TERMS OF REFERENCE for the AUDIT

of projects implemented by a partner organization based in Faryab, Afghanistan (the "**Organization**") and funded by Caritas Germany.

A. Background

1. To be reviewed/audited:

The above-mentioned donor agency have been providing funding to an organization based in Faryab Afghanistan (hereafter "the Organization") for their humanitarian and development work. The Organization to be audited has its office in Faryab Afghanistan, where accounting records are kept.

The review should focus on a project being implemented from 01 November 2024 and ongoing until 31 November 2026 with a volume of 360.000 EUR.

2. Origination of the engagement

This audit is initiated following the most recent field visit, which highlighted several areas where the organization's systems, policies, and procedures could be further strengthened and clarified. While core functions are in place, the observations point to opportunities to improve consistency, documentation, and alignment with organizational and partner requirements.
The field visit identified the need to further develop and standardize key financial, procurement, and human resources policies and practices. These include clearer guidance on financial management processes and documentation, improved structuring of roles and approval workflows, more consistent procurement and contract documentation, and closer alignment between HR policies and current practices. Enhancing standard templates, approval procedures, and record-keeping practices would support greater clarity, transparency, and operational efficiency.
In this context, the l audit is designed as a supportive, capacity-building exercise. Its purpose is to provide an objective review of existing practices, identify practical areas for improvement, and offer recommendations to strengthen internal systems and processes. The engagement aims to support the organization's continued institutional development, promote consistent application of standards, and contribute to sustainable and effective operations.

B. Description of the Engagement

1. **Objectives**

The objectives of the present assignment are:

a) To assess whether project funds have been used in accordance with contractual and donor requirements and whether such use is supported by adequate, complete, and verifiable documentation.

b) To assess the adequacy and effectiveness of the organization's policies, procedures, and internal control systems across finance, procurement, human resources, and contract management.
c) To review the level of compliance of current practices with applicable organizational policies, donor requirements, and administrative guidelines.
d) To identify gaps, inconsistencies, and areas for improvement in documentation, approval processes, segregation of duties, and reporting structures.
e) To evaluate whether existing organizational structures, roles, and responsibilities provide sufficient clarity and support efficient and transparent operations.
f) To provide practical, forward-looking recommendations aimed at strengthening systems, enhancing institutional capacity, and supporting sustainable organizational development.

3. Nature and scope of the engagement

The present Terms of Reference identify the objectives and expected results of the audit. However, it will be the responsibility of the selected audit company to identify and perform all necessary and appropriate auditing actions in order to deliver on those objectives and outputs. We expect an office visit to the organization (in order to review the accounting records and to conduct interviews) to be part of your methodology. This should already be budgeted accordingly in your offer.

4. Required steps before the verification:

We see the following steps as necessary as part of the selection process and before the verification on location can take place:

a) Confirm that the audit firm is independent from the Organization and donor agency and is registered/accredited/authorized to undertake audit work in Afghanistan.
b) Confirm that the audit firm does not have an agreement to conduct either project or institutional audits of the Organization.
c) Confirm that the audit team is led by suitably qualified auditors to conduct interviews and review supporting documents. In this context "suitably qualified" means holding an internationally recognized accountancy qualification (such as ACCA, CA, CPA, Chartered Accountant or Chartered Certified Accountant) and having proven experience in comparable investigations (and related interviews).
d) Reconfirmation of the team-composition and approval by Caritas Germany.
e) Conduct a conference call with the a.m. donor agency ahead of the assignment to reconfirm and agree on the planned audit actions

5. Reporting:

The auditors compile one final report (incl. all required attachments) of the assignment in English within 20 days after completion of the assignment that can also be shared with the Organization. Before the final report is issued, we expect a draft version of the report as well as a de-briefing meeting between Caritas Germany and the audit team in order to allow comments and questions.

The report should present detailed findings, as well as provide an opinion on all matters listed under B1. As a minimum the report shall consist of:

- Executive summary
- Description of the consultancy process (activities implemented, methods applied, persons concerned, significant variations from planning to be explained)
- Description of the findings including receipts, vouchers, interview minutes or other evidence
- Description of the factors that facilitated or hampered accomplishing the task
- Overall Conclusion.
- Recommendations for organizational development prioritized with regard to risk management

In addition to the report, we expect a de-briefing meeting with the leadership and responsible staff of the Organization on the last day of the on-site work in which the main recommendations are presented and explained to the Organization. The Organization should be given opportunity to respond to all findings appropriately. The Organization's response shall become part of the final report. The report shall comment on the plausibility of the Organization's response.

A report according to "agreed upon procedures"/ISRS 4400 is not acceptable.

6. Responsibilities and expectations

The company will be supported by the Organization, which will provide access to all documentation, minutes and reports as required by the auditor. It is expected that most if not all of the documentation to be reviewed will be available at their office in Faryab Afghanistan and will be in English and/or Dari language. The donor agency shall provide the documents forming part of their project contracts with the Organization and shall be available to provide additional support and information for the auditor as required.

7. Time schedule

The engagement should be completed no later than 15.03.2026. The submitted offer should contain a section in which the bidding company should clearly express that they understand and agree to the above, and/or suggest amendments to the proposed approach and time schedule.
We expect the auditors to liaise directly with the Organization to agree with them on the exact dates and timeframe of the audit and reconfirm that all required documents will be made available in their office.

C. Offer

The offers submitted should provide a description of the proposed audit approach and methods of investigation for each of the matters listed under B.1 above. If the audit company is selected it is expected that the first phase of the assignment will involve an in-depth document-review to assess the allegations, as well as the projects' budgets, contracts and obligations emanating from the donor agencies' cooperation or partnership agreements with the Organization and related binding-documents.

The offer should include the detailed profile of the proposed team for this assignment. This team composition should be binding and reflected in the written agreement/letter of engagement once the assignment has been awarded.

The tender should include at least:

- Your full contact information, core competencies (description of expertise including language/regional experience and CV of proposed team members),
- Proposed methodology, standards, time schedule and approach to this assignment,
- Proposed fees, providing a full breakdown per audit team member,
- Upper range estimate travel costs and any additional charges and incidentals,
- List of past similar assignments and/or experience conducting audits for NGOs in Afghanistan by the proposed team.

When preparing the financial aspects of the offer, please take the following points into consideration:

- All costs incurred during the implementation of the contract cannot be invoiced separately and should be covered by the fee.

D. Confidentiality:

The engagement will be carried out confidentially. All documents, reports, evidence and information in connection with the engagement shall be considered as confidential. The auditor will not act in any way which might result in the impairment of independence of any team member, or which might lead outsiders to believe that independence and confidentiality has been impaired. The auditor will neither use, nor appear to use, information acquired during the course of this engagement for either personal advantage or the advantage of a third party. The auditor will immediately report to Caritas Germany any potential conflict of interest it might face when conducting this engagement.

Please, submit a tender in English by email by 19.01.2026.

Please also attach a scan of your national audit accreditation certificate (or equivalent) to the tender.
A conference call will be held shortly after selection of the auditor for this assignment to assess provided material and suspicion, as well as to discuss planning of the work (including field work).
Please send your offer by email to: jobs@caritas-germany.af