



TERMS OF REFERENCE FOR THE EXTERNAL AUDIT

Background

Hlanganisa Community Fund NPC is a non-profit company incorporated under section 21 of the Companies Act of South Africa.

Hlanganisa Community Fund NPC formerly known as Hlanganisa Institute for Development Southern Africa (Hidsa), is an innovative intermediary grant maker aiming at strengthening social accountability, promoting human rights in pursuit of social justice in Southern Africa. Hlanganisa also offers a comprehensive fiscal hosting service that enables community-based organizations and initiatives to operate effectively, transparently, and in full compliance with donor and statutory requirements.

Hlanganisa believes in partnering communities for sustainable change.

Objectives and Scope of the Audit

The objective of the audit is for the auditors to conduct audit reviews as follows:

1. The auditors shall express an independent professional opinion as to whether the financial statements present fairly, in all material respects, the financial position of Hlanganisa in accordance with the International Financial Reporting Standards for Small and Medium Entities (IFRS for SMEs) and the requirements of Companies Act of South Africa.
2. The audit shall be carried out in accordance with the International Standards on Auditing (ISAs) as issued by the International Federation of Accountants (IFAC). The auditors in their duties shall comply with the duties imposed upon them by the Audits Professions Act and the Companies act of South Africa.

3. Management letter-The Auditors should submit a management letter after the completion of the audit in which auditors will:
 - 3.1 Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;
 - 3.2 Examine on test basis that appropriateness of supporting documents, records and books of accounts relating to all project activities;
 - 3.3 Include management responses to audit findings and recommendations;
 - 3.4 Any matters that come to the auditor's attention during the audit that might have a significant impact to the implementation of the programme.
 - 3.5 Examine, assess and report on compliance with the terms and conditions of the agreement between funding partners and Hlanganisa and applicable laws and regulations within accounting and taxes;
 - 3.6 The auditor shall report the identified amount in case there are any missing supporting documents;
 - 3.7 Any matters that come to the auditor's attention during the audit that might have a significant impact to the implementation of the programme.
4. If Hlanganisa channels funds to other organisations, the auditor shall examine if Hlanganisa has followed funding partners audit instructions/guidelines, if applicable.
5. The audit reports shall:
 - 5.1 Contain details of the method and scope of audit and assurance that the audit was performed in accordance with International Standards of Auditing and by a qualified auditor.
 - 5.2 Signed by the auditor responsible stating the title.
 - 5.3 Written in English
 - 5.4 Issued in soft copy for circulation to Partners

6. **Responsibility for preparation of Financial Statements**

The responsibility for preparation of the annual financial statements lies with Hlanganisa directors and management.

7. Selection Criteria

Hlanganisa will do the adjudication after the proposal submission deadline. The selection criteria will include the following:

- 7.1 Eligibility – Registered Auditors.
- 7.2 Experience of your firm in relation to the scope of audits for non-Profit organization.
- 7.3 A list of similar non-profit organizations served by your firm.
- 7.4 Your staff assignments and availability to complete the audit on a timely basis.
- 7.5 Audit firm staff stability history - what assurances can you provide regarding the assignment of your permanent personnel to the engagement.
- 7.6 Proposed fee for the engagement including a schedule for additional services that may be necessary beyond the scope of the audit engagement. The proposal should indicate anticipated fees for the second and third years
- 7.7 Detailed audit plan/methodology including your approach to risk and fraud detection.
- 7.8 Estimated number of hours to complete the audit by classification of your employees, i.e. partners, senior, junior.
- 7.9 Detail of expenses expected to be incurred, i.e. mileage, per diem, telephone, etc.
- 7.10 Time Requirements.
 - Hlanganisa Reserves the Right to reject any and all proposals submitted.
 - Only shortlisted audit firms will be contacted. Please note that this advert contains full Terms of Reference, hence no further tender documents are available.

Proposal submission deadline: 28 November 2025

Please email proposal to: recruitment@hlanganisa.org.za