400 (Revised) 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 December 2023 - December 2024 (i.e. the full agreed activity period of the project) as submitted to the Embassy and express an audit opinion according to ISA, applying ISA 800/ISA 805, on whether the financial management of **Women in Business Initiative - Enabling Women Entrepreneurship in Rwanda** is in accordance with the Cooperation partner’s accounting records and Sida’s requirements for financial reporting as stipulated in the agreement including appendices between Sida and Cooperation partner (Agreement).

II. Additional assignment: According to agreed upon procedures ISRS 4400 (Revised), review the following areas in accordance with the Terms of Reference below.

Mandatory procedures that must be included:

1. Observe where the financial report is structured in a way that allows for direct comparison for every budget item, between the actual costs or expenditures of

activities and the budgeted costs or expenditures as approved by Sida for 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.
 - b. 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 within the organisation in local currency/ies, if applicable.
 - c. Explanatory notes (such as, for instance, accounting principles applied for the financial report).
 - d. Amount of funds that has been forwarded to implementing partners.
3.
 - a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.
 - b. inquire and inspect whether actual time worked is documented and verified by a line manager. Inquire and inspect ~~with in which frequency~~ reconciliations between debited time and actual worked time is performed.
 - b. Inspect whether the Norrsken Rwanda Limited comply with applicable tax legislation with regard to personal income taxes (PAYE) or VAT (where applicable) and social security fees.
4.
 - a) Review and confirm that the Cooperation partner screens IP's and/or suppliers to ensure that such parties are not subject to the European Union's financial sanctions list of persons, groups and organisations (EU Sanctions list).
 - b) Enquire whether there has been any reported findings from the screening process and if so, report on such findings.
5. Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to Sida. The disclosure of unspent balance should also cover the previous audit figure relating unspent balance for Cohort I.
6.
 - a) Inspect and confirm whether Norrsken Rwanda Limited has fully adhered to procurement guidelines and their respective thresholds. The costs related to procurement should be clearly traced and checked if the procurement procedures have been carefully followed.
 - b) Inspect and confirm whether the Norrken Rwanda Limited has signed agreements with the selected service providers/contracted partners in accordance with their procurement procedures.
 - c) Inquire and inspect whether the Norrsken Rwanda Limited has verified if reports from service providers/contracted partners are in line with the requirements in the Agreement.

7. Enquire whether the Cooperation partner has used alternative payment methods. If so, obtain information of the total amount that has been transferred through alternative payment methods. Furthermore, select at least one Implementing partner where alternative payment methods have been used. Review, confirm and report on the below:
 - That the Cooperation partner has followed its routines for the use of alternative payment methods,
 - The relevant amount transferred, Why the exemption from bank transfers is motivated and authorized in the specific context.

8. Inquire and inspect how the ethical code of conduct and/or other anti-corruption related policies relating to Norrsken Rwanda Limited have been used, followed, and implemented.

III. Reporting

The scope of the audit shall be stated in the report and the methodology used shall be presented.

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.

Reporting from the ISRS 4400 (Revised) assignment

The additional assignment according to agreed upon procedures ISRS 4400 (Revised) under section II, shall be reported separately in an "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 (Revised).

Audit Duration:

The audit work shall be completed within four weeks from the date of commencement of the audit.