

Terms of Reference (ToR) For the Selection of an Audit Firm for the 2024 Financial Audit of NREP



National Renewable Energy Platform

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Call for Application: 13th January 2025

Deadline for Submission: 20th January 2025

A. Introduction

The National Renewable Energy Platform (NREP) is a national initiative established by stakeholders in the Renewable Energy sector and hosted at the Ministry of Energy and Mineral Development (MEMD). It aims to bring together and support coordination among all actors in the Renewable Energy sector, including the government, private sector, and development partners, through a unified platform. Read More: <https://nrep.ug/>

The National Renewable Energy Program (NREP) is seeking to engage a qualified and experienced audit firm to conduct a financial audit of its accounts for the fiscal year 2024. These Terms of Reference (ToR) outline the scope, objectives, and requirements for the audit firm that will provide independent verification of NREP's financial statements, ensuring compliance with applicable financial reporting standards and best practices.

The selected audit firm will conduct a comprehensive review of NREP's financial records for 2024, providing transparency and accountability regarding the use of funds.

B. Objectives

The objectives of these ToR are to:

1. Appoint a qualified audit firm with expertise in financial audits for government programs, Development Partner programs, and renewable energy projects.
2. Conduct a comprehensive financial audit of NREP for the fiscal year 2024, ensuring accuracy, completeness, and compliance with national and international accounting standards.
3. Provide an independent opinion on the financial health of NREP and any recommendations for improvements in financial management and controls.
4. Ensure accountability and transparency in the financial management of donor and government funds allocated to NREP projects.

C. Scope of Work

The selected audit firm will be responsible for the following tasks:

1. **Financial Statement Audit:**
 - Conduct a full financial audit of NREP's financial statements for the fiscal year 2024. This includes the balance sheet, income statement, cash flow statement, and notes to the financial statements.

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- Ensure compliance with the relevant financial reporting standards (e.g., International Financial Reporting Standards - IFRS, or local standards as applicable).
 - Confirm the accuracy and completeness of NREP's financial records, including receipts, expenditures, and donor contributions.
2. **Assessment of Financial Controls:**
- Evaluate the internal financial control systems, including processes for budgeting, accounting, and financial reporting.
 - Assess NREP's adherence to financial management policies and procedures.
3. **Audit Opinion:**
- Provide an independent audit opinion on the accuracy and fairness of the financial statements for the year 2024.
 - Identify any discrepancies, misstatements, or areas where financial controls or reporting processes may need strengthening.
4. **Audit Report and Recommendations:**
- Prepare a detailed audit report with an executive summary, outlining the audit findings and providing recommendations for improving financial processes, controls, and reporting.
 - Highlight any significant issues or risks identified during the audit and suggest corrective actions.
5. **Management Letter:**
- Provide a management letter that includes observations on internal control weaknesses, operational inefficiencies, and recommendations for improvement.

D. Expected Deliverables

1. **Audit Plan:** A detailed audit plan outlining the scope, methodology, timeline, and key deliverables.
2. **Audit Report:** A final audit report, including:
 - An independent audit opinion on the financial statements.
 - Identification of any discrepancies or issues in financial reporting.
 - Recommendations for improving financial management and controls.
3. **Management Letter:** A letter summarizing any internal control weaknesses or operational issues identified during the audit and providing actionable recommendations for improvement.

E. Technical and Financial Requirements

Technical Proposal:

1. A detailed work plan outlining the audit methodology, approach, and timeline.
2. Information on the firm's experience in auditing Government programs, Development Partner programs, or renewable energy projects.
3. A list of the audit team members, including their qualifications and relevant experience.
4. A description of how the firm ensures confidentiality and handles sensitive financial information.

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Financial Proposal:

- A detailed cost breakdown, including audit fees, additional costs for travel or expenses, and taxes.
- Payment terms and schedule for delivering the audit services.

F. Selection Criteria

The audit firm will be selected based on the following criteria:

1. **Technical Expertise:**
 - Proven experience in conducting financial audits for government programs, NGOs, or renewable energy projects.
 - Knowledge of international financial reporting standards and local regulatory requirements.
 - Capacity to evaluate financial controls and provide actionable recommendations.
2. **Team Qualifications:**
 - Relevant qualifications and experience of the proposed audit team.
 - Demonstrated ability to deliver high-quality audit services within the required timeline.
3. **Previous Experience:**
 - Track record of successful audits for similar organizations, particularly those related to donor-funded projects.
 - Positive references from previous clients, especially in the renewable energy or development sectors.
4. **Cost Efficiency:**
 - Competitive pricing with a transparent cost breakdown.
 - Value-for-money proposition, considering the scope and quality of services offered.

G. Submission Guidelines

Interested audit firms should submit their proposals by 20th January, 2025. Proposals must include:

- A company profile detailing relevant experience in conducting financial audits for similar organizations.
- A technical proposal outlining the audit approach, methodology, and timeline.
- A financial proposal with a detailed cost breakdown, payment terms, and taxes.
- A list of the proposed audit team, including qualifications and relevant experience.
- Any supporting documents (e.g., certifications, references, case studies, etc.).

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Proposals should be submitted to:

National Renewable Energy Program (NREP)

Subject: Procurement and Audit Team

Email: info@nrep.ug; nrep.memd@gmail.com

For inquiries, please contact:

Phone: +256 (0) 393 100 495

H. Evaluation and Award

Proposals will be evaluated based on the technical and financial components. NREP will select the audit firm that best meets the requirements outlined in these ToR, with particular emphasis on technical expertise, team qualifications, audit approach, cost-effectiveness, and the ability to deliver a comprehensive, high-quality financial audit report.

I. Conclusion

NREP seeks to engage a reputable and experienced audit firm to ensure transparency, accountability, and compliance in its financial management for the fiscal year 2024. The successful audit firm will play a crucial role in supporting NREP's mission to foster sustainable energy solutions and effective governance.