

TERMS OF REFERENCE

FOR

EXTERNAL AUDIT OF ISRAID SOUTH SUDAN FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Background

- 1.1 IsraAID is an Israel-based non-governmental organization that was founded in 2001 and has since its inception worked in emergency and long-term development settings in over 55 countries. IsraAID's mission is to support people affected by humanitarian crises by partnering with local communities around the world to provide urgent aid, assist recovery, and reduce the risk of future disasters. IsraAID South Sudan has been implementing humanitarian Aid in South Sudan since 2011 and works in protection, Health and WASH sectors.
- 1.2 IsraAID South Sudan is seeking an external audit firm with experience of working with international organizations and responding to the challenges of finance and control in South Sudan. The audit firm should have good local, Regional or International coverage and experience with international NGO sector. The Lead Auditor MUST have experience in working in South Sudan and understands the context.
- 1.3 The Financial Statements of IsraAID are prepared in accordance with the International Financial Reporting Standards and the South Sudan laws. The accounts are required to be audited by an external audit firm.
- 1.4 IsraAID intends to engage an independent external auditor to audit financial statements for the year ended 31 December 2022.

2. Auditing Standards

- 2.1 The financial audit shall be conducted in accordance with International Standards on Auditing (ISA). In addition, any relevant local standards related to financial audits need to be taken into consideration by the auditor. The audit shall include such tests and auditing procedures as the auditor considers necessary for the assignment.

3. Objective and Scope of the Audit

- 3.1 The objective of the audit of IsraAID's financial statements is to enable the auditors to express an independent professional opinion on the financial position of IsraAID.
- 3.2 The audit shall be carried out in accordance with standards mentioned above. In conducting the audit, special attention should be given to the following:
 - a. Verify all funds have been used in accordance with the established rules and regulations of IsraAID and only for the purposes for which the funds were provided.
 - b. Goods, works and services financed have been procured in accordance with the IsraAID established rules and procedures.

- c. Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented.
- d. The financial statements have been prepared by IsraAID management in accordance with applicable accounting standards and give a true and fair view of the financial position of IsraAID and of its receipts and expenditures for the period ended on that date.
- e. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
- f. Express an opinion as to reasonableness of the financial statements in all material respects.
- g. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
- h. Conduct entry and exit meeting with the Country Director and Finance Manager of IsraAID.
- i. In addition to the audit report, the auditors will prepare a Management Letter on the following:
 - Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
 - Bring to the Country Director's attention any other matters that the auditors consider pertinent.

4. Deliverables and timeline

- 4.1 Upon completion of audit work, the auditor shall issue an opinion on the financial statements prepared by the management and a Management Letter.
- 4.2 The audit will be completed and audited Financial Statements should be signed by [31st July 2023].

5. Qualifications of the audit firm

The firm must meet the following minimum requirements to be considered for evaluation pursuant of this request for proposal.

- Firm profile- A brief profile of the firm (1 to 2 pages)
- Valid Certificate of Incorporation
- Valid Chamber of Commerce Certificate
- Valid Operational Certificate
- Valid Tax Registration Certificate from NRA
- Valid Tax Compliance Certificate from NRA
- Must be registered accountant with good standing.
- Must be familiar with South Sudan environment, and registration in Sudan will have an added advantage.
- Must have at least two partners and full-time associate who are certified public accountants.
- Provide CV and copies of certification of key personnel that will be involved in the audit.
- Must have been in practice for at least 10 years.
- Audit approach: An outline of your audit strategy, including how you approach auditing key risks and where you would focus your substantive testing. Please highlight how your experience of

dealing with an international charity/organisation will impact on the audit approach. As part of the overall approach, highlight how the firm will ensure that timelines are met.

- Separate Fee Proposal: Fee proposal, including: - the fees breakdown - the basis for future increases - the cost of specialist advice - the mechanism for resolving fees in the event of an audit over-run - the level of advice and advisory services which we can expect without additional charge. ISRAAID would like to see a focus on reducing the overall cost of external audit services to the charity while at the same time maintaining /enhancing value. The fee proposal should be submitted separately.
- The Firm should have strong knowledge and experience in donor account auditing. The Lead Consultant should be an internationally qualified accountant (CPA, ACCA or its equivalent) with experience in donor accounting and financial management.
- Identify the firm's contact person, phone number and email address. State the office address as well as the address and phone number of any local office that will manage or assist in managing this audit.

6. Letter of Engagement

- 6.1 A formal Letter of Engagement specifying the detailed scope of the audit shall be prepared and signed between IsraAID and the auditor prior to the commencement of the assignment. The Letter of Engagement will spell out the terms and conditions, the fees and responsibilities of the parties.

7.0 Evaluation criteria

Your response to the proposal will be evaluated under the following headings based on a percentage split between the quality aspects to your proposal and the pricing thereof:

	Evaluation area	Score
1	Quality of team staff (to be deployed)	25%
2	Technical competency and experience in the humanitarian sector	10%
3	Overall audit approach (specifically presenting how multi-location audit could easily be managed within tight deadlines) 10%	10%
4	Experience in successfully managing multi-site international non-governmental organization (NGO).	25%
5	Added value	10%
6	Fees	20%
	Total	100%

8.0 Delivery of tender

- Interested auditing firms should submit one electronic copy of the Proposal via e-mail to the following electronic address: southsudanprocurement@israaid.org. Proposal submissions must be delivered no later than 5 PM South Sudan time on Friday June 9th 2023. Under no circumstances will any submissions be accepted after this time.

- The Tender should be addressed to:

The Chairman
Procurement Committee
IsraAID South Sudan

For any queries for more information to this invitation for proposal, please contact Mr. Garang Manyok on +211 (0) 922 741 415/+211 (0)928 568 062 or Email address: gmanyok@israaid.org.

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26/5/2023