

## **TERMS OF REFERENCE**

### **REQUEST FOR PROPOSAL**

#### **FINANCIAL CONTROLS REVIEW AND POLICY DEVELOPMENT**

##### **1. BACKGROUND**

PASS Trust was established in 2000 as a project by the Government of Tanzania under the Danish Government's Agricultural Support Program. It became operational in 2001 as a facility to increase the growth of private commercial farming and agribusiness. From the outset, PASS was established as a project facility. In 2007, PASS registered as an autonomous body corporate under the trustee laws of Tanzania. Since its inception, Trust is tasked with empowering the agricultural, livestock, and fisheries sectors through credit guarantees and agribusiness development services for entrepreneurs and small financial institutions. In 2021, in recognition of the demand of agricultural mechanization, PASS leasing Company limited was established, a subsidiary of PASS trust as a shareholder.

Due to the complexity and growth in operational scale the Trust recognises the need to assess and strengthen financial controls to ensure the integrity, transparency, and efficiency of its financial operations.

This assignment will involve a comprehensive review of current financial control mechanisms and the development of financial policies to guide financial activities across PASS Trust and its subsidiaries.

##### **2. OBJECTIVE OF THE CONSULTANCY**

To evaluate the effectiveness and adequacy of existing financial control systems at PASS Trust and its subsidiaries and to develop a robust Financial Controls Policy Framework that aligns with international financial reporting standards and Tanzanian regulatory requirements. The framework should enhance financial oversight, risk mitigation, and operational efficiency.

##### **3. SCOPE OF WORK**

The Consultant will be expected to:

###### **i. Financial Controls and Accounting reporting standard Compliance Review**

- Assess existing internal financial control systems and procedures.
- Identify gaps, weaknesses, and potential risks in the current controls.
- Review cash management, budgeting, payments, financial reporting, asset management, and reconciliation procedures.
- Review compliance with applicable legal, regulatory, and donor requirements.
- Evaluate segregation of duties and authority limits.

- Review the application of IPSAS 41- Measurement and Recognition of Impairment - Financial Instruments
- Review the application of IPSAS 35-consolidated Financial of Statements.

## **ii. Financial Policy Development**

- Develop and/or update the following policies:
  - Financial Management Policy
  - Internal Controls policy
  - Cash, Bank and imprest management policy
  - Budgeting and Forecasting policy
  - Asset and Inventory Management policy
  - Foreign exchange risk management policy
  - Management of conflict-of-interest policy
  - Policy for Related Parties Transactions
  - Policy on Sustainability, Environmental and Social Risks
  - Fraud and Corruption Prevention policy
  - Cash management and investment policy
- Define clear approval workflows and an authority matrix.

## **iii. Capacity Building and Implementation Support**

- Provide training sessions to finance and management staff on the new policies.
- Prepare an implementation roadmap with prioritized actions.
- Recommend tools and systems for enhancing control (e.g., accounting software modules).

## **iv. Related party Transactions Subsidiaries**

- Customize financial control policies to fit subsidiary operational models while aligning with group-level standards.
- Evaluate the existing financial reporting framework between the subsidiary and parent.
- Propose standardized financial reporting templates (monthly, quarterly, annual).
- Recommend key performance indicators (KPIs) and dashboards to track investment performance.
- Review the processes around related party transactions and their documentation.

- Evaluate compliance with local and group-wide regulatory and legal requirements.
- Recommend improvements in compliance tracking and disclosure.

#### **4. DELIVERABLES**

The Consultant shall deliver the following:

- Assessment Report on current financial control systems with identified gaps and risks.
- Financial Policies and Procedures Manual covering all required areas.
- Authority Matrix with clear financial approval limits and responsibilities.
- Training Report and materials used for staff capacity building.
- Implementation Roadmap with key milestones, responsible parties, and timelines.

#### **5. QUALIFICATIONS**

The selected consultant or firm must possess:

- A minimum of **7 years' experience** in financial management consultancy, with a focus on financial controls and policy development.
- Proven experience working with NGOs, Trusts, or development-oriented institutions.
- Strong knowledge of **IPSAS, IFRS** and Tanzania financial regulations.
- Experience with group structures involving **parent-subsidiary relationships**.
- Professional qualifications in accounting or auditing (e.g., CPA, ACCA). For Firms they must be recognised by NBAA and be active members, individual Consultants must be active members of NBAA.
- Demonstrated ability to conduct training and change management.

#### **6. SUBMISSION OF PROPOSALS**

Interested consultants shall provide:

- Technical Proposal (detailing approach, methodology, workplan) and Financial Proposal for outlining consultants' costs. All these should be in one combined document not exceeding 4 pages.
- Team member profiles with CVs indicating relevant experience and contact details. The staff should be members of relevant professional bodies.
- Evidence of previous experience in similar assignments – attach 3 copies of similar work done/contracts.
- Valid business registration documents, tax compliance certificates, certificates from relevant professional bodies.

## 7. ELIGIBILITY CRITERIA

The consultants will be evaluated on the following criteria based on their submission: Legal status of firm/individual consultant, number of years of experience in relevant to the assignment, qualified personnel, registration with professional bodies, references provided, technical and financial proposals submitted.

Please note that an interested Consulting firm should have permanent staff members, we do not accept partnerships, subcontracting agreements, the use of temporary or freelancers for this engagement.

## 8. HOW TO APPLY

Qualified consultant/firm should submit an expression of interest not later than 17th June 2025 05:00PM and subjected **“REQUEST FOR PROPOSAL-FINANCIAL CONTROLS REVIEW AND POLICY DEVELOPMENT** email [procurement@pass.or.tz](mailto:procurement@pass.or.tz).