



Terms of Reference for external Audit

This document defines the terms of reference for the audit of the project listed below, by an independent audit company. Tdh is seeking for a qualified, reputed audit firm to conduct audit of Tdh project.

1. Project Information

Project Title(s): Emergency Response MCH Nangarhar AFG-23

Project Period: 01/04/2023- 31/03/2024

Contract Project Budget(s): Cdb: 571,546/- CHF

Financing Partner(s)/funding donor: SwS- Swiss Solidarity

Implementing Project Partner: Terre des hommes:

Location(s) of Projects: Nangarhar province

Reporting Currency CHF



2. Objective of verification

The objective of the audit is to ascertain that the funds provided by Swiss Solidarity were used in accordance with the project agreement (including its stated objectives) and national regulations and to verify whether financial systems of the Terre des hommes respond to general accepted practices. project period was from 01/04/2023 until 31/03/2024.

3. Scope of work

The audit services to be provided include the following aspects:

- 3.1 The audit shall be carried out at the main office of Tdh where the bookkeeping is located.
- 3.2 The audit shall contain the verification of all financial documents or a relevant sample, processes as well as other information pertaining to the project in accordance with international standards. The audit shall examine internal control systems related to the financial statements, compliance with national accounting laws and employment regulations, and compliance with all contractual conditions.

4. Methodology and Standards

In his work the auditor has to comply with the International Federation of Accountants (IFAC) "Code of Ethics for professional Accountants". The verification shall be performed in accordance with national legislation and the relevant International Standards. In this regard the auditor is requested to

- 4.1 express opinion regarding historical financial information (ISA 805).

5. Qualification of the auditor

To conduct the audit, the auditor shall fulfil the following criteria:

- 5.1 The Auditor and/or the auditing firm is a member of a national association or organization of accountants or auditors, which in turn is member of the International Federation of Accountants (International Federation of Accountants, IFAC).

6. Deliverable

Audit report

The reporting language is English. The reporting currency is both local currency (AFN) , (USD) and (CHF). The written report of the auditor has to be approved by all contracting parties. The audit report shall consist of the following information:

- 6.1 Details on the nature and scope of the audit, time period and place of the audit, standards applied and findings.
- 6.3 The following documents shall be included in the audit report:



- a. Audited financial report with variance analysis (in %) between budget and expenditure per budget position.
- b. Overview of receipts and expenditures following the approved budget structure (budget structure see project agreement).
- c. Updated inventory list of the assets procured in the course of the project.
- d. Project staff list of the implementing organization, including a confirmation of conformity of salaries with local standards.
- e. At the end of the project period, a consolidated audited financial report including a presentation of all income and expenditure, a variance analysis between the budget and the expenses per budget position and any remaining balance for the entire project period must be presented.
- f. Management letter:
 The auditor shall issue a separate management letter, in which he draws attention to identified weaknesses, makes recommendations for their elimination and furthermore reports on the implementation of recommendations of previous audits, if any. In the audit report the following standard wording shall be included: "For additional information and recommendations, please refer to the management letter."

7. Timeframe for Deliverables

Time planning should consider the following dates:

Deliverables	Dates
Submission of offer	13.10.2024
Audit Commencement	15.10.2024
Completion of the audit	24.10.2024 for the reporting period of 7 working days
Submission of the draft audit report (the draft report has to be approved By the Tdh)	28.10.2024
Submission of the final audit report	30.10.2024



8. Application Procedure

Interested candidates shall submit their offer including the following information:

- a. Presentation of audit firm, mentioning qualifications and experience of auditors conducting the audit and experience of auditing project funds.
- b. Proof of registration Valid Business License as a certified public accountant/ chartered accountant (*see also 5. Qualification of the auditor*)
- c. Membership in the IFAC or membership of a national association that itself is registered with IFAC (registration and annual license)
- d. Company profile, including past similar experience
- e. Tax clearance support document
- f. Confirmation of TORs, audit methodology and standards
- g. proposal in separate sealed envelope
- h. Quotation incl. tax and all expenses
- i. Currency of quotation/audit fee to be specified
- j. Proposed time schedule (work plan)

A signed original official proposal must be delivered via sealed envelope to Tdh Kabul office the latest by 13.10.2024.03: 30p.m

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