



Mzuzu Entrepreneur Hub

ENTREPRENEURSHIP TECHNOLOGY AND INNOVATION HUB



hello@mzuzuehub.org



www.mzuzuehub.org



(+265) 888 860 810 /884 600 034 /994 348 129

Terms of Reference (TORs) for External Auditors

1.0. Background and Context

Mzuzu E-Hub is a social enterprise registered under company's incorporation Act TMBS 1010145 based in Mzuzu, Malawi that was established in 2018 with aim of building a community of entrepreneurs creating innovative solutions for their communities to foster job creation and poverty eradication. As an entrepreneurship, technology and innovation hub, Mzuzu E-Hub provides enterprise development support solutions including business incubation and acceleration, technology skills transfer, co-working facilities, and networking events targeting young men and women (18-35).

Mzuzu E-Hub adopts various approaches that combines skills and knowledge transfer, information sharing and provision of access to tools and resources, opportunities and investment linkages, and networking platforms.

Mzuzu E-Hub seeks an external auditor to review and validate the March 2023 - February 2024 financial statements.

2.0. Scope of Assignment

2.1. Period of Appointment

The financial assignments will cover 12 months from 1st March 2023 to 29th February 2024

2.2. Roles and Responsibilities

The Mzuzu E-Hub management team has the responsibility to prepare the financial statements and make them ready and available for the purpose of external audit in line with the agreed timeframe. The Managing Director and Finance and Administration Advisor will have the financial statements signed on behalf of the Management team.

It is the responsibility of the auditor to report on whether according to their opinion, the prepared financial statements provide a true and fair opinion regarding the state of the Mzuzu E-Hubs financial matters at the balance sheet, income and expenditure for the recently ended financial year in accordance with local standards, International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISAs).

The external auditor shall provide a management letter addressed to the Managing Director detailing key areas of weakness in the financial management system and processes discovered in the course of the audit. External audit reports will be delivered at the Mzuzu E-Hub main office in Mzuzu and filed with all relevant authorities and partners.

2.3. Audit duration

The audit assignment is expected to be completed by 30th July 2024 with all accounts signed by the Managing Director and the external auditor, and submitted to Mzuzu E-Hub. Before the completion of the assignment, all audit findings should have been presented to the Mzuzu E-Hub management team for comments and resolution of any issues.

3.0. Outputs and Deliverables

Below are the key outputs and deliverables expected at the end of the audit assignment:

- Published account statements including the balance sheet, income statement and an independent report on the auditors opinion demonstrating the true and fair opinion on the financial statements.
- Separate auditors certificate confirming total income and expenditure for projects or grants with agreements highlighting the need for such
- Management letter with key issues and recommendations to be addressed by the Mzuzu E-Hub management inclusive of progress made on previous years findings.

4.0. Qualifications of the External Auditor

Audit firms interested to express their interest should submit combined technical and financial proposals comprising the following:

- Company profile
- Comments on the terms of reference shared herein
- Proposed methodology for the assignment inclusive of auditing tax liabilities
- Select similar assignments completed in the past two years with local organisations implementing impact programs and projects
- Clear staffing roles including number of partners, management and audit staff at the proposal submission phase
- CVs of partners, management and team that would be assigned to the audit assignment.
- Financial proposal highlighting the justification of the audit fees inclusive of travel, per diems, stationery etc.

5.0. Application method

Application prepared in English should be submitted to Mzuzu E-Hub before **30th June 2024** through the following channels:

The Chair Person
Internal Procurement Committee
Mzuzu Entrepreneur hub
Kwawala House, 1st Floor
Mzuzu.
Email: procurement@mzuzuehub.org

For inquiries, contact the following numbers: +265 996033781 / +265 884600034

6.0. Selection Criteria

The assignment is open to all audit firms eligible to deliver audit assignments in Malawi as certified by the Malawi Accountants Board, and whose partners are practicing members of The Institute of Chartered Accountants in Malawi (ICAM).

7.0. Mzuzu E-Hub Accounting Processes and Procedures

7.1. Basis of preparation

Mzuzu E-Hub accounts will be prepared in local currency and on an accruals basis. The data for all income and expenditure items in the audited financial statements will be extracted directly from the Quickbooks system, mostly using Excel spreadsheets and PDF files.

7.2. Fixed Assets

Property and equipment are capitalised in the year of purchase and appropriate depreciation charged in with the requirements of International Accounting Standard 16.

7.3. Inventory materials

Mzuzu E-Hub mainly does not hold stocks of significant value. Expenditure on stocks, which usually comprises stationery and equipment are therefore expensed at the time of purchase.

7.4. Provision, liabilities and accruals

Accruals are only recognized for work that has been completed but not billed at the year end. Provisions and liabilities are recognized in line with local regulations for gratuities, leave, and other costs.