**Terms of Reference for Human Appeal –Sudan “Audit- FY-22”**

**Introduction:**

Human Appeal (HA) is a UK-based, international humanitarian and development organization established in 1991, and operates across 25 countries in Asia, Africa and the Middle East. HA has a long history of providing humanitarian assistance focusing on Education, WASH, Food security, Protection health & nutrition, shelter and child welfare.

HA-Sudan is a country field office of HA-UK.  It has been active in Sudan since 1991 through local partner. In 2020, HA formally established its country office in Khartoum.  It has since branched out with offices in Blue Nile, South Kordofan, and West Kordofan. In addition to two small temporary localities offices managing programmes on the going operation.

HA is seeking an External Audit Services for its programs in Sudan. Therefore, is soliciting proposals from firms to audit HA financial statements for the year ending December 2022.

**Scope of Audit:**

The scope of the audit will include all funds relating to Human Appeal/ Donors. The audit will be carried out in accordance with international standards on auditing (ISA), and will include such tests and auditing procedures, as the auditor considers necessary under the circumstances.

 Special attention should be paid by the auditor to:

 a)          Human Appeal/ Donors funds have been used in accordance with the conditions of funding agreements, with due attention to efficiency and economy, and only for the purposes for which funding was provided.

b)          An appropriate management structure, internal controls and record keeping systems are maintained and can be relied upon.

c)          Goods and services have been procured in accordance with the relevant procedures, taking into account value for money.

d)          All necessary supporting documents, records and accounts have been kept in respect of the Human Appeal/ Donors funded projects. Clear linkages should exist between the books of accounts and financial reports submitted to Human Appeal/ Donors.

e)          The accounting and overall management control system is adequate, and effective to monitor and account for project funds/disbursements made to partners/ Suppliers/ contractors etc.

 f)           All assets financed by Human Appeal/ Donor funds physically exist and adequately maintained a            nd used for intended purposes.

 The audit should include a rigorous examination of the system of internal controls, including authority levels, staff competence, accounting records and supporting documentation, separation of duties, and monitoring arrangements.  Where certain controls are impracticable, appropriate compensating controls should exist.

 The auditor should plan the audit so that there is a reasonable expectation of detecting material misstatements resulting from fraud, error or non-compliance with funding agreements, laws and regulations as may be necessary.  If the auditor’s suspicions are aroused, s/he must inquire into all the circumstances until satisfied.

**Expected deliverables:**

 The following are the expected deliverables:

1. **Audit Report**

 The opinion expressed in the audit report will address whether:

a)           Human Appeal/ Donors’ funds have been used in accordance with the relevant agreements. The auditor should provide a commentary on the accuracy and propriety of project expenditures in accordance with the funding agreements

b)           The auditor shall make a statement confirming they have complied with these terms of reference in the introduction to the management letter.  In particular, they will confirm that they have complied with each of the points raised under scope of work above.

**2.**     **Management Letter**

 In addition to the audit report, the auditor will prepare a “Management Letter” which will:

a)           Give comments and observations on the accounting records, systems, and controls that were examined during the audit.

b)          Report on the degree of compliance of each financial covenant in the grant agreement and give comments, if any, on internal and external matters affecting such compliance.

c)           State whether or not the funds are managed to procured assets/services in accordance with its grant agreement with Human Appeal-UK/ Donors.

d)           Report on any ineligible expenses identified.

e)           Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvements.

f)            Communicate matters that have come to the auditor’s attention that might have a significant impact on the implementation of the projects.

g)           Refer to any other matters that the auditor considers relevant.

h)           In all cases, a management letter MUST be issued.  If no issues have arisen during the course of the audit, the auditors must issue a management letter stating that no issues have arisen.

i)            Include a high, medium or low prioritization on all issues arising in the management letters. Ranks should be allocated according to the following criteria:

“A” - **a major weakness or a recurring issue that must be addressed soon**

“B” - **an important matter that will significantly improve the control environment, the accounting system or the operations of the business but is not so serious or prevalent as to be considered a major weakness**

“C” - **a minor (or isolated) weakness that should nevertheless be addressed to improve the control environment, the accounting system or the operations of the business.**

## ****Proposal Guidelines and Instructions****

Offerors will be required to submit two proposals, electronically, one a technical proposal and the other a cost proposal. All proposals must be signed and valid for a minimum of sixty (60) days.

Your proposal should provide basic information about your Company/Individual and relevant service offerings. **YOUR PROPOSAL SHOULD CONTAIN THE FOLLOWING CONSIDERATIONS:**

1. Your staff stability history at senior management level; i.e. stating what assurance you can provide HA-Sudan in the assignment of your permanent personnel to the engagement
2. Experience of your firm in relation to the scope of audits for non-profit organizations.
3. Detailed audit methodology including your approach to risk and fraud detection and Audit quality control.
4. Structure of the Management letter
5. Your fee proposal to conduct the basic audit function.
6. The estimated number of hours to complete the audit by classification of your employees, i.e. partners, seniors, juniors, etc.
7. Company/Individual Profile
8. Technical Approach (offeror will be evaluated based on their responsiveness to the Scope of Work)

The final decision regarding the audit firm selection will be made by Senior Management Team (SMT) of HA-Sudan with the technical guidance from Director Finance and shared Services at Human Appeal HQ. The final agreement will take the form of a written contract.

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**Financial Records** All the financial records such as quarterly/monthly financial reports and supporting documents like payment vouchers, receipts, invoices, quotations, etc. are kept at Human Appeal - Sudan Country Office in Khartoum. The audit can therefore be conducted at Human Country office.

**Terms**HA-Sudan is not bound to accept the lowest or any proposal and reserves the right to accept any proposal in whole or in part and to reject any or all proposals.  
HA-Sudan shall not be legally bound by any award notice issued for this RFP until a contract is duly signed and executed with the winning offeror.  
HA-Sudan reserves the right to cancel this solicitation at any point and is under no obligation to issue a contract as a result of this solicitation.  
HA-Sudan will not reimburse any expenses related to the preparation of any proposal related materials or delivery.

**Clarifications**Any requests for clarification should be referred to Mr. AsadHaidery via email asad.haidery@humanappeal.org.uk and Mr. Mohanad Eisa mohanad.eisa@humanappeal.org.uk no later than close of business 22. Dec. 2022 The solicitation number and title indicated above must be included in the subject line. Responses will be provided to all known offerors. HA is under no obligation to respond to questions that are not received prior to the aforementioned deadline.  
Proposal Deadline  
Deadline for the submission of proposal is 29 Dec 2022 at 12:00 am Sudan time. Please submit your proposal to the following email address:   
asad.haidery@humanappeal.org.uk  
mohanad.eisa@humanappeal.org.uk   
and copy ibrahim.abdellatief@humanappeal.org.uk  
The solicitation number and title indicated above must be included in the subject line.