



Rwanda Organization of Trauma Counselors (ARCT-RUHUKA)

E-mail: arctrwanda@gmail.com or info@arctruhuka.org

P.O. Box: 717 Kigali; Tel.: (+250) 787 104 307

Website: www.arctruhuka.org

Terms of Reference for ARCT- Ruhuka External Audit for the Year ended 31st December 2022.

1. BACKGROUND

The Rwandan Organization of Professional Counselors ARCT – RUHUKA is a National Nonprofit Making Organization, formed in April, 30th 1998 from the former Trocaire Trauma Program by 13 Counselors, and officially registered under the Ministerial Decree No.97/11 on 28 July, 2004 and registered by Rwanda Governance Board (RGB). The organization has since grown from 13 to 123 members, of whom 73 being practicing (active) members, and operates country wide in Psychosocial field and child rights and protection.

Our Vision: ARCT-Ruhuka envisages a Rwanda where all people have access to integrated mental health services.

Our mission: is to lead the development and application of innovative psychosocial approaches to mental health services and strengthen professional capacity in understanding, treating and preventing mental health problems for sustainable development.

ARCT-RUHUKA has been conducting organizational audits 2003 to enhance the Association transparency and accountability, to the public in general, members and donors in particular. This important activity has been on annual basis until 2021..

ARCT-RUHUKA has been gradually growing, however this growth should match the mechanism and management tools to allow strong basic management and proper use of organizational resources.

It is in this regard, that ARCT-RUHUKA would like to organize an external financial audit for the period of **1st January – 31st Decermber2022** in order to strengthen the organizational capacity and to maintain a high standard of management.

2. AUDIT AIM / PURPOSE

The external audit review aims to confirm that the financial statements of the organization are accurate and reliable, in connection with ARCT RUHUKA policy and procedures and Donors' funds management rules and regulations for the period of **1st January 2022 to 31st December 2022.**

2.1. Objective of the Audit

1. The objective of the audit of financial statements is to enable the auditor to express an independent professional opinion on the financial position of ARCT – Ruhuka and to ensure that the funds utilized to Organization’s activities have been used for their intended purposes.
2. That ARCT- Ruhuka books of accounts provide the basis for preparation of the Organization Financial Statements and Proper books of accounts as required by Internal procedures have been maintained by ARCT-Ruhuka to maintain adequate internal controls and supporting documentation for the transactions.

2.3.Scope of the Audit

The books of accounts to be audited are for ARCT RUHUKA, and 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.

Main tasks :

- ✓ Review financial statement;
- ✓ Reconcile cash flow in order to confirm the balance reported for the period under verification;
- ✓ Confirm respect of compliance with procurement procedures for the organization;
- ✓ Review organizational systems in its all structures (Board, IT, HR, Finance and Administration);
- ✓ Review any other records judged relevant.

Specific tasks:

The audit aims to verify the internal control systems of ARCT RUHUKA, to ensure the accuracy of the transactions carried out throughout the period under consideration.

The audit mission should take into account challenges encountered by ARCT RUHUKA in its day to day activities and make recommendations, where required.

Help ARCT RUHUKA for filling Certified Financial statement To RRA system

The audit mission will cover following areas:

a. Financial administration

Invoice procedures, payroll administration and other forms of remuneration, including taxes, payment methods, bank and cash reconciliations, interest income, administration of loans and advances, cash holdings, and other assets, chart of accounts and whether it corresponds to the budget, regular book keeping, internal charges, cost allocation, accounting of assets and liabilities, reconciliation of bookkeeping accounts, bank accounts, cashbooks and stock lists, interim and final accounts, agreements between the partners and reports to donors, budget follow-up according to agreement, instructions and policies in place, completeness of vouchers, quality of supporting documents: approved by



authorized officials, reconciliation against the accounts and others as redeemed necessary for the proper completion on the audit mission.

b. Procurements

Drawing up specifications of requirements, initiations to tender, evaluations of tenders and decisions to make procurements, procurements of insurance and transportation services, pre-shipment inspection, special examinations of major procurements.

c. Plan of operations and budget

Operational planning, budgeting, what budget documentation is produced, how budgets are approved, follow-up, revised and agreed between the parties; routines for reports on financial outcome and project implementation, audits of funds that are channelled further to other organizations, analysis of deviations between budgets and outcome.

d. Division of responsibilities and powers

Delegation of the right to make decisions, e.g the right to use the budgets and approve payment orders, delegations of authorization, e.g. right to sign checks, agreements, contracts; Routines for internal follow-up, corrective measures when errors are detected;

e. Organization

Governance structure, meetings, election of members, Organizational stability and structure in relation to the specific project; Division of roles and responsibilities, powers and work/tasks; Expenditure and approval (authorization list).

f. Controls

Controls and directives, audit planning, auditors engaged and terms of reference for audits; follow-up of audit reports and planning of action to be taken, how risk analyses have been made of control structures auditand planning.

g. Project activities

Financial reports and activity-oriented reports; checks that unused funds from different accounts are returned through a proper channels; follow up of consulting contracts and activities; quality of documentation on which decisions for different activities are based.

h. Vehicles and or motorcycles

Follow-up of operating costs; checks of logbooks and authorized use, vehicle and motorcycle hiring and payments made according to the contract.

i. Computer security

Check if the access to each computer request password; verify if the password for each computer is changed once a quarter, and any other IT issues.

2.2. EXPECTED OUTPUT.

A comprehensive financial audit report comprising of detailed financial statements, all notes to the statements and a proper management letter, has to be submitted to the Executive Secretary of ARCT-RUHUKA in English.



The report has to be well-structured, including an in-depth analysis on all the aspects of accounting and financial management as listed above and evidence-based recommendations for consolidation and improvement of ARCT-RUHUKA institution's financial management.

3. Duration and Reporting requirements

a) The audit take 3 weeks, starting from **20/02/2023** and the Auditing firm will submit the first draft of the report for review by the BOD and management not later than **27/03/2023**. The final report will be submitted by **10/03/2023**.

b) The audit firm will submit Two reports both in hard and soft copies :

(i) Financial statement comprising :

- Statement of Financial position
- Statement of revenue and expenditures
- Statement of changes in net assets
- Statement of cashflows
- Notes to the financial statements

(ii) Management Letter.

The Management letter should highlight observed weaknesses in the system of internal control and the recommendations for managing the identified issues over the life of the project

c) The report will be submitted in two copies.

6. Methodology

The audit firm shall perform this task independently. They will include interviews with staff responsible for the management of finance, human resources and programs within ARCT-RUHUKA. They will be allowed to easily access all data and documentation deemed necessary for the completion of the audit mission. The audit firm will meet with ARCT-RUHUKA management team before getting started in order to share with them the understanding of the terms of reference.

7. Working language

The working language and subsequent reports will be in English. But encounters with different concerned people will be in any language communicable to them such as English, French and/or Kinyarwanda.

8. Qualification of the Audit Firm and criteria for evaluation

Through a competitive bidding process, the audit firms should be based in Rwanda with international reputation , experience in working for NGOs and fulfilling all the requirements.

Application documents submitted will be evaluated based on the following criteria:



1. General Mandatory Evaluation Criteria

The proposals must include a description of the scope of work, timing of the assignment, as well as detailed composition of the team, breakdown of the fees and charges. The proposals should include:

1. Certificate of Registration
2. A proof of being listed in qualified practitioners list 2023
3. VAT Registration Certificate
4. Valid Tax Clearance Certificate (RRA)
5. Valid RSSB clearance certificate
6. Evidence for having an EBM invoicing system
7. Bank details (Account name, account number, and bank name)
8. E-filing acknowledgement receipt for year ended 31st, December 2021

2. Technical Capacity Evaluation

- a) Provide a list of 2 assignments undertaken within the last 2 years along with names of clients (including contact person, email contacts, Postal address and telephone numbers) Attach 2 reference letters.
- b) CVs of personnel who will carry out the assignment. The proposed staff should have relevant experience and professional qualifications in the relevant field (Team leader should have at least 5 years in the audit of not-for-profit organizations.

3. Financial Evaluation

The bidder should indicate the terms of payment and the bidder who scores the highest in terms of technical capacity (as described in point 2) and offers the lowest price will be considered for the award of the contract.

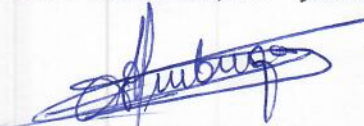
9. How to apply

Interested Auditing firms should submit both technical and financial proposals as one document by email: arct.recruitment@gmail.com; 06th February 2023 at 2:00 pm

Quotations that are received by ARCT RUHUKA after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

Thank you and we look forward to receiving your proposal/quotation.

Done at KIGALI, 30th January 2023



MUKARUBUGA Ancilla

Chairperson of ARCT-RUHUKA

