

**REQUEST FOR PROPOSAL (RFP)**

**Audit for FCDO – CSSF Project**

Issued by HRRAC

15/07/2024

**Acronym Table**

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| **FCDO** | The Foreign, Commonwealth and Development Office |
| **HRRAC** | Human Rights Research and Advocacy Consortium |
| **NGO** | Non-governmental Organization |
| **IFRS** | International Financial Reporting Standard |
| **CSSF** | Conflict, Stability and Security Fund |
| **RFP** | Request for Proposal |
| **CV** | Curriculum Vitae |
| **ToR** | Term of Reference |

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## **1 Introduction**

## **1.1 Overview**

HRRAC is seeking for a qualified, reputed audit firm to conduct audit of HRRAC’s CSSF project, funded by FCDO. The audit shall be carried out in accordance with International Financial Reporting Standard (IFRSs). The audit shall be carried out by an external, independent, and qualified auditor (Certified Public Accountant/Authorized Public Accountant).

The objective of the audit is to permit the auditor to express an opinion on the financial reports and financial documents of the FCDO funded project titled “Strengthening social cohesion by consolidating traditional dispute resolution mechanisms and empowering women and girls in Helmand Province” bearing project number PPA CSSF AFK 011502, implemented by HRRAC.

**1.2 Audit Period**

The audit shall cover the project implementation period from 01st March, 2023 to 31st August 2024 during which the total budget of the project is £499,641.23

This RFP does not obligate HRRAC to award a contract or complete the project and HRRAC reserves the right to cancel the solicitation if it is considered to be in its best interest.

## **1.3 About HRRAC**

HRRAC is a leading Afghan led non-governmental organization established in August 2006 and registered with the Ministry of Economy Government of Afghanistan under license No. 947, whose mission is "to advance the fundamental rights and freedoms of all people of Afghanistan, particularly those most vulnerable to human rights violations and are deprived of sustainable and equitable development. HRRAC fulfills its mandate by assisting deprived communities with humanitarian aid, livelihood and rural recovery projects, conducting researches, baseline studies and need assessments to shed light over the obstacles that prevent communities and marginalized groups from advancing their rights. Based on its findings, HRRAC coordinates evidence-based advocacy actions to raise awareness, build capacity, and influence lawmakers, and policy making processes aiming at removing the barriers that prevent people's advancement in society.

## **1.4 Project Timeline**

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| **Project Timeline Dates** | |
| RFP Release Date | July 15th, 2024 |
| Quotations Due | July 31st, 2024 |
| Completion of Proposal Evaluations | August 04th, 2024 |
| Presentations by Selected Vendors | August 05th, 2024 |
| Final Vendor Selection | August 05th, 2024 |
| Anticipated completion date | August 20th, 2024 |

## **1.5 Application**

Interested firms should submit their technical and financial proposal to [procurement@hrrac.af](mailto:procurement@hrrac.af), no later than 31st July 2024.

If you have any technical questions and further clarification, please send email to [info@hrrac.af](mailto:info@hrrac.af).

## **1.6 Scope of work / Overall objective**

* The audit shall be conducted in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to ISA 800 (Revised) (Special Considerations Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks) and will include such tests and controls as the auditor considers necessary.
* The auditors shall form an opinion on whether the project financial statements fairly reflected the financial position of the project and whether they are prepared, in material aspects, in accordance with the applicable financial reporting framework including the accounting principles followed by the Recipient and the provisions of the Accountable Grant Agreement.
* The audit shall be carried out by and independent chartered/certified or state authorized public accountant (auditor)
* The auditors shall conduct the audit, by selecting a sample size representative of the audit population, to perform test of controls and substantive procedures obtaining sufficient and appropriate evidence giving reasonable assurance that project’s financial statements are free from material misstatements.
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* The auditors shall conduct the audit, by selecting a sample size representative of the audit population, to perform test of controls and substantive procedures obtaining sufficient and appropriate evidence giving reasonable assurance that project’s financial statements are free from material misstatements.
* The auditors shall report in accordance with the applicable audit standards.
* The Audit report shall include:

1. The project name and agreement number.
2. Identification of the project’s expenses and total income.
3. Financial statements
4. Expenses reported by the downstream partners.
5. The subject of the audit.
6. The financial reporting framework applied.
7. The auditing standards applied.
8. A statement that the auditor has obtained reasonable assurance about whether the financial statements are free from material misstatements.
9. The auditor’s opinion.

* In addition to the project audit report, the auditor shall submit a management letter (matters for governance attention), which shall contain any findings made during the audit of the project. It shall also list any measures that have been taken because of previous audits and whether such measures have been adequate to deal with reported shortcomings.
* If any finding has been reported in the project’s management letter, the recipients shall prepare a response including an action plan to be submitted to FCDO together with management letter.
* The audit requirement stated in this ToR are applicable for the total grant, including any part of the grant that has been transferred to the downstream partner if any.
* Financial statements should be presented in the currency of the Accountable Grant agreement.

## **2 Instructions**

The financial proposal shall contain the breakdown of the costs proposed for the assignment. The fee proposed shall be subject to withholding tax in accordance with the Income Tax Law of Afghanistan.

## **2.1 Qualifications:**

The ideal audit firm should have the following qualifications:

* ProfessionalExpertise:
  1. Since the audit will be for opinion of financial statements, so it is a thorough process which requires inclusion of qualified team on all the related areas.
  2. Curriculum Vitae (CVs) of the principals of the firms who would be responsible for providing the opinions and reports should be provided, together with the CVs of other personnel proposed for the project. CVs for audit personnel should include details on audits carried out by these staff, including ongoing assignments.
  3. Proven track record of conducting audits for NGOs or similar organizations.
* **Experience:**
  1. At least 7 years of experience in conducting project audits, particularly in the NGO sector.
  2. Knowledge of donor compliance requirements and statutory regulations.
* **Independence and Objectivity:**

1. The audit firm must be independent and free from any conflicts of interest related to the NGO.

## **2.2 Proposal submission guideline**

The audit firm must submit a technical and financial proposal. The technical proposal should, at minimum, contain:

* Introduction of the organization
* Organization’s capacity
* Relevant experience
* Work methodology tailored for conducting the project audit.
* Timeline proposed for conducting the audit.
* License to operate in Afghanistan.
* Practicing license of the Partner
* Affiliation of the firm with International Global network.

Financial Proposal

* The audit fee must be quoted in AFN or US dollars.
* Terms of payment: Upon completion of the audit including the final audit report.

## **2.3 Important Points:**

* Please quote the Vacancy Number as the Subject of the e-mail when applying.
* Please submit the resume of the responsible individual along with the company license when applying.
* Only shortlisted proposals will be contacted for further assessment.