

## TERMS OF REFERENCE FOR PROJECT ANNUAL EXTERNAL AUDIT

### I. INTRODUCTION

Marie Stopes International Afghanistan, 'MSIA', wishes to engage the services of an audit firm, 'the Auditor', for the purpose of auditing the project **Integrated Reproductive and Maternal Health Programme Phase VII**, 'the Project', as stipulated in the Agreement between Marie Stopes International - Afghanistan, MSIA - and donor Gov. of Finland.

The audit is carried out in accordance with international audit standards issued by International Organisation Federation of Accountants (IFAC) and donor guideline given in grant agreement. The audit is carried out by an external, independent and qualified auditor (Chartered Accountants/Certified Public Accountant/Authorised Public Accountant).

#### Responsibilities of the Parties to the Engagement

- **MSIA** is responsible for providing a Financial Report for the Project financed by the Agreement that complies with the terms and conditions agreed with Finland Gov, and for ensuring that this Financial Report can be reconciled to MSIA's accounting and bookkeeping system and to the underlying accounts and records. MSIA is responsible for providing enough and adequate information, both financial documents in support of the Financial Report.
- MSIA accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon MSIA, and as the case may be its partners, providing full and free access to its staff and its accounting and bookkeeping system and underlying accounts and records.
- The **Auditor** is responsible for carrying out their audit in international audit standards issued by International Organisation Federation of Accountants (IFAC), donor guideline given in grant agreement, and for submitting an audit report and management letter to MSIA.

By agreeing these Terms of Reference (ToR) the Auditor confirms the following conditions is met:

- International Audit firms or affiliated partners are eligible to apply.
- The Auditor and the firm is a member of an international accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).

### II. OBJECTIVES AND SCOPE OF THE AUDIT

#### 2.1 Subject of the Engagement

The subject of this engagement is auditing the final Financial Report for the period **01 January 2018 – 31 December 2018** as submitted to related Ministry of Government of Finland, and express an audit opinion whether the Financial Report of the Project submitted to the donor is in accordance with MSIA's accounting records and donor's requirements for financial reporting. **(The related articles will be provided from the contract).**

This engagement examines, assesses and reports on compliance with the terms and conditions of the Agreement and applicable laws and regulations regarding accounting and taxes.

Annex 1 to these ToR contains information about the Project and the Agreement.

#### 2.2 Reason for the Engagement

MSIA is required to submit to Government of Finland project audit carried out by an external, independent and qualified auditor as condition for the disbursement of funds.

#### 2.3 Engagement Objectives and Scope

The Auditor expresses an opinion on whether the Financial Report submitted to Gov. of Finland is in accordance with MSIA's accounting records and grant contract requirements for financial reporting, based on the audit. This will include:

- To assess and report on compliance with the terms and conditions of the Agreement and applicable laws and regulations regarding accounting and taxes of Afghanistan.
- To 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. In the case of expenditures not supported by sufficient documentation, the Auditor shall report the identified amount and list what documents should have been in place to substantiate the concerned expenditures.

### **III. REPORTING**

The Auditor's report should express an opinion on whether the submitted Financial Report is in accordance with MSIA's accounting records and grant contract's instructions for reporting.

The report shall contain:

- An assurance that the audit was performed in accordance with international standards of Auditing and by a qualified auditor;
- The responsible auditor's signature (not just the audit firm) and title;
- The audit findings made during the audit process.
- Recommendations to address any weaknesses identified.

### **IV. OTHER TERMS**

*Auditor is responsible for travelling and transportation of audit engagement staff.*

### **ANNEXES**

**Annex 1** Information about the Project

## ANNEX 1 – INFORMATION ABOUT THE PROJECT

<b>Information about the Project</b>	
Project contract title	<b>Integrated Reproductive and Maternal Health Programme Phase VII</b>
Country	Afghanistan
Start date of the Project	1 January 2018
End date of the Project	31 December 2018
Total cost of the Project	Year 1- approximately Euro 1.3million
MSIA's Person Contact	[Abdul Munir Zalmay/Procurement/HR Manager , mobile# 0093(0)728877911, 0093(0)77 25 26801 email: admin.log@msi-afg.org

### **Submission of proposals and selection process.**

- International audit firms are eligible to submit the proposal.
- Last deadline for submission your proposal is 01/09/2019
- Proposal should be submitted to [vacancies@msi-afg.org](mailto:vacancies@msi-afg.org) And [admin.log@msi-afg.org](mailto:admin.log@msi-afg.org)

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