

## **Request for Proposal for Conducting Project Specific External Audit Service**

**Reference:** HiH Af/SPA 2016.

**Date of Issue:** 28 July 2016

**Deadline for Submission of Tenders:** 14:00 Hours (AST), 10 August 2016

### **1. Introduction**

Hand in Hand Afghanistan (HiH Af) is a Non-Governmental Organization (NGO) registered under License # 890 with the Ministry of Economy Government of Islamic Republic of Afghanistan, began its operations in 2007 with the vision to reduce poverty through job creation.

HiH Af is a member of the Hand in Hand global network of independent organizations (HiH Af, HiH India, HiH EA) operating in Afghanistan, India and East Africa and the two fundraising and support offices (1) HiH International based in London, and (2) HiH Sweden in Stockholm.

Hand in Hand Afghanistan operates in Balkh, Samangan and Jawzjan provinces with its Head Quarter in Kabul, Regional Office in Mazar and District Offices in Shortepa, Kishindeh, Dara-Suf, Sancharak, Gosfandi and Balkhab districts of Balkh, Samangan and Saripul province respectively.

### **2. About the Project:**

In February 2014, HiH Af received support from the Delegation of the European Union to the Islamic Republic of Afghanistan to implement a project called *“Supporting rural entrepreneurship and promoting women’s socio-economic empowerment in Dara-e-Suf Bala and Dara-e-Suf Payan districts of Samangan Province”*. The project is also co-funded by Hand in Hand International. The project aims to strengthen the socio-economic rights of 5,400 poor rural women and men in both Dara Suf Bala and Payan District of Samangan province and economically empower them to create 8,100 jobs, with a particular focus on women. The project has started in 25 Feb 2014 and will be completed by 24 August 2016.

Under this RFP HiH Af invite the interested qualified Audit Firms to submit their proposals for conducting External Specific Audit of the above mentioned project.

### **3. Scope of Services**

Hand in Hand Afghanistan desires to engage the services of a qualified audit consultant for the purpose of auditing the project titled *“Supporting rural entrepreneurship and promoting women’s socio-economic empowerment in Dara-e-Suf Bala and Dara-e-Suf Payan districts of Samangan Province”*. The audit shall be carried out in accordance with International Financial Reporting Standard (IFRSs) issued by International Accounting Standards Board (IASB). The audit shall be carried out by an external, independent and qualified auditor (Certified Public Accountant/Authorized Public Accountant).

#### **3.1. Objectives**

- To audit the financial report of the above project for the period “25 Feb 2014 - 24 August 2016) as submitted to the donor and express an audit opinion whether the financial report of the project submitted to the donor is in accordance with Hand in Hand Afghanistan’s accounting records and agreed budget.
- To examine, assess and report on compliance with the terms and conditions of the Agreement and applicable laws and regulations within accounting and taxes.

- The auditor shall examine on a test basis that there is supporting documentation related to reported expenditure. The size of the test shall be based on the auditor's risk analysis and that should be stated in the report. The auditor shall report the identified amount in case there is any missing supporting documentation.
- The auditor shall submit an audit memorandum/management letter, which shall contain the audit findings made during the audit process.

#### **4. The auditor's reporting and deliverables**

- ✓ The auditor's report shall contain details regarding used audit method and the scope of the audit.
- ✓ The report shall contain an assurance that the audit was performed in accordance with international standards and by a qualified auditor.
- ✓ The report shall contain the responsible auditor's signature (not just the audit Consultant) and title.
- ✓ The auditor shall make recommendations to address any weaknesses identified. The recommendations should be presented in priority.
- ✓ The report should be written in English and be presented to Hand in Hand Afghanistan in two copies and one digital for onward transmission to the donor, within two weeks after the last visit.
- ✓ An invoice with the detail of firm's Bank account in USD .

#### **5. Short listing and evaluation**

- ✓ A shortlist will be drawn up from the tenders received, and the selected firms will be invited to make a presentation to the Tender Panel, and decision will be made by 24 August 2016.
- ✓ In evaluating tender bids submitted, consideration will be given to not only on the basis of low price but also to quality, relevant experience, references and reputation.

#### **6. Confidentiality and Conflicts of Interest**

- ✓ It is a further condition of tendering that you will keep confidential the information disclosed to you in this invitation to tender and in connection with the invitation and your response to the invitation. You must also return to HiH Af any information disclosed (and any copies you have made of this) if requested, and must only use such information for the purposes of making the tender.
- ✓ In the same manner, any information received relating to the tendering firms will be treated in the strictest of confidence by the Hand in Hand Afghanistan.
- ✓ A firm will not be eligible for appointment if any of its partners, directors or major shareholders is a member of the HiH Af Board or the staff of Hand in Hand Afghanistan.
- ✓ Firms must declare, as part of the tender proposal, whether any partners, directors, major shareholders, senior staff, or the partners / spouses of any of these listed are:
  - Members of HiH Af Board or related to any such member
  - An employee of HiH Af or related to any such employee.
- ✓ Firms should also identify any work they are currently undertaking, or bidding for, which could cause a conflict of interest, and indicate how they will deal with this potential conflict if the contract is awarded.

## **7. Form of tender – information to be provided**

In order to be considered, your tender submission must include the following information. Failure to supply such information, in the requested format where specified, will result in your tender not being considered.

### **7.1 Information about your firm:**

- a. A short profile of your firm with emphasis on the different services you supply. If the firm is part of a group of companies, or is a subsidiary or parent company, please also give details of the group.
- b. Total number of staff and total number of external auditors, both actual and full time equivalent.
- c. Details of training, experience and qualifications of staff (and number of staff who are qualified).
- d. Full name, corporate status, and registered office.
- e. Name, correspondence address and telephone number of main contact.
- f. Organisation chart showing all those staff who will be working on the contract and the reporting structure.

### **7.2 Experience:**

- a. Details of your firm's experience of providing similar services, and in particular experience of working with similar organisations or EU funded projects in Afghanistan.
- b. Curriculum vitae for the staff who will be undertaking the work, including experience and qualifications, and length of service with your firm.

### **7.3 Quality:**

- ✓ Any performance standards that you work towards.
- ✓ Details of how you monitor performance within your firm.

### **7.4 Insurance:**

- ✓ Details of your professional indemnity insurance (i.e. name of insurer, period and extent of cover).
- ✓ Details of any claims or litigation in the last three years.

### **7.5 References:**

- ✓ Details of two clients who can be contacted for references, if required, and who have received similar services from you in the last two years.

### **7.6 Other:**

- ✓ Copies of your policies relating to
  - Quality assurance, customer care and / or complaints
  - Equal opportunities
  - Data protection

### **7.7 Costs:**

- ✓ All cost shall be inclusive of all applicable taxes as per taxation law of the government of Afghanistan, [www.mof.af](http://www.mof.af).
- ✓ Details on the fee for the services specifying what is included in the charges, including:
  - Hourly rates for the provision of the external audit service. These should be provided for all levels of staff that you expect to use.
  - An estimate of the minimum number of external audit days you consider appropriate for the size and complexity of the project and the ratio of hours to be provided by staff at different levels.

- All other costs, including details of your policy on travel and disbursements.

#### **8. Submission Procedure**

- ✓ The proposals/bids must be submitted to the following address, HiH Af Office House P-860, Street 10, Taimani, Kabul Afghanistan by **14:00 Hours (AFT), 10 August 2016**.
- ✓ No tender will be considered if received after the deadline set out above.
- ✓ Tender documents should be submitted in plain sealed envelopes, marked "Tender for External Audit Services". Or you can send via email to [arahimnasry@handinhand.org.af](mailto:arahimnasry@handinhand.org.af)

#### **9. Disclaimer**

HiH Af is not bound contractually or in any other way to any Proponent to this request for proposal/bid. The organization is not liable for any costs or compensation in relation to the consideration of this Request for submission of proposal/bids by the Proponents whether or not the organization terminates, varies, or suspends the process or takes any other action permitted under this Request for proposals/bids.

The organization may, at its absolute discretion, elect to abandon any part or whole of the process without giving prior notice to the Proponents or potential Proponents.