



دیدبان شفافیت افغانستان  
INTEGRITY WATCH AFGHANISTAN

## **Request for Proposal (RFP) for External Audit Services**

**Issued by:** Integrity Watch Afghanistan (IWA)

**Date Issued:** December 16, 2024

**Submission Deadline:** December 25, 2024

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### **1. Background Information**

Integrity Watch Afghanistan (IWA) is an Afghan civil society organization dedicated to promoting transparency, accountability, and integrity across various sectors. As part of our commitment to financial accountability, IWA invites proposals from qualified audit firms for the external audit of its financial statements for the fiscal year ending December 31, 2024.

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### **2. Objectives of the Audit**

The audit aims to:

1. Provide an independent opinion on IWA's financial statements for the year ending December 31, 2024, prepared in accordance with IFRS.
  2. Assess compliance with IWA's internal policies, donor agreements, and applicable Afghan laws and regulations.
  3. Identify areas for improvement in financial and operational controls.
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### **3. Scope of Work**

The external audit shall cover all financial transactions and operations of Integrity Watch Afghanistan for the fiscal year 2024. The scope includes, but is not limited to, the following tasks:

#### **1. Financial Statement Review:**

- Verify the preparation of financial statements, including the balance sheet, income and expenditure statement, and cash flow statement, ensuring they comply with IFRS.
- Reconcile accounts to confirm accuracy and consistency with IWA's financial records.

#### **2. Donor Compliance:**

- Ensure that funds provided by donors have been utilized as per their agreements and approved budgets.
- Review documentation supporting expenditures to confirm that they meet donor eligibility criteria.

**3. Internal Controls:**

- Evaluate the design and operating effectiveness of internal control systems in place for financial management, procurement, payroll, and other operational areas.
- Identify gaps and weaknesses, providing actionable recommendations to enhance the internal control environment.

**4. Transaction Testing:**

- Perform detailed testing of a representative sample of transactions to ensure:
  - Accuracy and completeness of records.
  - Proper authorization and approval processes.
  - Compliance with organizational policies and Afghan legal requirements.

**5. Taxation and Legal Compliance:**

- Review IWA's compliance with Afghan tax laws, labor laws, and other applicable regulations.
- Ensure accurate calculation and timely payment of tax liabilities.

**6. Asset and Inventory Verification:**

- Confirm the existence, ownership, and condition of fixed assets and inventory.
- Review asset management policies and procedures to ensure proper safeguarding and utilization.

**7. Risk Assessment:**

- Identify financial and operational risks impacting the organization and provide mitigation strategies.

**8. Reporting and Recommendations:**

- Prepare a comprehensive audit report, including:
  - Auditor's opinion on the financial statements.
  - Observations on internal controls and compliance.
  - Recommendations for improving financial management and operational efficiency.
- Provide a management letter summarizing key findings and recommendations.

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#### 4. Deliverables

1. **Audit Report:**

- Independent auditor's opinion on the financial statements.
- Detailed findings and observations on internal controls and compliance.

2. **Management Letter:**

- Practical recommendations for improving financial management and internal control systems.

**Report Submission Deadline:** No later than March 20, 2025.

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#### 5. Audit Timeline

The audit is expected to commence on Feb 01, 2025 and be completed by Feb 15, 2025.

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#### 6. Eligibility Criteria

Interested audit firms must meet the following criteria:

1. Be legally registered with relevant Afghan authorities.
  2. Demonstrate extensive experience in auditing NGOs or similar organizations.
  3. Be familiar with donor compliance requirements.
  4. Have a thorough understanding of Afghan tax and financial laws.
  5. Possess qualified personnel with experience in financial auditing.
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#### 7. Proposal Requirements

Firms should submit proposals that include:

1. **Company Profile:**

- Overview of the firm, including relevant experience and credentials.

2. **Technical Proposal:**

- Detailed approach and methodology for conducting the audit.

- A timeline for audit activities and deliverables.
3. **Financial Proposal:**
- Comprehensive fee structure with a breakdown of costs.
4. **Credentials:**
- Registration certificates and licenses.
  - CVs of key personnel assigned to the audit.
5. **References:**
- Contact information for at least three clients with similar projects.
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## **8. Submission Instructions**

Proposals must be submitted in hard to IWA office with the subject line: "Proposal for External Audit Services – IWA 2024."

### **Integrity Watch Afghanistan**

House 07, Street 08, Qilla Fatehullah, District 10, Kabul, Afghanistan

**Submission Deadline:** December 25, 2024.

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## **09. Contact Information**

For questions or clarifications regarding this RFP, please contact:

Muhammad Ullah Ahmadzai

Email: [Mu.ahmadzai@integritywatch.org](mailto:Mu.ahmadzai@integritywatch.org)

Phone: 0093782968781

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Integrity Watch Afghanistan looks forward to your proposal submission. Thank you for your interest in supporting the integrity and accountability of our organization.

Sincerely,

Muhammad Ullah Ahmadzai

Finance Manager

Integrity Watch Afghanistan