TERMS OF REFERENCE

Provision of Audit Services to Khasakh Cooperative Society Limited

1. Background

Khasakh is a multi-purpose cooperative society registered under Section 6(2) of the Cooperative Societies Act, Cap. 122 (as amended), with Certificate No. 9985/RCS. It is owned, governed and subscribed to by current and former staff of World Vision, their spouses and their children.

As a Christian financial institution, Khasakh seeks to provide reliable and effective financial services that contribute to the health and prosperity of its members. Its operations focus on:

- extending credit facilities to members at competitive interest rates;
- growing members' savings through attractive interest rates;
- providing expert financial advice to members; and
- making secure, profitable and competitive investments on behalf of members.

2. Objectives

The objectives of the audit are to:

- obtain reasonable assurance about whether the financial statements of Khasakh as a whole are free from material misstatement, whether due to fraud or error; and
- express an independent professional opinion on the financial position of Khasakh, exercising professional judgement and maintaining professional skepticism throughout the audit.

The audit shall be carried out in accordance with International Standards on Auditing and applicable cooperative regulations, and shall include such tests and verification procedures as the auditors consider necessary.

3. Scope of Work

The auditors shall:

- identify and assess the risks of material misstatement in the financial statements,

whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain sufficient, appropriate audit evidence to provide a basis for the audit opinion;

- obtain an understanding of internal controls relevant to the audit in order to design appropriate audit procedures, and identify any deficiencies in internal control relevant to the audit of the financial statements;
- evaluate the appropriateness of the accounting policies used, the reasonableness of accounting estimates, and the related disclosures made by management;
- evaluate the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on Khasakh's ability to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance on, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified; and
- hold an entry meeting and an exit meeting with the Board of Khasakh Cooperative Society Limited.

4. Management Letter

In addition to the audit report, the auditors shall prepare a Management Letter that:

(a) provides comments and observations on the accounting records, procedures, systems and controls examined during the audit;

(b) identifies specific deficiencies and areas of weakness in systems and controls, and makes recommendations for improvement;

(c) reports on the implementation status of recommendations made in previous audit reports;

(d) communicates matters that come to the auditors' attention during the audit and may significantly affect the sustainability of the organisation; and

(e) brings to the attention of the Board and the Annual General Meeting (AGM) any other matters the auditors consider pertinent.

5. Audit Duration

The audit work shall be completed within one (1) month from the date of commencement, in time for the findings to be presented at the AGM.

6. Deliverables

On completion of the audit, the auditors shall submit:

(a) five (5) original copies of the Audit Report appended to the Financial Statements, together with the reports addressed to the Board; and

(b) a Management Letter prepared in accordance with Section 4 of these Terms of Reference.

7. Qualifications of the Audit Firm

Applicant firms must:

- be based in Uganda and be affiliated with, or a member of, the Institute of Certified Public Accountants of Uganda (ICPAU); and
- conduct the audit in accordance with International Standards on Auditing and the requirements of UCSCU and the Ministry of Trade, Industry and Cooperatives, including such tests and verification procedures as the auditors consider necessary.

8. Audit Fees

Audit fees will be determined through a competitive bidding process.

9. Application Process

Interested and qualified firms should submit their applications to khasakhtenders@gmail.com, with a copy to judithnakamannya@gmail.com.

Deadline: Applications must be received by **30th November 2026**.