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Framework agreement: Audit Services for The Embassy of Sweden in Kampala 2025-2027

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Terms of Reference for Framework Agreement for Audit Services

1. Embassy of Sweden in Kampala

The Embassy of Sweden in Kampala has a broad mandate to promote Swedish-Ugandan relations through political dialogue, development cooperation, trade and investment, cultural exchange and through service to Swedish and foreign citizens with issues related to Swedish authorities.

For more information, please see <http://www.swedenabroad.com/kampala>

2. Purpose and background to the assignment

The Embassy of Sweden in Kampala through its development cooperation has the main objective of reducing poverty in Uganda. Our budget is approximately 300 MSEK per year, which is invested in various projects in democracy/human rights, economic growth, productive employment opportunities and health. Our portfolio is made up of approximately 25 projects in the forementioned areas.

The Framework agreement's main purpose is to cover the areas described below.

Before entering into agreements with new partners, the Embassy always carries out assessments of the partner's capacity to safeguard funds and to reach intended results and objectives. Due to limited resources and time, the framework agreement will where needed be used to support the Embassy carry out internal capacity assessment reviews.

During the monitoring phase of the projects, the framework agreement will be used to support the Embassy in carrying out internal control assessments, spot checks, expenditure verifications, value for money audits, procurement audits, investigative audits, performance, and compliance audits etc. as and when these

services are needed.

There are also times where the Embassy needs to conduct forensic audits when there are serious allegations of corruption or when it is suspected that funds have been fraudulently misused. This necessitates the need for forensic audit services. Since this is a special type of audit, requiring special expertise, the forensic services will be a separate sub-division in this framework agreement.

In most cases our agreements stipulate that the partner is responsible for procuring an annual ISA800/805 audit of the project. Although this is normally procured by the partner that we have an agreement with, the winning tenderers of the framework agreement will be recommended to our agreement partners for them to use when procuring their ISA800/805 project audits. However, there are times when the Embassy procures the project financial audits, for example if there are situations where irregularities have occurred. Therefore, this framework agreement will also include the possibility to provide project financial audit services.

The Embassy has an ambition of continuously building the capacity of its agreement partners to properly understand their financial management responsibilities and set up a sufficient internal control environment to properly safeguard our funds and prevent fraud etc. For this reason, the framework agreement will where needed be used to deliver capacity building services for financial management/internal control matters, including training of Board members on their responsibilities regarding to financial/fraud awareness matters etc.

The Embassy always reviews the Terms of References (ToRs) before the start of the annual ISA projects audits and analyses the reports submitted by partners to give a no objection. During these processes, there are audit/accounting questions that may arise where quick answers are needed. This framework agreement will therefore include a component that serves as a “help desk” function, where the Embassy has the possibility to ask questions on an ad-hoc basis that can be answered within 24 hours, either through email or telephone.

It is for the reasons described above, that the Embassy of Sweden in Kampala has decided to procure a Certified Public Accountant (hereinafter called the Auditor) to provide audit and other related Services on a framework basis. The types of assignments which the Firm will be requested to undertake are

described further below in this Terms of Reference document.

Table 1 in the Appendix lists the type of reviews that we have procured under our previous framework agreement that has run from October 2020 to September 2024.

3. Type of framework

A framework agreement will be put in place with not more than **three ranked firms**.

The agreement period is two years with a possibility to be extended twice with unaltered conditions for a period of twelve months for each extension.

5. Number of audits and working conditions

The extent of the services to be performed cannot be defined as the Auditor is expected to provide the services as and when required under the framework agreements. Audits will vary in length and complexity, and they may involve travel within Uganda.

The framework agreement does not include any guarantees of volume of services.

3. Objectives

The major objectives of the audit services are:

- (1) to assist the Embassy of Sweden in Kampala undertake different types of audit and related services including financial assurance audits, non-assurance audits as in accordance with agreed upon procedures, internal control assessments, spot checks, expenditure verifications, value for money audits, procurement audits, investigative audits, performance, and compliance audits etc.
- (2) to assist in building internal capacity relating to internal control, management & audit activities for the Embassy of Sweden in Kampala's partner institutions, authorities, and organizations.
- (3) to assist on an ad-hoc basis in providing less complicated audit advice that can be given by telephone or e-mail within a day especially regarding the matters mentioned under (1) and (2) above.

- (4) to conduct forensic audits, which can be requested for on short notice.

6. Scope of Work

1. Various type of audit services commissioned by the Embassy

Assignments can include audits/reviews of projects as well as Implementing Partners/Organizations/Authorities.

The following main types of audit services could be requested from this framework agreement:

- a) ***Financial audits/review/assessments according to international standard without assurance, for example:***
- In depth financial audits/reviews/assessments according to “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” (ISRS 4400)
 - Procurement audits to establish whether procurement processes follow agreements and/or national legislation, verification of technical and, physical compliance, price competitiveness of contracts, and review of contract administration and management.
 - Various types of Internal Management and Control Audits to examine if the organization is achieving its goals through:
 - An effective organization
 - Reliable reporting
 - Compliance with applicable acts and ordinances
 - Spot checks including expenditure verification on specific high-risk areas identified during project implementation.
 - Investigative audits as a precursor for other specialized audits. e.g., Forensics. This could call for investigative competencies/perspectives.
 - Consultancy reviews, i.e., reviews of partner’s audit reports where applicable. Reviews and assessments of partner’s budgets, financial and narrative reports.

b) *Various types of efficiency audits*

- Various kinds of assessment of whether the organization has capacity, competence, and resources to achieve its goals, value for money audits etc.
- An assessment of internal management and control whereby an assessment of the internal policies is often included.

c) *Financial Audits including assurance engagement including:*

- Assess that the financial report is true and fair through substantive audit procedures and review of the internal controls.
- Make a statement of the financial report in accordance with international standards issued by ISSAB 2

Audit reports in this case are always accompanied by a management letter and management response.

Assignments can consist of a combination of the above-mentioned audit/review types.

The assignments can include either pre-grant assessments before a planned development cooperation project, continuous reviews for on-going projects or follow up of already implemented projects or when there is a suspicion of irregularities.

2. Internal/external Capacity Building and Support

The Auditor may be requested to provide training, advice and to assist in building capacity regarding internal controls, management & finance related activities for partner institutions, authorities and organizations implementing Sweden funded projects. Advisory services can also be included under this component.

3. Ad hoc advice regarding less complicated matters

The Embassy intends to use this component of the framework agreement to get assistance/advice on an ad-hoc basis regarding less complicated audit matters that can be given by telephone or e-mail within a day.

4. Forensic Audits

Forensic Audits in cases where there are whistleblower allegations, serious suspicions of corruption or when it is suspected that funds have been

fraudulently misused among other serious irregularities.

7. Reporting

For all types of audit services, a soft copy of the draft report of a concluded assignment shall be submitted to the Embassy within a time frame specified in the separate call-off order.

All draft reports shall be submitted in Word for easy review, not in PDF or any other format.

Within two weeks of receiving comments on the draft report, a final version of the report is expected to be submitted in two copies and a soft copy to the Embassy. Reporting language will be English. The framework holder must have internal quality assurance systems to assure that report delivered to the Embassy follows the terms of reference agreed upon for the assignment and is of acceptable quality.

The auditor is expected present major findings of their reports in a meeting with the Embassy, and, if so agreed, with the concerned organization.

If requested by the Embassy, there should also be a yearly meeting between the Embassy and the auditor to assess the framework agreement and provide feedback to each other.

8. Profile of the consultants and staffing requirements

To be able to carry out the different types of audits relevant manning must be made in accordance with the specific ToR for each assignment as well as in accordance with Procurement document for this specific framework agreement.

Procurement document gives more specific information on the requirements for the supplier as well as for the consultants.

APPENDIX – OVERVIEW OF ASSIGNMENTS

Table 1: Overview reviews under previous framework – from October 2020 to September 2024

Type of review	Ranked
Investigative review	Ranked
Forensic	Ranked
Expenditure verification	Ranked
Human Resource review	Ranked
Capacity Building-Anti-corruption	Ranked
Agreed Upon Procedures	Ranked