

Terms of Reference

Annual Audit of DHSA

DHSA is an Afghan NGO established in 1992. The mission of DHSA is to promote a dynamic and capable civil society in Afghanistan by connecting local know-how with innovation. DHSA's key areas of focus are independent media & public communication, education and the celebration of cultural heritage.

DHSA seeks to be self-sustainable, striving to create and manage projects, which generate their own incomes and reduce dependence on donors. TKG was created by DHSA in 2002 as a public media initiative dedicated to increasing public access to independent information in an effort to improve lives, to foster pluralism and give voices of reason and freedom in Afghanistan greater opportunities for expression. TKG operates six local radio stations (Radio Killid Network) and publishes and distributes the two most popular magazines in Afghanistan (Killid Magazine, a general interest and news magazine and Mursal a women's magazine).

Section I: Audit Scope

The audit will be carried out in accordance with international Standards of Auditing, and will include such tests and procedures, as the auditor considers necessary under the circumstances. In conducting the audit, the following should also be taken into consideration:

- (a) Funds provided by the donors have been used in accordance with the conditions as specified in the contract/agreement, with due attention to economy and efficiency, and only for the purposes for which the funds were granted;
- (b) Goods and services financed have been provided in accordance with contract/agreement
- (c) All necessary supporting documents, records, and accounts have been kept in accordance with the IAS/donor guidelines, the appointed firm will be expected to agree performance standards and timetables with DHSA for the provision of the audit plan, audit reports, and issue of the accounts.
- (d) Assess procedures in place to properly account and track payroll and expenses so that amounts claimed in payroll comply with the staff payroll, the payroll should be reconciled for the whole audit period to track each payroll against budget and staff list.
- (e) The period under audit should be January 1, 2018 to December 31, 2018.
- (f) The appointment, whilst specific to the scope of work as specified above, may allow for additional work to be undertaken by the firm, subject to satisfactory agreement between DHSA and the Organization. DHSA would therefore appreciate receiving details (as part of your proposal) of any other services you are able to provide, which might be appropriate to DHSA, are not specified above and would not be in conflict with your role as Auditor.

Section II: Terms of Reference for an Auditor for the annual audit

The Terms of Reference for the auditor for the DHSA annual audit includes the following:

1. Obtain an understanding of the Projects being audited. The Project will make available any other information the auditor may request in connection with the audit.
2. Examine, and, where necessary, test
 - a. The organizational procedures for making financial decisions, budgeting, and authorizing expenditures.
 - b. The design, management, and operation of the accounting system and the efficiency and effectiveness of related systems and procedures, such as inventory control and data processing. Assess the adequacy of accounting and internal control systems with respect to Project expenditures, other financial transactions, and the safe custody of Project financed assets, if applicable. Evaluate the physical inventory taken by the Project, if applicable.
 - c. All financial transactions, and verify year end balances, including an appropriate degree of physical verification. Determine whether DHSA has maintained adequate documentation on all relevant transactions. Directly correspond with debtors and creditors on a substantial test basis in order to confirm sums due to, and payable by, the Project under audit, if applicable. Confirm that expenditures submitted to are eligible for financing and identify any ineligible expenditures.
 - d. Compliance with International Accounting Standards and any other applicable accounting standards, including the adequacy of disclosures.
 - e. Subsequent events and their possible effect on the financial statements.
 - f. Overall comparators of actual costs and achievements against budgets and planned indicators, obtaining, and reporting adequate explanations for significant variations.
3. Give an opinion and make a report on the veracity, accuracy, and fairness as regards the presentation of the financial statements of the Project. The report will
 - a. Will clearly state the auditor's opinion as to whether the financial statements give a true and fair view (or are presented fairly, in all material respects,) in accordance with the financial reporting framework and, where appropriate, whether the financial statements comply with statutory requirements.
 - b. Should include certified copies of the audited accounts and financial statements and the report of the auditors relating to said statements, including the auditor's opinion on the use of the Funds.
 - c. will include the title of the auditor, the date of the report, the addressee, identification of the financial information audited, a reference to auditing standards or practices followed, an expression of opinion, including a qualification, disclaimer, or declining of an opinion, on the financial information, the auditor's signature, the auditor's address, and the date of signing of the report.
4. The draft final report (should be sent through email) will be submitted to the Admin & Finance Director, DHSA on or before 15 Sep 2019.
5. The final report (three hard copies) will be submitted to the Director General of DHSA one week after the comments from the Management of the DHSA have been received.

Section III: Evaluation Criteria

The selection of the firm will be based on the following evaluation criteria:

1. Must be able to demonstrate that the firm is impartial and independent of the management of the DHSA and of the person appointing them. In particular, the auditors should not otherwise be employed by, serve as directors for, or have any financial or close business relationship with the DHSA during the period covered by the audit (failure to demonstrate the above will eliminate the candidate firm from the competition).
2. Experience of the firm and the proposed personnel in using procedures and methods that conform to IAS auditing standards.
3. Experience of the firm in auditing the accounts of projects comparable in nature, size, and complexity to the assignment they are to undertake. More specifically, experience in auditing international donor projects, especially those of multi-lateral donor organizations
4. Professional and technical training and experience of the firm's proposed personnel who will be assigned to the audit in Afghanistan.
5. Date for completion of draft report and final report (these dates are given in the TOR and need to be stated by the firm).
6. Proposed cost of completing the audit.

If you agree on the above Terms of Reference to conduct the audit as described above, please sign with seal and date:

Section IV: Submission Procedure

- The proposals/bids must be submitted to the following address:
- House No 442, St 6, Chardehi Watt, District 6, Karte 3, the Killid Group Office, Kabul Afghanistan by **04:30 PM, Aug, 01 2019.**
- No tender will be considered if received after the deadline set out above.
- Please supply a copy of your tender proposal
- Tender Documents should be submitted in plain sealed envelopes, marked "Proposal for DHSA Annual Audit Services FY2018".

Disclaimer:

DHSA 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.

Name of the Firm_____

Authorized Signature:_____

Date_____