Provision of Audit Services

2025

Terms of Reference

1. About Shahidi wa Maji at a Glance

Shahidi wa Maji (SwM) is a not-for-profit organisation, exclusively dedicated to sustainable and climate-resilient water resources management and WASH services through systems strengthening, Community empowerment, Innovative solutions to the water insecurity issues and Evidence-based sector advocacy. Established in 2008 and registered (oooNGO/R2/000027) under the NGO Act 2002, SwM envisages a fair water future for every Tanzanian where water is managed efficiently and sustainably to support the needs of humans, businesses, and the ecosystem. SwM works in partnership with reputable sector actors to develop capacities of and advocate for water regulatory and management institutions to deliver on water sector policies and strategies.

Grounded in robust evidence, the organization empowers rights holders to advocate for effective and efficient water governance, making an important contribution to achieving sustainable water security for every Tanzanian.

Currently, SwM is implementing five-year strategic plan with five key priorities focused on enhancing water security, especially for vulnerable groups.

a. Advocating for equitable and sustainable water resource management for humans, businesses, and the ecosystem.
b. Working with water regulatory and management authorities and communities to enhance resilience to the climate crisis in the water and water-dependent sectors.
c. Promoting and advocating for innovative, sustainable, and accountable water sector financing.
d. Sustainable and accountable management of water and sanitation services for vulnerable citizens and
e. Fostering action for effective and accountable water sector coordination.

2. About the audit

These Terms of Reference (TOR) define the mandate and qualifications of the auditor in connection with the SwM's financial audit requirements as provided below.

2.1 The service

SwM calls for qualified audit firms based in Tanzania to submit both technical and financial proposals for the provision of audit services for the financial year ending June 2025. The successful applicant will serve the organization for three years, subject to performance and SwM's satisfaction with the services provided by the firm.

2.2 The Auditor

SwM shall engage a legally registered independent Audit firm based in Tanzania. The applying firm should have professional competence and experience in auditing financial accounts for civil society organizations (local and international), primarily in Tanzania. The firm should have business and professional licenses, certified by relevant national oversight authorities, and conform to the International Standards in Auditing.

2.3 The scope of the service

The selected firm will audit the financial accounts for SwM in line with the statutory requirements of the United Republic of Tanzania. The service shall include;

a. Examining whether SwM's financial accounts are a fair and true representation of its financial situation.

b. Examining whether SwM's financial accounts are in line with the generally accepted accounting principles and the organization's financial manual.

c. Perform an audit test of the transactions and records to reach an opinion on the truth and fairness of SwM's financial statements.

d. Provide vital recommendations to inform the growth of the organization and enhancing the best practices in financial management

2.4 Outputs

The following outputs among others are expected at the end of the audit exercise

a. Signed Financial statements including Balance Sheet, Income and Expenditure statement and cash flow statement,
b. Management letter with risk assessment and necessary recommendations for risk management.
c. An independent auditor's report.

3. Auditing standards

The audit will be conducted in accordance with international standards on Auditing and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as considered necessary. In addition, the auditing shall observe the relevant standards of the local accounting profession as well as the local legislation on accounting and reporting in force in the United Republic of Tanzania. The auditor should have an adequate understanding of the accounting and internal controls systems to the extent necessary in order to assess their adequacy as a basis for the preparation of the financial statement and establish whether the organization has maintained proper accounting records.

4. Planning the financial audit

4.1 Planning

The auditor shall adequately plan and communicate the financial audit engagement well in advance of the work and ensure the execution of the financial audit of the highest professional quality in an economical and efficient manner, as agreed upon in the respective mandate. On the basis Based on the information received during the planning phase, including the auditor's risk assessment, the auditor shall determine the type of transactions to be audited and the audit methods.

4.2 Place of audit and timelines

The financial audit is to be carried out at the SwM's administrative offices in Morogoro and, when necessary, at decentralized sites. The Auditing and reporting process is expected to take a maximum of 1 week, starting October 13rd, 2025.

5. Fees:

The total fee for the audit is inclusive of income tax and VAT. The CLIENT will not bear any other cost relating to accommodation, food or for transportation for the auditors. For work carried out outside Morogoro, these costs will be paid for by SwM.

SwM will pay the fee via bank transfer to the audit firm.

a. 1st installment: on signing the contract (40% of the total sum)
b. 2nd installment: after receiving the draft audit report and the final audit report (60% of the total sum).

6. Application requirements and submission

6.1 Key requirements

The applying audit firm is expected to submit both technical and financial proposals to the address provided under section 6 below. Additionally, the applying audit firm should append to the proposals the profile of the firm that details, among other information, the relevant assignments completed in the recent past, shortened CVs of relevant staff (a page for each staff is preferred), and proposed audit methodology.

6.2 Submission of Proposals

An interested audit firm shall only submit the proposal package (subsection 5.1) to SwM through the official email address info@shahidiwamaji.org no later than 05th October 2025. Any other form of submission will not be accepted. Any inquiry before submission should be directed to abeldugange@shahidiwamaji.org.

7. Conflict of Interest Declaration

The audit firm must disclose any existing or potential conflicts of interest, including relationships with SwM staff, board members, or donors.

8. Confidentiality Clause

The audit firm shall maintain strict confidentiality of all SwM financial and operational data accessed during the audit process.

9.Evaluation Criteria for Proposals

Proposals will be evaluated based on the following criteria: relevant experience, proposed methodology, cost-effectiveness, and qualifications of key personnel.

10 Audit Period Coverage

The audit will cover the financial year from July 1st, 2024 to June 30th, 2025.

11. Follow-up or Re-audit Provisions

SwM reserves the right to request follow-up audits or clarifications based on the findings of the initial audit.

12. Access to Records and Staff

SwM will provide the audit firm with full access to all necessary financial records, systems, and relevant personnel to facilitate the audit.

13. Performance Remedies

In case of delays or substandard work, SwM reserves the right to withhold payments or terminate the contract as per agreed terms.