EMBASSY OF SWEDEN

Embassy of Sweden Lusaka

Appendix 1

Reference no.: UM2026/21900/LUSA

Date October 2026

Terms of reference – Framework Agreement for Audit Services and Advisory, Embassy of Sweden in Lusaka

The Embassy of Sweden in Lusaka is committed to strengthening and expanding the longstanding partnership between Sweden and Zambia through political dialogue, development cooperation, trade promotion, and cultural exchange. The Embassy advances Sweden's interests and values both bilaterally and through multilateral engagement within the European Union (EU) and the United Nations (UN). Guided by Sweden's commitment to peace, democracy, human rights, security, sustainable development, and free trade, the Embassy works to promote shared prosperity and global stability. Recognising emerging global challenges, particularly climate change, the Embassy supports collaborative solutions and strategic partnerships that contribute to sustainable and inclusive development in Zambia and beyond.

For more information, please see www.swedenabroad.se/Lusaka

1.1.1 Framework Agreement for Audit Services

The Embassy intends to enter into contracts with three (3) audit firms, provided that at least three firms comply with the requirements set out in the Procurement Document. The Embassy aims to conclude a Framework Agreement that will commence on 1st April 2027 and remain in force until 31 March 2029, i.e. for a period of two years. The contracts may be extended twice on unchanged terms and conditions, for a period of twelve (12) months for each extension

2. Scope of the Framework Agreement

2.1 General infomation

The Bilateral Development Cooperation Section at the Embassy of Sweden in Lusaka manages a portfolio of approximately 25 projects with an annual budget of around SEK 300 million. The portfolio contributes to the implementation of Sweden's development cooperation strategy and includes interventions under the strategic objectives of Human Rights, Democracy and the Rule of Law, Economic Development and Livelihoods, and Environmentally and Climate-Focused Sustainable Development.

The purpose of this framework agreement is to provide the Embassy with access to qualified audit, review, investigative, advisory, and capacity-development services in support of effective oversight, accountability, risk management, and organizational learning within its development cooperation portfolio.

Under cooperation agreements with partner organizations, the Embassy reserves the right to commission audits and reviews of supported organizations and programmes. The Embassy will act as the contracting authority and contract holder for assignments procured under this framework agreement.

2.2 Scope of work

The consultant/auditor may be required to undertake one or more of the following assignments:

2.2.1 Audits, Reviews, and Assessments (Non-Assurance Services)

- Pre-Award Assessments: Assess the capacity, governance structure, financial management systems, internal controls, staffing, and operational capability of prospective partner organizations to determine their suitability to manage and implement funded activities in an accountable, transparent, and effective manner.

- Efficiency Audits: Evaluate organizational systems, procedures, and internal control mechanisms to determine whether operations are conducted efficiently, effectively, and reliably, including follow-up reviews of previously implemented recommendations.

- Agreed-Upon Procedures (AUP): Conduct engagements in accordance with International Standard on Related Services (ISRS) 4400 and report factual findings on specified financial information without expressing an assurance opinion.

- Forensic Audits: Undertake investigations into suspected fraud, corruption, financial misconduct, or other irregularities, and provide evidence-based findings and recommendations.

- Procurement Audits: Assess compliance of procurement processes with contractual obligations, procurement regulations, and applicable legislation, including verification of procurement planning, contract management, technical specifications, and value-for-money considerations.

- Performance (Value-for-Money) Audits: Examine the economy, efficiency, effectiveness, and relevance of activities and programs, including the extent to which intended objectives and outcomes have been achieved.

- Consultancy Reviews: Review and assess existing audit reports, evaluations, assessments, and related documentation, and provide independent professional opinions and recommendations.

- Spot Checks and Expenditure Verifications: Conduct targeted reviews of financial transactions and supporting documentation of grant recipients and sub-grantees to verify the eligibility, accuracy, and proper utilization of funds.

- Compliance Audits: Assess adherence to applicable laws, regulations, policies, contractual agreements, donor requirements, and internal procedures.

- IT Audits: Evaluate information technology systems, infrastructure, governance frameworks, cybersecurity controls, and data management processes to determine the adequacy of controls in safeguarding organizational assets and ensuring data integrity and confidentiality.

- Other Related Services: Perform any other audit, review, assessment, or advisory assignments as may be required by the Embassy or contracting authority**.**

2.2.2 Financial Audits (Assurance Services)

Conduct financial audits in accordance with applicable International Standards on Auditing (ISA) and other relevant professional standards, providing an independent audit opinion on whether financial statements and project financial reports present a true and fair view and have been prepared, in all material respects, in accordance with approved budgets, funding agreements, and applicable financial reporting requirements. The audit shall be planned and executed using a risk-based approach and shall include the assessment of internal controls, compliance, and the validity and eligibility of reported expenditures. The auditor is expected to provide an Independent auditor's report and a Management letter.

2.2.3 Other Assignments

- Internal/External Capacity Building and Support- the Supplier may be requested to provide training and advice for Embassy staff and agreement partners.

- Advisory assignments

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

2.3 Budget

The budget for each specific assignment shall be specified in the relevant Call-Off. The Framework Agreement shall not be construed as providing any guarantee of the volume or value of services that may be required from or provided by the Contractor.

2.4 Reporting

A soft copy of the draft report for each completed assignment shall be submitted to the Embassy within the timeframe specified in the relevant call-off inquiry.

The reporting language shall be English.

All draft reports shall be submitted in Microsoft Word format to facilitate review and commenting.

The deadline for submission of the final report, following receipt of the Embassy's comments on the draft report, shall be specified in the relevant call-off request. The final report shall be submitted to the Embassy in two hard copies and one electronic copy.