

TERMS OF REFERENCE FOR AN AUDIT OF THE SADC PARLIAMENTARY FORUM FINANCIAL STATEMENTS

1. INTRODUCTION

The SADC Parliamentary Forum is a regional institution of National Parliaments of the Southern African Development Community established under Article 9 (2) of the SADC Treaty. Its mission is to facilitate strategic partnerships within the SADC region, promote information sharing, initiate and implement projects that enhance regional integration and promote effective and professional parliamentary practice. Its current membership consists of National Parliament of Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Tanzania, Seychelles, South Africa, Swaziland, Zambia and Zimbabwe.

2. OBJECTIVE OF THE AUDIT

The objective of the audit is to enable the auditor to express an independent professional opinion on the fairness and accuracy of the financial statements of the SADC Parliamentary Forum at the end of each financial year.

3. SCOPE OF THE AUDIT

The audit will be carried out in accordance with the approved International Standards on Auditing (ISAs) and will include such planning, tests and auditing procedures as your firm will consider necessary under the circumstances. The audit should include an assessment of the accounting principles used and any significant estimates and judgements made by the management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Forum's circumstances, consistently applied and adequately disclosed.

The audit should include such tests as to provide reasonable assurance that the financial statements are free of material misstatements and ensure that:

- 3.1 All funds provided by third parties have been used in accordance with the conditions of the financing agreements and only the purposes for which the financing was provided.

- 3.2 Goods and services have been procured in accordance with relevant financing agreements and in line with agreed guidelines.
- 3.3 All necessary supporting documents, records and accounts have been kept in respect of all transactions with clear linkages between the books of accounts and the reports presented to the Executive Committee.
- 3.4 Control procedures are in accordance with approved guidelines.
- 3.5 The financial statements have been prepared and presented in accordance with the approved Internal Financial Reporting Standards and give a fair view of the financial position of the Forum at the specific year-end and the results of its operations and cash-flow information for the year then ended.
- 3.6 The financial reports are fairly and accurately presented and that the financial reports are supported by adequate documentation.
- 3.7 Any appropriate managements structure, internal controls and record keeping systems are maintained and can be relied upon.

4. FINANCIAL STATEMENTS

The financial statements should include:

- 4.1 A Statement of Financial Position;
- 4.2 A Statement of Income or Expenditure and Other Comprehensive Income;
- 4.3 A Statement of changes in equity;
- 4.4 A Statement of Cash flow; and
- 4.5 A summary of the Accounting Policies and Notes to the Financial Statements.

5. AUDIT DURATION

The audit work shall be completed within two months after the end of the financial year and the audit report should be received by the Executive Committee by latest mid of June after the end of each respective financial years.

6. MANAGEMENT LETTER

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

- 6.1 Give comments and observations in the accounting records, systems and controls that were examined during the course of the audit.
- 6.2 Identify specific deficiencies and areas of weakness in the system and controls and make recommendations for their improvement.
- 6.3 Report on the degree of compliance with financial covenants and financial agreements and give comments on the internal and external matters affecting such compliance.
- 6.4 Report matters that come to the auditor's attention during the audit which might have a significant impact on the operations of the institution.
- 6.5 Bring to the institution's attention any matters that the auditor considers pertinent.

7. STAFFING

The auditor will assign staff with requisite professional qualification and experience in accordance with accepted international audit standards.

8. AUDIT FEES

The audit fees will be fixed through the competitive bidding process.