



Afghanistan Social Improvement Organization (ASIO)

TERMS OF REFERENCE (TOR)
FOR EXTERNAL AUDIT OF ASIO PROJECTS
FINANCIAL STATEMENTS 1, JAN, 2016 / 31, DEC, 2016

Publish Date: Jan 19, 2017

Closing Date: Jan 24, 2017

COUNTRY:	Islamic Republic of Afghanistan
NAME OF THE PROJECT:	ASIO PROJECTS
Project #:	390711
Announcement Date	19 Jan 2017
Deadline	24 Jan 2017
Final Audit Report Submission	15 Feb 2017

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A. Background Mandated

Afghanistan Social Improvement Organization (ASIO) is a non-governmental and non-profitable organization. ASIO works under the light of Afghanistan government & Donor rules and regulations. The purpose of ASIO is to provide developmental and humanitarian services for the needed people regardless of political, ethnical, regional or other dependency

ASIO offices are based in KABUL Afghanistan with its Branch offices in Afghanistan at the following Addresses:

1: ASIO Headquarters Kabul Kunduz Main road 3rd region Kunduz Province

2: 3rd region 1st street of Karte Mamorin Kabul Afghanistan

B. Audit Scope

These Terms of Reference address the requirement for external audit of financial statements of one year ASIO implemented projects for the calendar year from 1, Jan, 2016 to 31, December 2016.

A draft audit report should be submitted by 10 Feb 2017 and a final signed audit report with certified statements by 15 February 2017 and a management letter by 22 Feb 2017 of the year following the end of period under review. The financial statements for the financial year will be made available no later than 28 February 2017.

External Auditor will have to present the annual audit report to the ASIO Management team and the Finance Committee and provides any clarifications required by Members.

The audits should be carried out in accordance with IFRS or International auditing standards. Sufficient audit evidence should be gathered to substantiate in all material respects the accuracy of financial statement.

The audit report of the auditors should state if the audit was not in conformity with any of the above and indicate the alternative standards or procedures followed.

C. The Audit Report and Management Letter

a. Audit Report

The audit report should clearly indicate the auditor's opinion. This would include at least the following:

- ♣ The title, addressees, and an opening or introductory paragraph containing
 - a) Identification of the financial information audited including the period covered; and
 - b) Statement of the responsibility of the entity's management and the responsibility of the auditor
 - c) Opinion

 - ♣ A scope and methodology paragraph describing the nature of the audit referencing
 - a) The accounting standards that have been applied and indicate the effect of any deviations from those standards;
 - b) The audit standards that were IFRS standards, ISAs, or national standards that comply with one of these in all material respects); and
 - c) The work the auditor performed.
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♣ An opinion paragraph disclosing:

- a) whether the financial statements and supporting schedules fairly present the cash receipts and expenditure in all material respects and that the funds were used for the purposes defined by the work programme;
- b) whether the financial transactions reflected in the statements are in accordance with financial regulations and procedures, budgetary provisions and other applicable directives; and
- c) Summary assessment of the efficiency of the management and internal control system.

The auditor may expand the report to include other information and explanations not intended as a reservation. Audit reports will be provided in English.

b. Management Letter

The auditor should submit a letter to the management at the completion of the audit. The topics/issues to be covered in the letter should include:

- ♣ An assessment of the efficiency of the administration, management and internal control system of ASIO
- ♣ A description of any specific internal control weaknesses noted in the financial management. Recommendations to resolve/eliminate the internal control weaknesses noted should be included.
- ♣ Management comments/response to audit findings and recommendations

D. Auditor Independence and Qualification

The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of ASIO. The auditor should disclose any relationship that might possibly compromise his/her independence.

The auditor should be experienced in applying either ISA or IFRS, whichever is applicable for the audit. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA or INTOSAI standards, including experience in auditing the accounts of entities comparable in size and complexity to ASIO.

Curriculum vitae (CVs) should be provided to ASIO by the principal of the audit institution who would be responsible for signing the opinion, together with the CVs of managers, supervisors and key personnel proposed as part of the audit team. CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit and experience in auditing financial statements compliant with the International Public Sector Accounting Standards.

E. Access to Facilities and Documents,

The financial systems are partly automated in GAP, General Accounting Principle system and partly manual. ASIO is currently undertaking implementation of new QPP system – Microsoft Dynamics EXCELL to be operational in the early 2016. All financial records are kept at the headquarters.

The auditor will have full and complete access at any time to all records and documents (including books of account, legal agreements, minutes of committee meetings, bank records, invoices and contracts etc.) and all employees of the entity. The auditor will have a right of access to banks and depositories, consultants, contractors and other persons or firms engaged by the program management over the period under the audit review.

Audit Company will be shortlisted in accordance with the ASIO Procurement Policy

Your Quotation must be delivered on or before the **14.00 hours Kabul local time, 25, January, 2017** to the address given below.

Attachment: Company Profile, Company Registered License Copy.

Address: -

To: Name: Mr. Assadullah Mahjour
Position: Operation Manager
Email address: amahjour.asio.af@gmail.com
CC: Name: Abdul Hadi
Email address: hadi.asio82@gmail.com

1st Street of Kart-e-Mamorin 3rd region Kabul Afghanistan