Tender Document - Extension

Tender No: IRI2019-0026	
Date: 21th November 2019	
Location: Erbil	
Project Name: Statutory Audit 2019	

BACKGROUND

Islamic Relief began working in Iraq in 1997 and was one of the few international aid agencies that continued working there in 2003. Our major priority is to provide much-needed emergency support for displaced people, returnees, host communities and refugees in Anbar, Fallujah, Baghdad, Mosul, Kirkuk, Ninawa, Saleheddin, Dohuk and around Erbil. We are also helping people to get back on their feet – with more long-term development where it is safe to do so.

Islamic Relief
Iraq

SUBJECT: **Audit**

Dear Valuable Audits firm,

Islamic Relief worldwide, Iraq office is pleased to invite you to participate in the tender for the processing of **Audit** according to conditions details in the attached files, please find enclosed the following documents, which constitute the tender dossier.

Any request for clarification must be received by IR in writing to email (tendering@ir-iraq.org) at least 02 days before the deadline for submission of tenders. IRI will reply to bidders' questions at least 2 days before the deadline for submission of tenders.
Costs incurred by the bidder in preparing and submitting the tender proposals will not be reimbursed.
We look forward to receiving your tender and the accompanying tender guarantee at the address specified in the Instructions to Bidders.

Yours sincerely,
Procurement Committee

1 SUBMISSION OF QUOTATIONS

The quotation must be submitted Via Email (tendering@ir-iraq.org) with your company name and the reference **IRI2019-0026**
Important: Offers transmitted in any other manner or offers received after the deadline date and time will not be considered.
All responses will be opened by the Islamic Relief Iraq Procurement Committee and all Bidders will be notified of the results.

2 TIMELINES

Line	Description	Date, year, time
1	ITB published	3rd November 2019
2	Deadline for request for any clarifications from Islamic Relief via email address: tendering@ir-iraq.org	7th November 2019
3	Closing date and time for receipt of *quotations*	14th November 2019
4	Start Audit	10rd January 2020
5	Draft Audit Report	21st March 2020
6	Final Audit Report	26th March 2020
7	Extension date	21 November 2019
8	Deadline for receipt of quotation	28 November 2019 04:00 PM Baghdad Local time

3 SPECIFICATION OF REQUIREMENT

Akram - HoF
20/11/2019

Services that may be procured under this agreement include:

Statutory audit for all organization activities for the year ended 31/12/2019. The price should include the cost of preparing financial statmenet in both IQD and GBP.

Estimated Financial Value (USD) (Country Program portfolio)	Price
GBP 5,000,000 to GBP 7,000,000	

4 SERVICE REQUIREMENTS AND SCOPE OF WORK

- The bidder must authenticate (on the company's stamp) on all tender documents that stamped of the Islamic relief and fill the price well and clearly in US Dollar.
- The Islamic Relief pay all the dues to the contracting company within one month from the date of the completion of the full delivery of the services.
- The Agncy should complete the Auditing in International Standard Auditing.

Islamic Relief Iraq

5 AWARD CRITERIA

Award of the contract will be based on the following criteria:

المعايير Criteria	النقاط Scoring
Must be registered to conduct business and in compliance with government tax Regulations.	Mandatory as Essential criteria without registration and Tax clearance the offer did not consider
Bidder's willingness to accept 100% payment upon delivery and to be paid until the maximum of 30 days from submission of invoice with all valid supporting documents.	Mandatory as Essential criteria if your company did not agreed this condition it will be disqualified
Bidder should possess previous experience of auditing awards/ grants managed by international non-government organizations.	20%
General Information (Profile Presentation, Filling of Application Form, Flagging and comprehensiveness (including documents)	10%
Bidder's responsiveness in an urgent situation, how quickly you can provide the service and meet tight deadlines.	10%
Bidder should possess a qualification or certificate from local and international regulating bodies.	10%
Total Price	50%
Total	**100**

6 AGENCY INFORMATION:

1	Wire Transfer Payment Mode	☐ Yes ☐ No
2	Name of Agency	
3	Name of the Owner and Partner	Owner: Partner: Partner:
3	Registered Office address	
4	Telephone Number	
5	Email	
6	Company Registration & Tax number (Please attach a copy of the certificate & Tax)	
7	Company turnover in trading currency (please attach recent financial Bank statement)	Attached ☐

8	Proof of financial stability such as financial turnover of last three years or bank statement.	2016 ☐ 2017 ☐ 2018 ☐ Bank Statement ☐
9	Company Structure including staff name and position in your Company and attached Passport for the Owner and the partners as well	Attached ☐
10	Please list any Disputes your Company has been involved in with NGOs/UN Organizations over the last 3 Years	
11	**Banking information:**	
Bank Name:		
Bank Address:		
Bank Branch:		
Account Name:		
Account Number:		
Swift Code:		
IBAN:		

Reference List

Please provide details of 03 INGO/UN agency for whom you have completed contracts for in the last 03 years, willing to provide a reference. If available, attach reference letters.

	Reference	Reference 2	Reference 3
Name of Organization/Business			
Title & Name of Contact Person			
Phone:			
E-mail:			
Type of product / service provided to client			

Delivery Time

Delivery time should be as stated in the timetable provided in number (2) above. Please write if you are OK with this timeline of not.	

Islamic Relief Iraq

7 INFORMATION TO BIDDERS

1. Currency of offer should preferably be in Iraqi Dinar
2. Payment will be made to the supplier by bank transfer within 30 days from receipt by Islamic Relief of all documents mentioned in purchase order.
3. Islamic Relief will not be responsible for any bank service charges dedecuted by supplier's bank.
4. Inspection (at buyer's expense or unless negotiated as seller's expense) may be applicable and will be advised at time of purchase order and arranged by Islamic Relief or the supplier.
5. Islamic Relief does not undertake to pay by letter of credit or in advance of delivery.
6. Islamic Relief reserves the right to accept the whole or part of your offer.
7. (if applicable) Goods supplied for Islamic Relief are exempt from VAT and all other customs excise duties.
8. Correction pen or incomplete offers or offers which do not comply with any of our tender conditions will not be considered.
9. When applied - There will be liquidated damages equivalent to a deduction of 0.1% per day or part thereof for late deliveries due to default on the part of the suppliers.
10. **Supplier Code of Conduct:** Islamic Relief expects all suppliers to adhere to their Supplier Code of Conduct. Adherence is expected to be 100%. If Supplier has not signed IRI's Supplier Code of Conduct it will be the Supplier's responsible to sign prior to performance of any purchase order. Failure to do so will automatically mean supplier agrees to the Supplier Code of Conduct.

SUPPLIER CODE OF CONDUCT

Code of conduct for Suppliers – Islamic Relief Worldwide requires all suppliers to adhere to Code of Conduct developed by the Inter Agency Procurement Group (IAPG).
Suppliers and manufacturers to Non-Governmental Organisations (NGO's) should be aware of the Code of Conduct initiatives that the Inter-Agency Procurement Group (IAPG) supports.
This information is to advise you, our suppliers of the Corporate Social Responsibility (CSR) element in our supplier relationships.

- Goods and services purchased are produced and developed under conditions that do not involve the abuse or exploitation of any persons.
- Goods produced and delivered by organisations subscribe to no exploitation of children
- Goods produced and manufactured have the least impact on the environment

Code of Conduct for Suppliers:
Goods and services are produced and delivered under conditions where:

- Employment is freely chosen
- *The rights of staff to freedom of association and collective bargaining are respected.*
- Living wages are paid
- There is no exploitation of children
- Working conditions are safe and hygienic
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment of staff is allowed.
- Environmental Standards:

Suppliers should as a minimum comply with all statutory and other legal requirements relating to environmental impacts of their business. Areas to be considered are:

- Waste Management
- Packaging and Paper
- Conservation
- *Energy Use*
- Sustainability

Business Behaviour:
Islamic Relief will seek alternative sources where the conduct of suppliers demonstrably violates anyone's basic human rights, and there is no willingness to address the situation within a reasonable time-frame.
Islamic Relief will seek alternative sources where companies in the supply chain are involved in the manufacture of arms or the sale of arms to governments which systematically violate the human rights of their citizens.
Qualifications to the statement:
Where speed of deployment is essential in saving lives, IAPG members will purchase necessary goods and services from the most appropriate available source.

Complete Name of the Owner:	
Agency Name :	
Signature:	
Date & Time:	
Contact Number / Address and phone number	
Agency Stamp	

Terms of Reference

The purpose of these Terms of Reference is to set out the basis on which you are to act as auditors & to clarify your expected responsibilities.

Objectives of the audit

The objective of the audit of Islamic Relief Iraq Program is to express an opinion whether the financial reports prepared are in all material respect, in accordance with an identified financial reporting framework. The phrases used to express the auditor's opinion are to give a true and fair view.

The core responsibility of the audit firm is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing as set out by recognised professional accounting regulators.

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
- (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. Islamic relief management will get, as a byproduct, a management letter which will help the management to improve its efficiency. The audit report will include Appendix I- IRW Consolidation Template. The audit report will also help to submit a return under any Taxation legislation and deposit the tax.

1.1 It is expected that the audit will be undertaken in accordance with International Standards on Auditing (ISA's), and International Financial Reporting standards (IFRS).

1.2 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.

1.3 Ascertain the accounting system in order to assess its adequacy as a basis for the preparation of financial reports.

1.4 Report on any significant weaknesses in, or observations on, the field office's systems.

1.5 Undertake an appropriate risk assessment of the office.

1.6 The audit should include site visits to project areas and an assessment of these respective projects. When security situation allows.

1.7 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.

1.8 A report is required to be sent to Islamic Relief International Headquarters and donors where applicable 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.

1.9 The basic fundamentals for prospective auditors are:

- Credibility
- Professionalism
- Independence
- Quality of service
- Confidence

Audit Scope

The audit must 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 IRW and 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.

The scope of the audit should also cover the accuracy and completeness of the IRW consolidation schedule.

1. Legal & organisational aspects
   - Legal positions of Islamic relief Country Name.
   - Adherence to legal requirements of the land.
   - Right of disposal & decision-making levels.
   - Attention paid to taxation laws.
   - Adherence to laws of employment including termination benefit entitlement

2. 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)
- Fixed Assets (fixed assets register with special reference to the additions, and disposals during the accounting period)

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
Islamic Relief Worldwide
19 Rea Street South
Birmingham B5 6LB
United Kingdom

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 Islamic Relief Financial Guidelines (copy available in the Office).
6. Adherence to Donor Financial Guidelines (copy available in the Office).
7. Assessment of compliance with staff contracts – e.g. are staff benefits and entitlements as stated in contract adequately provided for.

Audit Opinion

The opinion on the financial statements should give a true and fair view of the state of the Islamic Relief Iraq affairs as at 31 December 2019 and of the incoming resources and application of resources, including the countries 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.

4. IRW Consolidation

1. In order to consolidate and compare local country accounts, IRW finance has prepared a consolidation template. Appendix II sets out the template and provides guidance on how this template should be completed.

The IRW consolidation template must be signed by the following to confirm its accuracy and consistency with the audited trail balance:

1. Country Director
2. Country Auditor
3. Country Finance Manager

5. Audit report

- Audit Opinion in terms of a management letter (such a letter should include recommendations)
- Audit Opinion on the Financial Statements

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

Reporting

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

Country Director
Islamic Relief Worldwide- Iraq
Erbil/ Waziran/ House 249/2/76
Kurdistan, Iraq

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.

Audit Tender

1 Introduction

Islamic Relief's main objective is to promote sustainable social development by co-operating with local communities through relief and development programs. Islamic Relief has implemented a variety of relief and development programs, as well as launching several emergency responses since its inception, this includes; working with IDPs affected by floods and conflict through emergency and Relief programmes. In the period to be audited, IR Country Iraq implemented projects funded by Islamic Relief Partners as well by Institutional Donor's

2 Organisational Structure

Islamic Relief Iraq is headed by a Country Director as the officer-in -charge with core staff that include: Head of Programs, Finance Manager, HR Manager, Admin Coordinator, Finance Coordinator, Finance & Admin Officers/ Assistants. The staffs are fixed term placed in the country office in Erbil, and in the sub office in Bagdad.
Field work is conducted by Project Managers, Project Coordinators, Finance & Admin staff and Support staff, who reports as per reporting dotted lines, who are mainly located in our implementing areas: Mosul, Baghdad and Kirkuk.

3 Auditors

Amongst the essential qualities Islamic Relief will consider are as follows:

Technical competency
Islamic Relief 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
Islamic Relief expects the auditors that are appointed to understand and sympathise with the purpose, values and methodology of Islamic Relief.

Expertise and experience in the NGO sector
Islamic Relief is an International Relief and Development 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
Islamic Relief 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.

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

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

Communication
Islamic Relief places strong emphasis on personal relationship 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.

5 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?

	Islamic Relief
Financial year end	31st December 2019
Draft accounts available for audit	10th January 2020
Timing of the audit	January - March 2020
Sign off to draft accounts required from auditors	March 21, 2020
Approval by Trustees	March 31, 2020

The audit must be completed within the prescribed timelines above. The auditor must directly email IRW of any delays immediately on audit@irworldwide.org.
This email is must be used by auditors only.

6 The tender proposal

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

i) 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

ii) 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

iii) 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
- Ensure appropriate responsibility for decisions on the audit
- Conduct the reporting arrangements

- Approach the first year of the audit

iv) 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

Your proposal should also contain details of other additional relevant services that your firm would propose to provide, but are not a necessary and integral part of the statutory audit, and where appropriate include these in the 'additional services' section in the *three-year fee schedule.*

Appendix I **Consolidation Template**

Appendix II

As part of your written submission you are asked to submit your proposed fees schedule for 2019.

Audit review

	2019
Islamic Relief	Iraq

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

FC Doung Mulle

31/10/19

ISLAMIC RELIEF