TERMS OF REFERENCE FOR STATUROTY (ACSOs) AUDIT

1. Background

Population Media Center is a US-based international non-profit organization that specializes in developing a research-based multimedia communication strategy for social development. PMC uses entertaining education and mass media to empower people to live healthier and more prosperous lives. PMC-Ethiopia was established in the year 2000 G.C. and has impacted lives across Ethiopia for the past two decades. Currently, PMC-E implements Gender Inclusive C4D, Migration Projects in partnership with UNWOMEN, UNFPA, and SCI, in five regions.

In accordance with the requirement of the Agency for Civil Societies Organizations (ACSOs) of the Federal Democratic Republic of Ethiopia (FDRE), PMC, as an international NGO, is required to file an Annual Financial Statement Audited by an External Auditor. Accordingly, the PMC Ethiopian program wants to form a three-year service contract with an appropriate external Auditor to audit the accounts of PMC for the years ending 2025 to 2027, i.e., for three consecutive calendar years.

2. The Objective of The Audit

The objective of the service is to audit the Annual Financial Statements of the PMC Ethiopia program prepared as of December 31, 2025, 2026, and 2027 in accordance with ISA, IPSAS, ACSOs requirements, and other prevailing standards that the Auditor is professionally required to follow.

3. Minimum Eligibility Requirement

To participate in the bidding process, the participants must meet the following criteria; otherwise, to will be rejected before moving on to the next stages.

- The Auditor should have a level a grade "A" as per the Previous grading system (By General Auditors) or an equivalent rating by the Accounting and Auditing Board of Ethiopia (AABE), which is currently the governing and certifying body for Auditors.
- The Auditor must provide a renewed Business License, TIN, and VAT Registration certificates.
- The Auditor must present renewed Professional and Competency Documentation.

4. Technical Specification

The Auditor who will be selected is required to meet the following specifications.

- The auditor must have sufficient capacity to commensurate with the financial transactions of PMC-E and must have experience in Auditing INGOs of similar-sized organizations with annual expenditures exceeding ETB 100 million.
- The Auditor must have experience in implementing/advising IFRS/IPSAS or have audited an organization that is operating under IFRS/IPSAS standards. This must be evidenced by staff CVs and other documentation as appropriate.

- The Auditor must show that the firm can deploy sufficient human resources with proper experience and qualifications to do the Audit work efficiently, effectively, and promptly. Staff CV must be attached to enable us to assess the capacity of the staff.

5. Evaluation Criteria

In selecting the appropriate Auditor, technical evaluations (Technical Proposal), which will take into consideration experience in similar or similar-sized organizations, methodology, organizational capacity, and staff competence, will be graded at 70% (breakdown indicated below), while the remaining 30% will be financial evaluations (Financial Proposal). The costs in the financial proposal must be itemized to have visibility into the details of the cost structure and components and must indicate the quotations for the respective three years.

- **Details of Technical Evaluations**

Criterion	Score	Remark
Experience of The Firm	30%	Audit Experience of The Firm in Similar-Sized INGOs
Organizational Capacity (Staff and Organizational Structure)	25%	Staff Capacity and Experience, Management Structure
Professional Indemnity Insurance	5%	Copy of Insurance Policy
Professional Continuity Agreement	10%	Copy of the Contract Agreement

6. Deliverables and Reporting

At the end of the Audit Engagement, the Auditor must deliver:

- **Audited Financial Report and accompanying Notes and Disclosures**: The Auditor will be required to deliver the report (both in hard and soft copies) for the periods noted.
- **Management Letter**: The Auditor should highlight any observed weaknesses in the system of internal control and the recommendations for managing the identified issues.

7. Timing and Periods of Audit

PMC-E files a Financial Statement, which is prepared as of December 31st of each of the Fiscal years mentioned above. The reporting date to the Agency is before the end of three months after the issue date of the Financial Reports, which, if not met, drags PMC-E to financial penalties and non-compliance, which PMC-E will never accept. Therefore, the Auditor must be able to deliver the service before the deadline and submit the Final and an Agreed-on report one month before the due date of the report to the Agency.

8. Terms and Conditions

A Specific Service Contract Agreement will be signed with the Auditor who will be awarded the contract, and more details regarding terms and conditions to manage the relationship will be included in the contract document.