

## Call For Audit Proposal

### Audit Methodology

The audit methodology and the audit techniques to be used are those in accordance with international auditing standards.

Substantive testing procedures encompassing the following should be applied:

- Inspection of original support documentation.
- Inspection of inventory print outs and physical inspection of assets.
- Inspection of conflict of interest.
- Financial accounting, monitoring and reporting.
- Systems for recording and reporting on resources utilization.
- (Where necessary) inspection of computer systems.

### Expectations/output

Through the audit exercise, the auditor will give an independent audit opinion as to the truth and fairness of the accounts prepared. URDA management will get, as a byproduct, a management letter which will help the management to improve its efficiency.

1. It is expected that the audit will be undertaken in accordance with International Standards on Auditing (ISA's), and International Financial Reporting standards (IFRS).
2. The auditors are expected to undertake the audit in accordance with the highest professional standards which will include but not limited to tests of transactions, and of the existence, ownership and valuation of assets and liabilities.

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3. Ascertain the accounting system in order to assess its adequacy as a basis for the preparation of financial reports.
4. Report on any significant weaknesses in, or observations on, the field office's systems.
5. Undertake an appropriate risk assessment of the office.
6. The audit should include site visits to project areas and an assessment of these respective projects. When security situation allows.
7. Where the field office is undertaking projects funded by institutional donors, the audit should include the verification of the expenditure on the project and the income received for the project, including the existence and ownership of any assets purchased for the project.
8. A report is required to be sent to URDA Board of Directors stating whether, in your opinion, the financial statements, which have been audited by your firm, give a true and fair view of the state of the field office's affairs at the period end, and of its income and application of resources for the period then ended.
9. The basic fundamentals for prospective auditors are:
  - Credibility
  - Professionalism
  - Independence
  - Quality of service
  - Confidence

## Audit Scope

The audit should involve obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

1. Legal & organizational aspects.
2. Legal positions of URDA.
  - Adherence to legal requirements.
  - Right of disposal & decision-making levels.
  - Attention paid to taxation laws.
  - Adherence to laws of employment including termination benefit entitlement
3. Accounting System
  - Detailed bookkeeping.
  - Supporting vouchers & other documents, including legal requirements in this regard.
  - Income and Expenditure Account
  - Balance Sheet.
  - The use of all Bank Accounts and the regular reconciliation of bank & cash balances.
  - Debtors
  - Creditors
  - Stock (In Kind Donations)

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## Management reporting

- The auditors are expected to formally report on control weaknesses found during the course of the audit to local country management.
- This audited accounts with the audit opinion and the management letter should be directly sent to Finance Director at [Finance.manager@urda.org.lb](mailto:Finance.manager@urda.org.lb)
- The management letter should cover at least the following:
  1. Assessment of the system of internal control & the arrangement of the bank account signatories.
  2. Economic use of the resources.
  3. Assessment of the accounting system
  4. Assessment of the management & the administration.
  5. Adherence to policies.
  6. Assessment of compliance with staff contracts.
  7. Assessment of conflict of interest.

## Audit Opinion

The opinion on the financial statements should give a true and fair view of the state of URDA as at 31 December 2023 and of the incoming resources and application of resources, including the income and expenditure and cash flows, for the year then ended;

The opinion should also confirm that the financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice.

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## Audit Report and Management Letter

### *Audit Report*

- Audit Opinion on the Financial Statements of URDA.
- Audit report and Financial Statements should be issued in US Dollar currency.

### *Management Letter*

- An assessment of the organization's internal control system with equal emphasis on (i) the effectiveness of the system in providing management with useful and timely information for the proper management.
- Recommendations to resolve/eliminate the internal control weaknesses noted should be included.

It is expected that Auditors will maintain an open communication approach the respective Finance Manager and Executive Director and ensure that there is no surprises at the end of the audit course.

### **Reporting**

The Audited Financial Statements and the Management Letter should be sent as soon as possible on completion to Finance Manager

## Requirements for Proposals from prospective auditors

The prospective auditor is required to submit its understanding about the audit scope, methodology, client resource base and professional fee.

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## Audit Tender

### **Auditors**

Amongst the essential qualities URDA will consider are as follows:

#### ***Technical competency***

URDA expects the auditors to have expertise in its area of charitable activity and being able to provide advice in specialist areas such as taxes, Payroll, NGO accounting and risk management.

#### ***Cultural fit***

URDA expects the auditors that are appointed to understand and sympathize with the purpose, values and methodology of URDA.

#### ***Expertise and experience in the NGO sector***

URDA is a Multisectoral NGO, thus it expects its auditors to have NGO sector specialists within its audit team and an experience and portfolio of clients in the NGO sector.

#### ***Value for money***

URDA expects its appointed auditors to be proactive in the relationship, sharing experience, knowledge and ideas so that the audit adds more value than just meeting statutory requirements.

URDA expects the audit to be cost competitive and balanced with quality professional service. URDA will expect an open and clear approach to audit costs but will be considering the overall value for money of the service provided in making its decision.

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### ***Partner and manager time***

URDA expects in the proposal a realistic commitment of partner and manager time and consideration of how you will maintain consistent staffing levels.

### ***Communication***

URDA places strong emphasis on personal relationships and good communication. We hope that we can develop a free and open two-way conversation including such areas as changes in accounting standards, fees, deliverables, timing of audit visits, staffing changes.

### ***Risk based approach***

We are also seeking to appoint auditors that take a risk-based approach to financial audit and have an understanding of risk in a broader context than financial risks.

### **The financial and accounting year**

Below are key dates in the accounting year for the preparation of accounts and audit reporting, we anticipate a similar pattern to each year in the future.

#### **Financial year end**

**31st December**

#### **Draft accounts available for audit**

**25<sup>th</sup> July 2024**

#### **Timing of the audit**

**9<sup>th</sup> September 2024**

#### **Draft Audit Report**

**1<sup>st</sup> November 2024**

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اتحاد الجمعيات الإغاثية و التنمية  
Union of Relief & Development Associations

## Final Audit Report

8<sup>th</sup> November 2024

Approval by Trustees

13<sup>th</sup> November 2024

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The audit must be completed within the prescribed timelines above. The auditor must directly email URDA of any delays immediately on [Finance.manager@urda.org.lb](mailto:Finance.manager@urda.org.lb)

**Number of transactions: 14,037**

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## The tender proposal

**Please provide the following information in the proposal, in the order identified in this section of the tender pack.**

### 1. *Details of your firm*

**Your proposal should:**

- Outline your structure, size and capabilities as relevant to us
- Identify your firm's major NGO clients
- Describe your audit philosophy and methods
- Provide two references of other NGO's that are your audit clients that can be taken up as required

### 2. *Staffing*

**Your proposal should identify:**

- The partner and manager who will be assigned to the audit, including details of their relevant experience and qualifications
- The time which the partner and manager identified above will devote to the audit
- How you manage succession planning and staff continuity

### 3. *Audit approach*

**Your proposal should identify how you:**

- Determine audit strategy and undertake audit planning
- Address matters of audit scope and materiality
- Identify and respond to critical audit issues
- Control and co-ordinate the audit process

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- Ensure appropriate responsibility for decisions on the audit
- Conduct the reporting arrangements
- Approach the first year of the audit

#### 4. *Fees*

**Your proposal should include separate estimates of your total audit fees for reporting:**

In addition, in your written proposal you should:

- Provide an analysis of hours by grade of staff that will be involved on the audit together with details of your hourly charge out rates
- Indicate the basis of charging expenses
- Provide your proposed billing schedule
- Outline your proposals for setting and agreeing fees in future years

**NB: the fees quoted should include all chargeable time, out-of-pocket expenses (e.g. travel) and be all-inclusive fee only.**

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**URDA**

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## How to apply

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Proposals shall be submitted by 04/09/2024 at the following address:

URDA Procurement E-mail: [procurement@urda.org.lb](mailto:procurement@urda.org.lb)

### Deadline

Saturday, 04 September 2024

### Type of Call

Call for proposals

Intervention Sector(s):

Audit & Finance

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