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## Request for Proposal for Audit Services

Organization:	Afghanistan Justice Organization (AJO)
Reference:	AJO/FIN/2020
Date of Issue:	June 20, 2021
Submission Deadline:	June 26, 2021

### **Introduction:**

Afghanistan Justice Organization (AJO) is an Afghan-led, non-profit, and nonpartisan organization advances democracy, good governance and rule of law through Project Design and Management, Project Performance and Evaluation, Training and Capacity Development, Public Policy Research and Public Awareness. The organizational purposes include:

- Improving and strengthening the formal justice institutions;
- Improving and strengthening the informal justice sector and establishing a mechanism to link the formal and informal justice sectors;
- Conducting seminars, conferences, and in-service training programs at the local, national, and international level to facilitate cooperation among Afghan- based justice institutions;
- Drafting policy papers, publishing books and other conducting research and analysis on legal issues concerning Afghanistan.

### **The Scope of Services:**

The appointed firm shall perform external audit in accordance with the best International professional practices including standards required by major International donors. It is expected that appointed firm shall provide an external audit service that fulfills the following requirements:

#### **1. Financial Statement Audit**

We request that an audit be performed on the financial statements of AJO for their most recently completed fiscal year which comprises the statement of financial position as of 31 December 2020 and Income statement for the mentioned periods. The income statement will include a breakdown of Fund received and disbursements by source. This audit should be performed in accordance with the International Financial Reporting Standard and

International Standard on Auditing. These standards require that the audit be performed to obtain reasonable assurance that financial statements gives true and fair view and from material misstatements.

## 2. Accounting System Audit

We request that an audit be performed on the accounting system of AJO. This audit should include testing for the adequacy of the following:

- a) The Financial statements are prepared and presented in accordance with the International Financial Reporting Standards and free from material misstatements.
- b) A sound internal control environment, accounting framework, and organizational structure.
- c) Internal control system designed, Implemented and maintained relevant to the preparation and fair presentation of the financial statements that are free from material misstatements whether due to fraud and error.
- d) Organization Financial, Procurement, HR and other policies have been implemented.
- e) Follow-up on previous audit findings

**Time Period:** January 01, 2020 to December 31, 2020

**Audit Objectives:** The financial audit shall consider the following objectives in mind when conducting the audit.

1. **Examination of the financial regularity**, through the control and evaluation of the exactness, exhaustiveness and fairness of the various accounting transactions, either in full or by sampling, according to need and risk evaluation (before and during the course of the audit);
2. **Examination of the conformity with project objectives** through the control and evaluation of transactions, expenditures and receipts compared with the basic project documents (project description, programs activities, contracts, budgets etc.);

3. **Examination of the economical and efficient conduct of Activities** through the control and evaluation of:
  - a. Minimization of the cost of the resources utilized for the activities, always ensuring an appropriate quality
  - b. Comparison of expenditures with corresponding budget positions and the control and evaluation of any explanations for divergences;
4. **Examination of the appropriateness**, the relevance and the functioning of the Internal Control System, through the control and evaluation of the:
  - a. Internal organization (structures, functions, tasks, authority, responsibilities, methods, procedures, etc.),
  - b. Existence, respect and application of laws, regulations and instructions,
  - c. Protection of resources and assets,
  - d. Prevention of errors and fraud,
  - e. Quality and viability of the information system and the reporting.
5. **Examination of the observance** of the contract conditions of the project (or the phase) by the contracting parties.
6. **Examination of the Accounting System** as stated above.

### **Proposal Criteria**

While submitting your proposal, it shall include the following information:

- a. an overview of your firm and its legal status in Afghanistan;
- b. your agency's qualifications, including specific experience with NGOs in Afghanistan;
- c. biographical sketches of the partner(s) and staff who would be assigned to this engagement, at least one of the qualified staff of the organization "MUST" be based in Afghanistan and an evidence to the effect should be part of the proposal;
- d. an estimate of the days required for the engagement;
- e. the proposed audit fee (including additional costs not part of the audit fee, if any);

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- f. payment provisions requested;
  - g. client references;
  - h. Other services your agency provides.

**Successful Proposal Criteria:**

The criteria for selection of the successful proposal will include general experience, qualifications, reputation, experience with similar organizations, and the audit fee. Although the audit fee will be an important factor, but it will not be the only factor considered.

**Due Date:**

Please send your proposals to Ebadullah Stanekzai via email [audit@afghanjustice.org](mailto:audit@afghanjustice.org) by 4 PM June 26, 2021

We look forward to your proposals.

Sincerely,

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Lailuma Nasiri,  
President  
Afghanistan Justice Organization