**Terms of Reference for Provision of External Audit Services**

**1. About Relief International (RI)**

Relief International (RI) is a leading non-profit organization working in 16 countries globally to relieve poverty, ensure the well-being and advance dignity. We specialize in fragile settings, responding to natural disasters, humanitarian crises, and chronic poverty.

RI combines humanitarian and development approaches to provide immediate services while laying the groundwork for long-term impact. Our signature approach – which we call the RI Way—emphasizes local participation, an integration of services, strategic partnerships, and a focus on civic skills. In this way, we empower communities to find, design, and implement the solutions that work best for them.

RI includes the four corporate members of the RI Alliance: RI-US, RI-UK, MRCA/RI-France, and RI-Europe. Under our alliance agreement, we operate as a single, shared management structure.

**Assignment**

RI Afghanistan Country office is seeking to procure external audit services in order to obtain independent and objective assurance as to whether the financial statements of RI Afghanistan present fairly, in all material respects, the financial position of RI in accordance with the International Standard on Auditing (lSA) promulgated by the IFAC and the Code of Ethics for Professional Accountants.

**2. Scope of Assignment**

**2.1 Annual Activities:**

* Perform statutory audits for the financial years **2020 and 2021** in accordance with the International Standard on Auditing (ISA).
* Plan and organize the audit on the basis of risk assessment to provide satisfactory assurance that the financial statements are free of misstatement due to fraud and errors.
* Ascertain that multi-donor funds received by the organization have been applied for the intended purpose and have been accounted for in accordance with the funding agreement.
* Verify that funds received by RI, have been acknowledged and reflected in the financial reports/statements submitted to the users/donors.
* Review and report on the effectiveness of the organization’s internal control systems in accordance with International Auditing standards.
* Review and report on the effectiveness of the finance system, human resource management, procurement system as well as funding structure.
* Review if the expenditures are utilized efficiently and effectively to meet the project objectives and that the expenditures are adequately supported in line with RI policies and Donor requirements.
* Review the accounting and reporting system and if it complies with the generally accepted accounting principle (GAAP).
* The auditor has the right and duty to establish additional/special checks if necessary.

1. **Requirements**

**3.1 Eligibility criteria**

Firms seeking to apply should be registered in Afghanistan and must have been in operation at least for the last 5 years providing audit services. Additionally, the firm must demonstrate experience in the audit of not-for-profit entities and organization’s with similar registration to RI.

The following information should be provided:

* Certificate of incorporation/registration
* PIN Certificate / TIN Certificate (Tax Identification Number)
* VAT Certificate (If available)
* Tax compliance certificate/ Annual Tax Return Clearance Certificate (should be for the most recent year/ 2021)
* List of at least three clients with a registration similar to RI’s
* Previous Audit experiences of non-profit organizations is preferred
* The audit firm must have an Afghanistan-based working office.

**3.2 Capability**

* Provide a brief summary about the firm. This must include a profile on past work done for clients with not-for-profit status operating in Afghanistan.
* Provide a profile of the audit services team likely to be involved in the audit process.

**3.3 Methodology**

The firm should state the methodology/approach of conducting the audits. Upon selection, the firm will be expected to provide a letter of engagement which will also highlight the basis of the auditor’s work.

**3.4 Proposed Fees**

The firm should provide a quote for the provision of audit services as highlighted above. This should include projected fees for the subsequent two years.

**3.5 Reporting**

The audit firm shall report in two documents, which include an audit opinion in the submitted Auditor’s report and a Management letter describing the scope of the audit and factual findings.

Relief International Afghanistan will submit the auditor's report to the management, Board of Directors, Afghanistan Government Authorities and Donors. The report should be in English.

**3.6 Instructions for submission**

All proposals (Technical & Financial) should be submitted by 1 p.m. Afghanistan time, Wednesday, November 30, 2022, through the email address: [kabul.procurements@ri.org](mailto:kabul.procurements@ri.org)

**RI Values:**

We uphold the Humanitarian Principles: humanity, neutrality, impartiality, and operational independence. We affirmatively engage the most vulnerable communities. We value:

* Inclusiveness
* Transparency and Accountability
* Agility and Innovation
* Collaboration
* Sustainability