



International School of Kigali

Local Non-Governmental Organization (LNGO) “School” TERMS OF REFERENCE (TOR) FOR EXTERNAL AUDITORS Fiscal year 1 August 2019 through 31 July 2020

An international school in the Rwandan capital Kigali, with a diverse school community representing more than 40 nationalities. We are a diverse community offering an inquiry-based university preparatory program from Early Childhood through Grade 12.

Accredited in Europe and the United States, we engage individuals through the IPC, IMYC and AP Capstone Diploma Program. Complying to the international standards of education ISKR is accredited by the Council of International Schools and the Middle States Association of Colleges and Schools. ISKR has approximately 220 learners from early childhood through grade 12. The very progressive beliefs of ISKR are that Intercultural Learning is a process & global citizenship is a way of being.

Our mission is to foster a student-centered community of learners rooted in intercultural understanding. We positively encourage individual growth through curiosity, critical thinking, and meaningful engagement in the World.

Objectives of the Audit:

1. The objective of the audit of ISK's financial statements is to enable the auditors to express an independent professional opinion on the financial position of ISK and to ensure that the funds utilized for ISK's activities have been used for their intended purposes.
2. Check the books of accounts. The books of accounts of ISK provide the basis for preparation of the ISK's Financial Statements. Proper books of accounts as required by law have been maintained by ISK and maintain adequate internal controls and supporting documentation for the transactions.
3. Provide Tax advice:
 - Review the company's audited accounts and determine its taxable income or loss for the period in line with the Rwanda income tax legislation
 - Quantify the corporate income tax liability
 - Get a clear guidance/recommendation from tax experts on critical transactions and general compliance.

Scope of the Audit:

1. The audit will be carried out in accordance with the International Auditing Standards and will include tests and verification procedures as the auditors deem necessary.
2. Verify all funds have been used in accordance with the established rules and regulations of ISK and only for the purposes for which the funds were provided.
3. Goods, works and services financed have been procured in accordance with the ISK established rules and procedures.
4. Verify appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented to.
5. The financial statements have been prepared by ISK management in accordance with applicable accounting standards and give a true and fair view of the financial position of ISK and of its receipts and expenditures for the period ended on that date.
6. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
7. Express an opinion as to reasonableness of the financial statements in all material respects.
8. Include in auditors' reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
9. Conduct entry and exit meeting with the ISK Director.
10. In addition to the audit report, the auditors will prepare a Management Letter on the following:
 - a. Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - c. Report on the implementation status of recommendations pertaining to previous period audit reports.
 - d. Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
 - e. Bring to the ISK Director's attention any other matters that the auditors consider pertinent.

Audit duration:

The audit work shall be completed within two weeks from the date of commencement of the audit.

Deliverables:

1. The Auditors on completion of the audit work will submit 5 (five) original copies of the Audit Report appended to the Financial Statements along with the reports to the attention of the ISK Director.
2. The Management letter in accordance with the scope of work described here before.
3. Detailed report of Tax advice in accordance with the scope of work described here before.
4. Minutes of meetings, summarizing key points of discussion and resolutions.

Qualification of the Audit Firm:

The audit firm must be based or have legal representation in Rwanda and must be approved by the Rwanda Revenue Authority (RRA) to certify financial statements.

Audit fees:

The audit fees will be fixed through a competitive bidding process.