TERMS OF REFERENCE

(ToR)

Consultancy Service for Preparation of Semi-Annual, Q3, and Annual Financial Statements and IPSAS Reporting for Fiscal Year 2026

1. Background

CIFA is an international non-governmental organization (INGO) with over 40 years of experience in protecting vulnerable children and youth. In Ethiopia, CIFA has been operating for more than 20 years, implementing development and humanitarian programs in Addis Ababa, Dire Dawa, Amhara, Harari, and Oromia regions.

During the fiscal year ending December 31, 2026, CIFA will implement multiple donor-funded projects with an estimated annual expenditure of ETB 200.000.000,00 funded by various development partners, including the Italian Agency for Development Cooperation (AICS).

To strengthen financial reporting and ensure compliance with International Public Sector Accounting Standards (IPSAS), donor requirements, and applicable Ethiopian regulations, CIFA seeks to engage a qualified accounting and consulting firm to record and review all financial transactions in an Accounting Software (for example Peachtree or similar) and prepare IPSAS-compliant annual financial statements for the fiscal year ending December 31, 2026.

2. Purpose of the Assignment

The purpose of this consultancy is to support CIFA in maintaining complete and accurate accounting records for all projects implemented during the period from January 1 to December 31, 2026, through proper recording of financial transactions in Accounting Software and preparation of high-quality IPSAS-compliant annual financial statements.

The assignment also aims to improve the quality of financial reporting, enhance compliance with donor and statutory requirements, and strengthen the capacity of CIFA finance staff in IPSAS-based financial reporting practices.

3. Objective

The objective of this assignment is to:

- Record and reconcile all projects financial transactions in Accounting Software for the period January 1–December 31, 2026.
- Ensure completeness, accuracy, and proper classification of financial records.

- Prepare IPSAS-compliant annual financial statements.
- Support compliance with donor reporting requirements and Ethiopian regulatory obligations.
- Sharing information with relevant unit of CIFA about all the steps starting from the Accounting Software to producing the final financial statement to be submitted to IPSAS.

4. Scope of Work

The selected accounting firm shall undertake the following activities:

A. Accounting Records and Accounting System Posting

- Review all financial records, vouchers, supporting documents, bank statements, payroll records, and donor reports for projects implemented during 2026.
- Record and post all financial transactions for each project into Accounting Software covering the period from January 1 to December 31, 2026.
- Verify the completeness and accuracy of accounting entries and supporting documentation.
- Ensure proper coding and classification of transactions by project, donor, and account category.
- Prepare and reconcile project-wise ledgers and general ledger accounts.

B. Reconciliation and Review

- Perform bank reconciliations for all accounts.
- Reconcile cash balances, advances, receivables, payables, and other balance sheet accounts.
- Review compliance with donor agreements, financial policies, and IPSAS requirements.
- Identify and recommend necessary adjusting entries and corrections.

C. Financial Statement Preparation

Prepare the following IPSAS-compliant financial statements for the fiscal year ending December 31, 2026:

- Statement of Financial Position.
- Statement of Financial Performance (Income and Expenditure Statement).
- Statement of Cash Flows.
- Statement of Changes in Net Assets/Equity.
- Trial Balance.
- General Ledger and Supporting Schedules.
- Notes to the Financial Statements and required disclosures.

D. IPSAS Compliance Review

- Assess the organization's financial reporting practices against applicable IPSAS requirements.
- Prepare an IPSAS Compliance Review Report highlighting compliance status, gaps, and recommendations for improvement.

E. Reporting and Capacity Building

- Prepare and submit annual, 3rd quarter and final reports during the assignment period.
- Present draft and final financial statements to CIFA management.
- Sharing information with relevant unit of CIFA about all the steps starting from the Accounting Software to producing the final financial statement to be submitted to IPSAS.
- Develop and deliver training on IPSAS-based financial reporting and year-end financial statement preparation.

5. Deliverables

The consultant shall provide the following deliverables:

1. Inception Report and Detailed Work Plan.
2. Updated and Reconciled Accounting Records for all projects implemented during 2026, for the following reporting periods: semiannual (from January to June), 3rd quarter and final year closure.
3. Financial Reports.
4. Trial Balance and General Ledger Reports, for the following reporting periods: semiannual (from January to June), 3rd quarter and final year closure.
5. Draft Annual Financial Statements, for the following reporting periods: semiannual (from January to June), 3rd quarter and final year closure.
6. IPSAS Compliance Review Report, to be submitted annually within the 31st January 2027.
7. Final IPSAS-Compliant Annual Financial Statements, to be submitted annually within the 31st January 2027.
8. Training Materials and Training Report.
9. Presentation of Final Financial Statements to Management.

Timetable:

Updated and Reconciled Accounting Records	• Semiannual: By 31st of July • 3rd quarter: by the 31st of October • Year closure: by the 31st of December
Trial Balance and General Ledger Reports	• Semiannual: By 31st of July • 3rd quarter: by the 31st of October • Year closure: by the 31st of December
Draft Annual Financial Statements	• Semiannual: By 31st of July • 3rd quarter: by the 31st of October • Year closure: by the 31st of December
IPSAS Compliance Review Report	• Annual: by the 31st of January
Final IPSAS-Compliant Annual Financial Statements	• Annual: by the 31st of January

All deliverables shall be submitted in English in both electronic and hard-copy formats.

6. Responsibilities of CIFA

CIFA shall:

- Provide access to financial records, accounting files, donor agreements, policies, and supporting documents on a timely manner.
- Assign focal persons to coordinate the assignment.
- Provide timely feedback on submitted deliverables.
- Facilitate meetings and workspace as required.
- Process payments according to the agreed contract terms.

7. Eligibility criteria

Interested firms must demonstrate their eligibility by submitting the attached supporting documentation proving:

- Valid TIN number and registration;
- Valid AABE business registration and professional license.

- At least five (5) years of proven experience in accounting, bookkeeping, and financial reporting services.
- Demonstrated experience using Accounting Software (for example Peachtree or similar).
- Proven experience in IPSAS-compliant financial statement preparation.
- Experience working with international NGOs and donor-funded projects.
- Availability of qualified professionals (CPA, ACCA, Chartered Accountant, or equivalent).
- Strong knowledge of Ethiopian accounting, tax, and regulatory requirements.

8. Evaluation Criteria

The evaluation will follow a Best Value for Money (VfM) approach, combining technical quality and financial competitiveness under a balanced **70/30** weight distribution.

A. Technical Proposal (Maximum: 70 Points)

- Company profile with the description of relevant experience references with international NGOs.
- Staffing plan and CVs of key personnel.
- Proposed methodology and work plan.

Technical Criteria	Description/Verification Method	Maximum Score
Firm Experience and Capacity	• **Comprehensive company profile** outlining the firm's core competencies in accounting and auditing. • **Proof of past experience** in preparing financial statements, preferably for international NGOs or development partners operating in Ethiopia. • Copy of a **valid business license** and professional registration/certification relevant to the Ethiopian context	**25 points**
Qualifications of Proposed Team	• **Organizational chart** showing the project team structure and clear division of roles. • Detailed **CVs of key personnel** assigned to the task	**20 points**

	• Proof of **professional qualification** (CPA, ACCA, Chartered Accountant, or equivalent).	
Methodology and Work Plan	• A detailed **technical proposal** describing the approach, methodology, and tools used. • A clear and detailed **work plan** detailing the delivery timeline for the deliverables described in the attached ToR (point 5. Deliverables)	**25 points**
	TOTAL TECHNICAL SCORE	**70 points**

B. Financial Proposal (Maximum: 30 Points)

- Detailed fee proposal.
- Breakdown of professional fees and reimbursable expenses.
- Total cost inclusive of all applicable taxes.

The financial score will be evaluated using the following formula:

- (Lowest Evaluated Total Service Fee / Tenderer's Offered Total Service Fee) x 30

C. Final Combined Score

Final Combined Score = Technical Score (out of 70) + Financial Score (out of 30)

The contract will be awarded to the tenderer obtaining the highest final combined score, subject to final signature by HQ.

9. Duration of Assignment

The assignment shall commence upon contract signing and shall be completed no later than January 31, 2027.

10. Application Procedure

Tenderers must submit their Technical and Financial proposals electronically.

- **Email to:** recruitment.eth@cifaong.it
- **Subject line:** CIFA/PC/2026/212_FULL TENDER_[COMPANY NAME]
- **Deadline for the submission:** 03/07/2026 – 5:00 PM (EAT)
- **Language & Validity:** The entire proposal must be in English and remain valid for 60 calendar days from the deadline.

Late submissions will not be considered. Only shortlisted firms will be contacted.