



**Proposal for Provision of External
Auditing Service**

Company Profile

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**About the Firm- City
Associates,
Physical address,
Team and Timelines**

City Associates Profile

City associates is a registered and independent professional service firm licenced to provide Audit & Assurance, Advisory and Tax services in Tanzania. Our primary strategic goal is to create value for our clients and deliver a competitive advantage to their operations.

Audit and Assurance

Around the world, the journey to success is governed by increasingly complex and broadening regulatory requirements and stakeholder demands. Strong independent assurance provides critical information for investors and other stakeholders, a robust and clear perspective to audit committees and timely and constructive input to management.

We provide a wide range of assurance services in:

- ❑ Financial Statement audit
- ❑ Internal Audit and internal control appraisals
- ❑ Inventory counting, verification and compilation
- ❑ Debtors verifications and appraisals
- ❑ Fraud and investigation services,
- ❑ Value for money audit
- ❑ Donor Funded Audit
- ❑ Other assurance services.

Tax

A successful tax function delivers a strong reporting foundation and sustainable planning to help the business achieve its growth potential. You need tax strategies aligned with your business drivers, built on effective compliance and open, transparent reporting. So we create highly networked teams who can advise on planning, compliance and reporting and maintaining good relationships with the tax authorities.

We offer services in:

- ❑ Direct and Indirect Tax (Advice, filing returns, tax computation etc.)
- ❑ Business advisory tax services
- ❑ International Tax
- ❑ Transfer Pricing, documentation and compliance
- ❑ Tax Audits and Investigations
- ❑ Financial and Tax Due Diligence
- ❑ Tax health check.

About the Firm- City Associates



City Associates Profile (Cont...d)

Advisory Services

Today's achievement is tomorrow's expectation. But as targets increase, so do risks. We help your business to make and sustain improvements, while responding more quickly to change.

Services offered under advisory include:

- ❑ Enterprise-wide Governance, Risk and Compliance
- ❑ Performance Improvement
- ❑ IT Risk and Assurance
- ❑ Payroll Management
- ❑ Business Continuity and Disaster Recovery Planning
- ❑ Accounting and Financial Reporting Advisory Services
- ❑ Business process outsourcing,
- ❑ Electronic Fixed Asset Register and inventory management
- ❑ Training to finance, accounting and operation staffs
- ❑ Project supervision and appraisals
- ❑ Accounting software implementation and roll-out
- ❑ Assistance on hiring of staffs

Physical address

The firm has been registered and licensed to provide the professional services by NBAA with PF 305 .

Physical address

City Associates,
Certified Public Accountants,
4th Floor Rissa Building,
Lumumba/Amani Street, Kariakoo,
P.O. Box 75587,
Dar es Salaam, Tanzania.

Contacts person:

- ❑ Office: +255 734 155 200
- ❑ Email: info@cityassociates.co.tz
- ❑ Website: www.cityassociates.co.tz
- ❑ Azizi Abdul Munisi , Cell +255 714 818101/
+255 756 187 940
- ❑ Mohamed Ally, Cell+ 255 788 108308

City Associates Profile (Cont...d)

The portfolio of similar audits (for the Not-for-profit organizations) and other sectors/industries that have been performed by the engagement team members includes:-

❑ **Public Sector/ Non-Governmental organization:**

Tanzania Fisheries Research Institute (TAFIRI), PELUM Tanzania, HHRD Tanzania, CBM - Bugando Hospital – Eye Health Department - Project funded by CBM, BAKWATA – BAK AIDS Program, Al-Jumaa Arab Mosques, CUSO International, The Registered Trustee of Human Relief Foundation – Tanzania, Linchpin Tanzania, AMREF, FHI-FEMINA HIP Limited, WIOMSA, ZECO, Frankfurt Zoological Society, CONCERN Worldwide, CAMFED Tanzania, Tanzania Women Lawyers Associations (TAWLA), Trade Union Congress of Tanzania (TUCTA), Epitome Company Limited.

❑ **Manufacturing/Trading:** Simusolar Limited, Ratco Limited, Tanelec Limited, Mbeya Cement Company Limited, Chemi&Cotex Industries Ltd, East African Cables Limited, Tanzania Portland Cement Company Limited, East African Cables, Nyanza Bottling Company Ltd, Silafrica Tanzania Ltd.

❑ **Mining, Oil and Gases:** Geita Gold mining Limited, Maurel & Prom Exploration Production, Establishment Maurel Prom, BG Tanzania Limited, TOL gases Limited.

❑ **Telecommunication:** Airtel Tanzania Limited, Zantel Telecom Limited, Viettel Tanzania Limited, Millicom (Tigo) Tanzania Limited.

❑ **Financial Services:** Kenya Commercial Bank Limited, Dar es Salaam Community Bank Limited, Central Bank of Tanzania, NBC bank, Exim bank, Equity bank.

❑ **Consumer Products:** Uchumi Supermarket Limited, Pyramid Pharma, Peak Group Asia Pacific Pty Ltd.

❑ **Agriculture:** Kibo Seed Tanzania Ltd, Rafiki Coffee Ltd, Taylor winch, Kibena Tea.

❑ **Tourism and Hospitality:** Kilimanjaro Hotel Kempinski, Mount Meru (Hotel) management Limited, Ngalawa Hotel and Resort.

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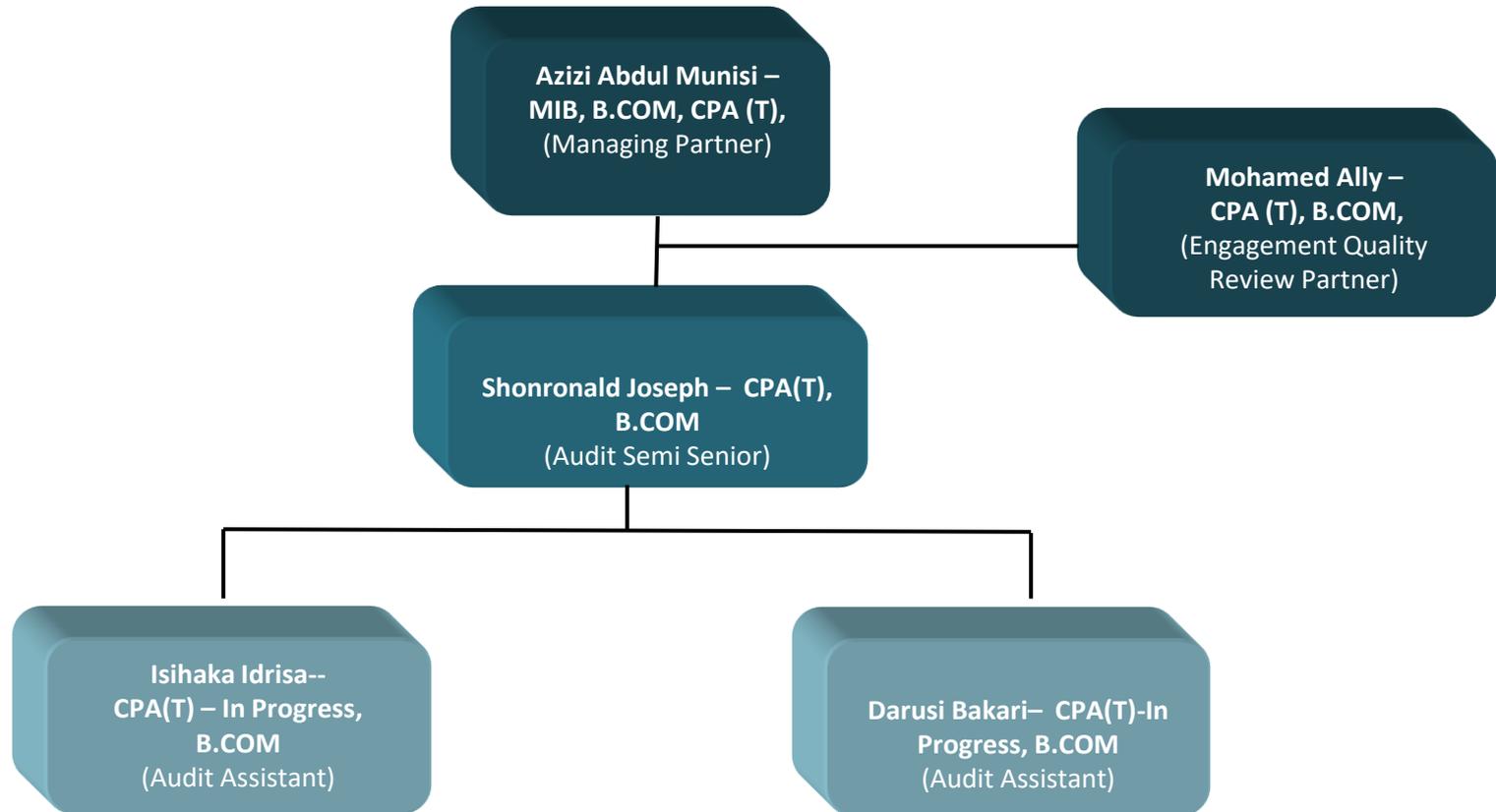
PROFILE OF KEY STAFF



We present our core team on which we would call upon to carry out the assignment. We understand that the selection of suitably qualified and experienced personnel is the key determinant of a successful project delivery. Our team (represented in the table and chart below) has been carefully selected to provide the skills that match the complexity of the assignment and your own requirements. The team will be available immediately to provide the audit service as required.

Position	Name	Qualifications and Experience
Managing Partner	Azizi Abdul Munisi +(255) 714 818101 +(255) 756 187 940 aabdul@cityassociates.co.tz	<ul style="list-style-type: none"> <input type="checkbox"/> Associate Certified Public Accounts (ACPA) <input type="checkbox"/> Masters – International Business (MIB) (UDSM)-2013 <input type="checkbox"/> Bcom Accounting (UDSM) - 2010 <input type="checkbox"/> Over 4 year experience as Audit Director - City associates <input type="checkbox"/> 6 years experience as Assistant manager – Nexia SJ Tanzania <input type="checkbox"/> 1 year experience Internal Auditor- SuperDoll
Audit Partner	Mohamed Ally +(255) 788 108308 mally@cityassociates.co.tz	<ul style="list-style-type: none"> <input type="checkbox"/> Associate Certified Public Accounts (ACPA) <input type="checkbox"/> Bcom Accounting (UDSM) - 2010 <input type="checkbox"/> Over 5 year experience as Audit Partner - City associates <input type="checkbox"/> 4 years experience as Chief Internal auditor–Azania Group of companies <input type="checkbox"/> 6 years experience as audit Manager–Ernst & Young
Audit Semi Senior	Darusi Bakari Said dsaid@cityassociates.co.tz	<ul style="list-style-type: none"> <input type="checkbox"/> Certified Public Accounts (CPA - T) – In Progress <input type="checkbox"/> Bcom Accounting at University of Dar es Salaam <input type="checkbox"/> 2 years experience as Tax Officer- City Associates
Audit Associate	Isihaka Idrisa iidrisa@cityassociates.co.tz	<ul style="list-style-type: none"> <input type="checkbox"/> Certified Public Accounts (CPA - T) – In Progress <input type="checkbox"/> Bcom Accounting (UDBS)- 2020 <input type="checkbox"/> 2 year experience as Audit Assistant - City associates
Audit Associate	Shonronald Joseph Mawi smawi@cityassociates.co.tz	<ul style="list-style-type: none"> <input type="checkbox"/> Certified Public Accounts (CPA - T) <input type="checkbox"/> B.Com Accounting (UDBS)- 2020 <input type="checkbox"/> 3 year experience as Audit Assistant - City associates

PROFILE OF KEY STAFF (CONTINUED...)



TIMELINE

Tasks/Activities	Weeks			
	1	2	3	4
Mobilization and Planning : Complete all contractual modalities, Convene a planning meeting, and Plan the audit and perform risk assessment				
Execution:				
- Audit fieldwork				
- Internal reviews				
Reporting				
- Submit draft report				
- Convene exit meeting				
- Present final reports				



Our Methodology and client references

Our Audit Methodology

RISK BASED AUDIT APPROACH

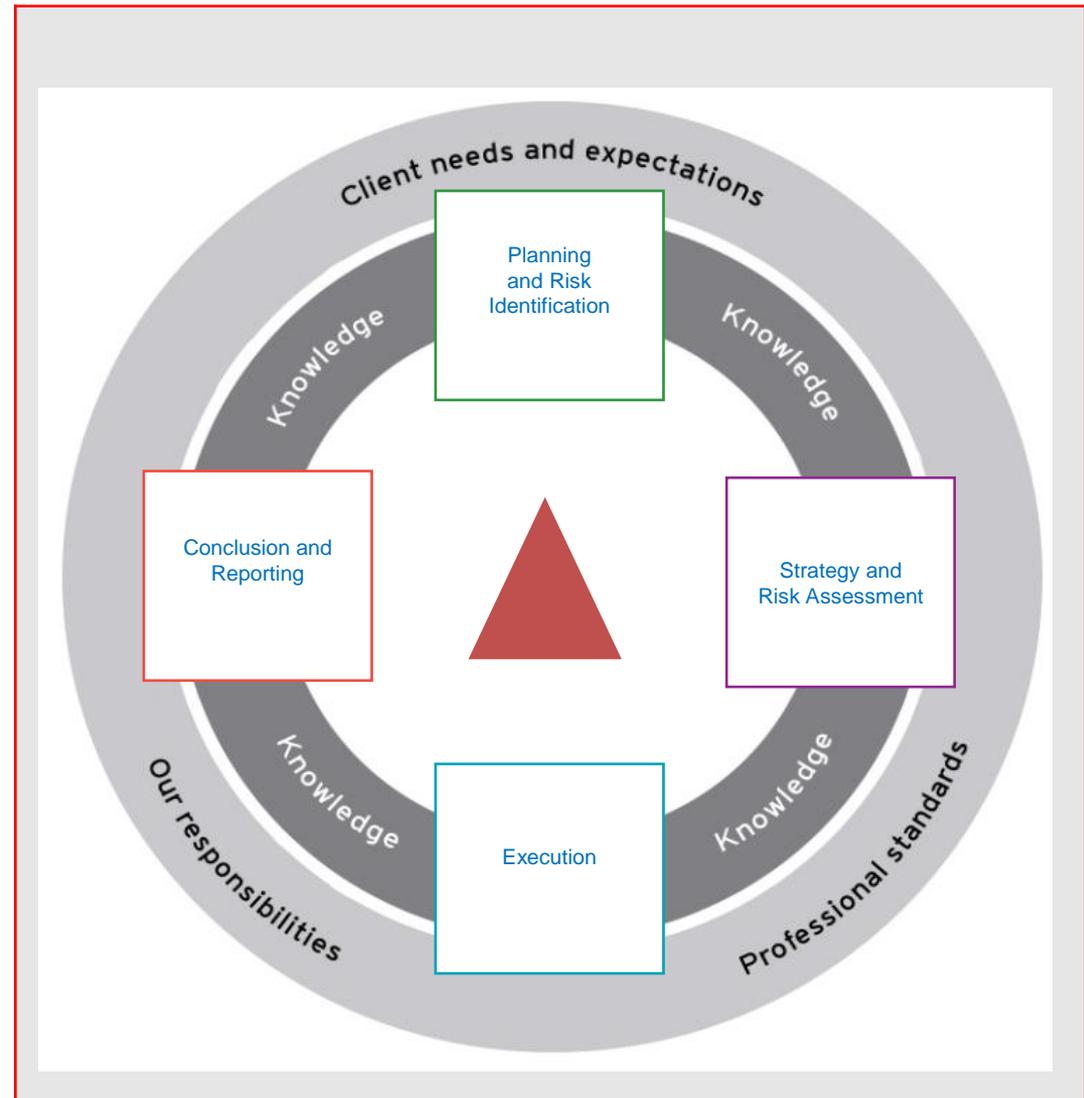
A core element of our audit approach is to work with you to identify and understand your operation risks and, as part of our audit planning, design our audit services to address these risks and their financial reporting implications.

This will be carried out to ensure appropriate perspective and completeness, and by our team who can bring their knowledge of the not-for-profit environment and increased understanding of assessment of these risks. We will work closely with the organization management through this process to ensure that we apply the appropriate level of reliance in order to balance the efficiency, effectiveness and cost equations. We will perform entrance conference to confirm our understanding and co-develop expectations with the project management. We will agree on the audit schedule and timeframe

AN EXPERIENCE AUDIT TEAM

The selected team has diverse experience in the specific industrial experience and has relevant local experience in the Tanzania environment.

There are four primary stages to our audit methodology



Our Audit Methodology.....



In today's environment, an auditor's judgment must be grounded in thorough knowledge of a client's industry and business and an audit's relevance must extend beyond financial statement risk alone if its value is to be fully realized.

The audit methodology is organized into four interdependent major processes designed to focus on the clients' business risks and how those risks affect our audit of the financial statements. These processes are:

1) Establishing and monitoring engagement objectives

During this phase we will:

- Complete all contractual modalities to ensure that the contract signing process is expedited to set off the audit officially.
- Convene a planning (entry) meeting with the management of company/organization.
- We will review Strategic Plan and Projection for the year, Program(s)/project(s) documents, Finance and Administration Manual, Staff Hand book and staff code of conduct; Charts of accounts and organizational chart to successfully complete the required work.
- Review of funding agreements and other related documents.
- Review of sub-grant agreements (if any).
- Discuss with management the issues that are likely to affect the audit.
- Organise for execution of the audit.
- Prepare Audit Strategy Memorandum detailing our methodology

2) Understanding business and financial statement risks

We will:

- Obtain sufficient understanding of the internal control structure to determine the reliability of the Financial Statements;
- Document the systems currently in use and identify those controls that we intend to rely on for the purposes of our audit;
- Work out those areas where we need to perform substantive tests and develop other value for money audit tests as appropriate;
- Testing of key controls that we plan to rely on for the purposes of forming our audit opinion;
- Design audit steps and procedures to test for errors, irregularities, and illegal acts that provide reasonable assurance of detecting both intentional and unintentional instances of non-compliance with referenced laws and regulations that could have material effect on the financial statements;
- Complete the sampling process
- Develop detailed audit programs linked to the audit plan to address all identified audit risks and
- Mobilize the staff and logistics with a view to starting the execution.

Our Audit Methodology.....

Internal Control Assessment

This will be a unique exercise to review, document and test the financial management systems and accounting procedures with the three main objectives:

- To ascertain whether the financial management systems and accounting procedures are appropriate to the size and nature of the organization; and
- To highlight key areas of risk in the financial systems. As per our methodology, this will be critical to prioritizing our efforts when carrying out the next stage of the execution process (Audit of Accounts and Records).
- To ascertain compliance with the country's laws and regulations and Company's policies and procedures.

3) Responding to risk and delivering value

The detailed assessment shall include:

- A series of structured interviews with the officials to understand the organization structure, roles and responsibilities of senior staff;
- A review of documented accounting procedures, controls and financial regulations to confirm compliance of internal controls and compliance with country laws and regulation.
- A review of management of organization inventories of non current assets.
- A review of organization payroll and verify all statutory deductions
- A review of valuation methods (policies), exchange rates, interests and all other important areas.
- Validity and propriety of the Financial Statements and to ascertain whether it fairly presents, in all material respects, the financial position of the organization;
- Walk-through tests to establish whether systems operate as prescribed; and
- An evaluation of systems mechanisms focusing on suitable controls, security and adequacy.

4) Concluding the audit and assess performance

Our completion efforts will be directed to preparing and compiling our final deliverables. One of the main driving factors in the finalization of this assignment will be feedback to and from the senior officials of company/organization as a means of ensuring that our outputs not only meet but exceed your expectations.

Deliverables

A. Financial statements

The financial statements will incorporate an opinion on the truth and fairness of the financial statements, whether they are in agreement with the terms of agreements with organization and in accordance with generally accepted accounting principles or other comprehensive basis of accounting. We will also include an attachment of financial statements of five different.

B. Management Letter

Management letter is our tool of communication with the organizations and is issued upon completion of the audit. We take this opportunity to make constructive comments and suggestions on the control environment and operational issues.

The contents of the management letter will be discussed with the management of Trustees with a view to agreeing on an implementation schedule and thereafter will be presented to Organization's Board. On our subsequent visits we shall verify the implementation.

Regular Meetings

We are committed to understanding your operations well and adding value to it. As a result, we hold regular meetings with the Senior Management, as we believe that these meetings enhance the audit process. We believe in a "no-surprises" approach.

FIRM'S RELEVANT EXPERIENCE



Firm's Relevant Experience in Auditing Not for Profit Organization

For past 7 years, City Associates has specialized in audit and assurance advisory services and has developed specialisations in a number of sectors including public sector, commercial sector, non-governmental organisations and donor communities funded by major different donors. Listed below are some of the relevant assignments performed recently and which are of similar nature to yours for which you can also obtain professional references;

Client	PELUM Tanzania			Client	BAK AIDS		
Assignment name:	Statutory audit of the financial statements	Period of Performance:	March 2022 (1 weeks)	Assignment name:	Statutory audit of the financial statements	Period of Performance:	May 2022 (1 week)
Services Provided:	Main project features were to conduct statutory audit of the financial statements of PELUM – Tanzania including preparing combined report for its 5 projects for the year ended 31 December 2021.			Services Provided:	Main project features were to conduct Statutory audit of the financial statements of the Bakwata National HIV/AIDS Programs for the years 2021 .		
Contact Name:	Solile Pastory	Contact Phone Number/ Email:	+255 767 537 088 solile@pelumtanzania.org	Contact Name:	Amour	Contact Phone Number/Email:	+255 622 290 070 hajihamidu@yahoo.com
Client	CBM - BMC			Client	HHRD Tanzania		
Assignment name:	Statutory audit of the financial statements	Period of Performance:	June 2022 (1 weeks)	Assignment name:	Statutory audit of the financial statements	Period of Performance:	February 2022 (1 week)
Services Provided:	Main project features were to conduct external audit and report on the financial reports of Bugando Hospital – Eye Health Department - Project funded by BMZ through CBM for the year ended 31 December 2021.			Services Provided:	Main project features were to conduct Statutory audit of the financial statements of Helping Hand for Relief and Development –Tanzania (HHRD-Tanzania) for the year ended 31 December 2021		
Contact Name:	Twidikage Joel Jumbe	Contact Phone Number/Email:	+255 756 610 649 twidikage.joel@cbm.org	Contact Name:	Hassan Kimbwembwe	Contact Phone Number:	+255 715913755 hassani.kimbwembwe@hhrd.or.tz

CONFIDENTIALITY, INTEGRITY AND OUR QUALITY CONTROL PROCEDURES

CONFIDENTIALITY, INDEPENDENCE AND ETHICS

INTEGRITY, AND PROFESSIONAL ETHICS

Confidentiality is a responsibility of both City Associates and our clients, and we take it very seriously. It is critical that we not only establish confidentiality and independence at the onset of an engagement, but that it is maintained throughout the relationship.

City associates has deployed independence assessment procedures and guidance for our audit client relationships — from inception, up to and through our annual audit process. We continually remind all of our people that compliance with our independence policies is essential and that noncompliance has consequences. Our Ethics Oversight Board evaluates potential breaches of independence regarding financial and operation relationships and, where appropriate, dispenses disciplinary, remedial and/or other sanctions. Our firm will take all steps necessary to make sure that we are in compliance with confidentiality and independence requirements and free from conflicts of interest.

OUR QUALITY CONTROL PROCEDURES

City Associates has a strong, clear, and consistent commitment to delivering the highest quality service in all aspects of our client relationships.

Our commitment to the quality and integrity of audits is exemplified by our Audit Methodology, supplemented with comprehensive standards and quality controls that are applicable to every client engagement.

We require independent consultation and review on all company reports, and on complex and sensitive accounting and auditing matters.

We are really doing audit and give insight to management on the areas they have exposures and risks and not just stamping and file to TRA.

**The scope of services
our fees**

Our understanding of the organization

(To be updated based on each entity)

Scope of services

The scope of the audit will include:

- ✓ Audit annual financial statements, detecting errors, misstatements or fraud, assess if they are prepared according to required standards and are compliant with relevant laws and regulations
- ✓ Perform audits on books of account
- ✓ Assess risk management of the organization
- ✓ Report audit findings, express opinion on financial statements and recommend improvements.

Our fee calculation model

Our fee calculation is based on the estimated time needed as well as the qualifications and experience of the people who are responsible for your audit. We will bill you periodically, based on the actual work completed.

Should there be any significant changes in your existing organization structure, the quality of your financial statements or changes in the accounting and reporting rules and regulations, fees may need to be adjusted. We will discuss any necessary fee adjustments with you on a timely basis.

Our fee is normally based on:

- ❑ the current nature and extent of the organization's' operations and activities implemented
- ❑ the financial statements, accounting details and support documentation required for financial reporting being completed
- ❑ Other factors.

Fees and billing arrangements



We shall charge the fees below for each financial period:

	No. of Staffs	Hours	Total hours chargeable	Charge out rate per hour USD	Amount USD
Partner					
Director/Partner					
Auditor (Staffs)					
Sub - total					
Exchange rate (TZS/USD)					
Fees for the year in TZS					
Less: Discount (10%)					
Our fee for the year in TZS					
VAT (18%)					
Total fee for the year inclusive of VAT in TZS					
Reimbursable					
Total fee and reimbursable for the year inclusive of VAT in TZS					

Fees and billing arrangements

We shall charge the fees below for each financial period:

Total estimation of audit fee for the financial year.			
Year	No. of Staffs	Total hours	Amount (TZS)
xxxx			
Value Added Tax (VAT) (18%)			
Reimbursements			
Total audit fee for the year (VAT Inclusive)			

The audit fees will be billed according to the following progress billing schedule:

Commencement of audit	40%
Issue of draft reports	40%
Approval of final reports	20%
	<u>100%</u>

The above fees exclude disbursements. We will charge a reimbursement of TZS **xxxxxxx** to facilitate our travel costs as indicated on the table in the next page. Travel costs to organizations units and accommodation in different regions (if any) will be billed on actual basis.

Should you have any question about the audit or fee or wishing to discuss further about our fee, Kindly please contact to us.

Breakdown of Reimbursable Expenses

N°	Description	Unit/Day/ Trip	Unit Cost	Quantity	Total cost (TZS)
1	Per diem allowances (Lunch)	Day			
2	Travel expenses (only within Dar es Salaam)	Day			
3	Flight to and from xxxxx	Day			
4	Communication costs between Office	Day			
5	Drafting, reproduction of reports	Report			
6	Office rent, clerical assistance	Incidentals			
Total Costs					

Thank you for considering our
Proposal

