



# Muteesa I

## ROYAL UNIVERSITY

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### Terms of Reference for Provision of External Audit Services.

#### Background.

Muteesa I Royal University (MRU) was offered an operational license by the National Council for Higher Education (NCHE) in 2005 and started operations in 2007. The founding Chancellor of the University, who is also its Visitor, is His Majesty the Kabaka, Ronald Muwenda Mutebi II. The genesis of modern education in Uganda is historically associated with the Kingdom of Buganda owing to the role that Sekabaka Muteesa I played in inviting the missionaries who introduced education in Uganda. Owing to this history, it is only befitting that the University was named after this visionary leader. Hence the University was named after the 31<sup>st</sup> King of Buganda who was a monarch of great vision, Kabaka Muteesa I (1856-1884). Muteesa I Royal University is a skills training, academic and research – oriented institution of higher learning that was established as a private institution. The initiative was promoted by the Executive Committee (EC) of Buganda Kingdom, headed by the Katikiro.

Audit and Risk Management Committee of Muteesa I Royal University is seeking to procure external audit services in order to obtain an independent and objective assurance as to whether the financial statements of Muteesa I Royal University present fairly in all material respects, the financial position of MRU is in accordance with the International Standard on Auditing (ISA) promulgated by IFAC and the Code of Ethics.

#### a) External Auditing Assignment for financial year 2020/2021 and years following.

- i. Terms of reference, scope of audit work, application form and relevant documents are attached.
- ii. The sealed tenders containing a proposal for External Audit Assignment should be submitted to buwulesp@mru.ac.ug before 16<sup>th</sup> December addressed to the Chairperson of Audit and Risk Management Committee.
- iii. The Audit and Risk Management Committee of Muteesa I Royal University reserves the right to reject any or all tenders without assigning any reason thereof.

**b. Terms and Conditions for Appointment of External Auditing Firm:**

The Audit Firm should have adequate experience in audit of universities and other Tertiary Institutions. The firm shall have qualified auditors with relevant experience and engaged in full time Audit work. A list of full time employed auditors with complete bio- data, who are likely to be assigned the audit work to be enclosed.

**c. General Terms and Conditions: -**

- i. Selection of firms will be done only after detailed scrutiny of credentials of the firm, their competency and number of qualified Certified/ Chartered Accountants to be engaged for Audit work.
- ii. The firm must be registered with Institute of Certified Public Accountants of Uganda (ICPAU) and their registration number must be quoted.
- iii. The firm selected shall have to give an undertaking to follow all ethical procedures and the information provided by Muteesa I Royal University (MRU) shall be kept confidential.
- iv. All assignments shall be carried out with due diligence maintaining quality of work done and in a least time possible.
- v. The successful candidate shall not be entitled to claim any additional amount for any reason whatsoever for the above audit work.
- vi. The Audit Firm will have to start the audit upon agreed audit time table and within 10 days of receipt of the letter of appointment the Audit firm should confirm the appointment.
- vii. The audit of MRU accounts has to be completed in a time bound manner, which will not exceed more than 30 days.
- viii. In case of non-fulfillment of any instruction issued by MRU, the University will be entitled to cancel the audit work without any obligation.

**d. Scope and Terms of Reference of Audit.**

The following is the broad scope and terms of reference for the audit of MRU Accounts.

**Terms of Reference.**

- i. The Audit Firm has to carry out the audit of books of accounts to verify the utilization of funds in implementing MRU programs in accordance with the governance requirements and prescribed accounting requirements and Company's Act.
- ii. The audit of accounts of MRU is to be carried out for the utilization of funds for the F/Y 2020/2021 and years following.
- iii. Audit the management of Receivables and Payables.
- iv. Audit the operations and Management of bursary schemes.
- v. Assess and report on the receipt of grants.
- vi. Set on an annual basis a core External Audit program and an outline including scope and related costs and send it to Audit and Risk Management Committee of MRU Council.
- vii. Provide final audit report on timely basis for the University to meet its financial and governance reporting requirements.

- viii. To be invited to attend any Governing body meetings as necessary.
- ix. Provide assurance to determine whether MRU has effective and rigorous human resource planning process.
- x. To check that MRU funds have been utilized according to the MRU Financial, Accounting and Procurement regulations.

**e. Submission of Audit Report.**

On completion of the Audit, the Audit Report will be issued in a hard copy along with a soft copy to MRU. Final Authority for acceptance of the Audit Report will rest with MRU Council and Management.

**Regulation of Audit Fees.**

- i. The payment of Audit Fees as fixed will be made only after completion of Audit work and submission of Audit Report.
- ii. Completion of Audit will be inclusive of conduct of audit, submission and discussion of the report with MRU.
- iii. Bill for Audit Fees will be submitted to the Bursar's office of MRU after completion of the audit.

**f. Scope of work.**

The audit will be carried out in accordance with International Standards of Auditing, and will include such tests and controls as the Auditor considers necessary under the circumstances.

In conducting the audit, special attention should be paid to the following:

- i. All grants have been used in accordance with the terms of reference.
- ii. Goods and services have been procured in accordance with the Financial, Accounting and procurement policy guidelines.
- iii. All necessary supporting documents, records and accounts have been kept in respect of the University's activities prescribed in the Financial, accounting and Procurement Policy guidelines.
- iv. The University's accounts have been prepared in accordance with consistently applied International Financial Reporting Standards (IFRS'S).
- v. The University has an internal control structure and other control systems to provide reasonable assurance that its resources are used in accordance with applicable laws, regulations, and the University's policies and procedures.

**g. Output.**

- i. A Management letter to include a statement of audit findings and recommendations affecting the financial statements, internal control, accounting systems, legality of actions and any other material matters.
- ii. Audit Report together with Financial Statements.

**APPLICATION FORM.**

- 1. Name of the Firm .....
- 2. Contact Person (s) /Authorized Signatories .....
- 3. Registered Address .....
- 4. Tel. No./email/address.....
- 5. Name of the Chief Executive.....
- 6. Legal status of the Firm.....
- 7. Date of incorporation/ Registration no.....
- 8. Details of Partners.
  - I
  - ii.
  - iii.
  - iv.
- Age, qualification, Full time/ Part -time and experience.
- 9. Number of qualified Staff (CPA/ ACCA)
- 10. List Assignments handled in the last 10 years with special bias in auditing education institutions.
- 11. Organizational Chart (to be enclosed)