

TERMS OF REFERENCE FOR AUDIT SERVICES TO RALGA

1. Background

RALGA is a non-governmental membership organization that was established in 2003 to represent, advocate for, and build the capacity of Local Governments in Rwanda. It serves as a platform for its members to share their experiences and to channel their opinions in one voice. Its members are all the Districts and the City of Kigali. Its vision, mission, and responsibilities are stipulated in its articles of association, while its interventions are guided by a five-year Strategic Plan and an Operation Procedures Manual.

Since its establishment, RALGA has been making remarkable progress in developing a framework for good service delivery to its members, with respect to the principles of good management of resources and in line with existing rules and regulations in its operations. That is why it has been a culture that an audit is conducted every 6 months by an independent audit firm on the utilization of resources in compliance with the above-mentioned principles rules and regulations.

It is in this context that RALGA is hiring an audit firm to provide audit services to RALGA for a period of 2 financial years (2026-2027 and 2027-2028) with a possibility for contract extension.

2. Main Purpose of the assignment

The overall objective of this assignment is to ascertain that the financial statements of RALGA Secretariat are accurate and to have the auditors' independent professional opinion on the financial position of the organization in line with the International Financial Reporting Standards (IFRS).

The objective of the assignment is to conduct the audit of RALGA's financial statements, to ensure that the funds received or generated have been used for their intended purposes, and to express an independent professional opinion on the financial position of the association.

3.Objectives of the Audit

The specific objectives are to:

1. Express an independent opinion on the RALGA's financial statements.
2. Verify the accuracy, completeness, validity, and proper classification of financial transactions.
3. Assess the adequacy and effectiveness of internal controls and financial management systems.
4. Review compliance with applicable laws, regulations, accounting standards, internal policies, and donor requirements, where applicable.
5. Verify the proper use of funds and assets and assess whether expenditure is supported by adequate documentation.
6. Assess the accuracy of financial reporting and the reliability of underlying accounting records.
7. Identify material weaknesses, financial irregularities, risks, and areas requiring improvement.

8. Provide practical recommendations to strengthen governance, accountability, and financial management.

4. Scope of Work

The selected audit firm shall conduct the audit in accordance with the applicable auditing standards and relevant legal and regulatory requirements.

The scope of work shall include, but not be limited to, the following:

4.1 Financial Statements and Accounting Records

- ❖ Examine the statement of financial position, statement of financial performance, cash flow statement, and other applicable financial statements.
- ❖ Verify the accuracy and completeness of accounting records and supporting documentation.
- ❖ Review bank reconciliations, cash balances, receivables, payables, and other material account balances.
- ❖ Assess the appropriateness of accounting policies and consistency in their application.
- ❖ Verify the existence, valuation, and safeguarding of assets and liabilities.

4.2 Revenue, Income, and Expenditure

- ❖ Verify the completeness and accuracy of income, grants, donations, and other revenue.
- ❖ Examine expenditure for validity, authorization, eligibility, and supporting documentation.
- ❖ Review procurement transactions, supplier payments, and payrolls.
- ❖ Assess whether funds have been used for their intended purposes.

4.3 Internal Controls

- ❖ Evaluate the design and implementation of internal financial controls.
- ❖ Review segregation of duties, authorization procedures, cash management, and asset controls.
- ❖ Identify weaknesses that could expose the organization to fraud, error, misuse of resources, or financial loss.
- ❖ Recommend appropriate corrective measures.

4.4 Compliance

- ❖ Assess compliance with applicable national laws, tax obligations, and regulatory requirements.
- ❖ Review compliance with RALGA's policies and procedures.
- ❖ For donor-funded activities, assess compliance with relevant grant agreements, budgets, and donor financial reporting requirements.

5. Special project account

The auditors are also required to review the activities of the special project accounts managed by RALGA. These special accounts usually comprise the initial deposit and subsequent replenishments received from the donors, withdrawals related to project expenditures, interest that may be earned on the account balance, and the remaining balance at the end of the period.

The auditors shall examine:

6.2 Key audit team members required:

- An audit manager with at least 7 years experience in auditing with a sound knowledge of Development partners' financed projects;
- Should be a member of a recognized accounting professional body;
- A team leader with at least an ACCA or master's degree in auditing/accounting or equivalent with a minimum of 5 years experience in auditing;
- An assistant auditor with at least ACCA or a degree in Finance or accounting with adequate experience in auditing 3 years.

Interested audit firms will find the detailed terms of reference on the RALGA website: www.ralga.rw

Bids should be properly bound in separate sealed envelopes, one for technical proposal and another for financial proposal shall be submitted to the RALGA office no later than **12 November 2026 at 3.30 pm**. The official opening of the technical offers will take place the same day at 3:30 at RALGA Offices located in Masaka Sector, Kicukiro District.

Done on 26 October 2026



UWINEZA Valens
Secretary General of RALGA