

**Terms of Reference** **– External Audit of GOAL IRAQ 2023**-**2025**

GOAL is an International humanitarian agency dedicated to alleviating the suffering of the poorest of the poor for over forty years. GOAL has responded to natural and manmade disasters in the developing world implementing relief, rehabilitation in a number of developing countries.

GOAL is looking for an audit firm registered in Iraq and Kurdistan region of Iraq for the 2023-2025 audit for GOAL Iraq, a total of three years. **The process outlined below will be expected in each of the three years of the agreement,** and may be subject to updates as the time progresses.

**Objectives of the Annual Audit**

The financial year for GOAL is a twelve-month period starting 1st January and ending 31st December. The annual statutory audit is conducted at the end of the financial year. Audited financial statements are required for GOAL Iraq statutory purposes, and these are then shared with GOAL Global HQ for the consolidated Group statutory reporting in Ireland. Each year the Group consolidated financial statements are published in hard copy and uploaded on to the GOAL website.

The ultimate objective is to ensure that the Field Organisation has completed and signed their 2023 financial statements by **29 February 2024**. The dates for future years (2024 and 2025) will be confirmed prior to the commencement of the audit.

**Annual Audit**

**Audit Scope**

To audit GOAL Iraq financial statements in accordance with International Standards of Auditing (IASs), which will be part of GOAL Group audit for which Deloitte, Dublin will be the lead auditors. This part will be conducted based on the brief provided by GOAL, Dublin; it will be made available to the auditors prior to their commencement of the assignment. The ultimate objective is to ensure that the Field Organisation has completed and **signed their 2023 financial statements by** **29 February 2024.**

Interim Audit

The purpose of the interim audit is to enable the auditor to perform detailed planning procedures which will improve the overall efficiency throughout the total period. The ultimate objective is to ensure that the Field Organisation has completed and **signed their 2023 financial statements by** **29 February 2024.** The interim audit will also enable the auditors to undertake their risk assessment review of the control environment and conduct a significant sample of testing on the Income Statement in advance of year end.

**Interim Audit Scope**

The detailed audit planning procedures should directly replace time at the end of the audit as the auditors are moving procedures, they would normally perform at the end of the audit to earlier in the process. Such procedures, which are normally focused on the Income Statement should include the following;

• A preliminary analytical review of the 9 month period to **30th September 2023**, to understand the performance of the field/programme year to date

• A detailed audit planning process to include **risk assessment and fraud assessment**

• A review of the control environment

• Detailed transaction testing on **journal entries** for the 9 months

• Detailed transaction testing on **income** for the 9 months

• Detailed transaction testing on **payroll** for the 9 months

• Detailed transaction testing on **non-payroll expenditure** for the 9 months

* Detailed testing of Donations in Kind (DIK’s) for the 9 months
* Discuss any findings with the Financial Controller for GOAL Iraq so that if necessary, adjustments can be made to the accounts before the end of the financial year.
* Complete and submit audit deliverables to the Lead Auditor (Deloitte Dublin) by 8 December 2023. A list of requirements will be provided by the Lead Auditor before commencement of the interim audit.

No financial statements will be produced for the period to 30th September 2023. The auditor will be provided with the following:

* Trial Balance as at 30th September 2023
* Sage Profit/Loss
* Sage Balance Sheet
* Nominal Ledger transaction listing
* Supporting documentation as requested by the auditor

There will be **no Balance Sheet audit** carried out at this time; this would be done at year end only.

**Annual Audit**

To audit GOAL Iraq financial statements which will be part of GOAL Group audit for which Deloitte, Dublin will be the lead auditors. This part will be conducted based on the brief provided by GOAL, Dublin; it will be made available to the auditors prior to their commencement of the assignment.

* Audit the Financial statements of GOAL Iraq
* Verification of closing cash balance and stock as on 31/12/2023
* Checking of authenticity of vouchers and basis for an appropriate sample of transactions for the period not covered by the interim audit, as per the books of accounts.
* Verifying the entries thereof into the correct account heads and rectification if any material discrepancy arise thereof.
* Verifying of journal entries ensuring adherence to satisfactory accounting system in relation to accrual basis.
* Recommend necessary entries to this effect if material
* Verification of Fixed assets and depreciation schedule.
* Verification of necessary reports of financial statements including notes to financial statements from the books of accounts (SAGE) in the format as suggested by GOAL, Dublin.
* Verifying the correctness and authenticity of financial statements in the format as suggested by Dublin.
* Discuss any findings with the FC and a member of staff from GOAL Dublin.
* Issue of Management letter, if appropriate.
* Submit all audit deliverables to the Lead Auditor (Deloitte Dublin) in the timeframe provided by the Lead Auditor.

The above must be discussed further at the briefing meeting when the audit starts.

**Process to be undertaken and GOAL IRAQ expectations:**

Once the audit is formally commenced, the Audit representative will meet the GOAL **IRAQ** finance team to brief them regarding the timeframe and their requirements in relation to all documentation and access to information.

GOAL **IRAQ** in turn will ensure all requested information and documentation is readily available.

Audit firm will ensure that a team of experienced staff, preferably with NGO audit experience, will undertake the assignment.

It is expected that the entire audit team will be briefed about GOAL and its work in GOAL **IRAQ** prior to undertaking the assignment. In case any briefing from GOAL is required in this regard, this should be requested prior to the audit.

As GOAL **IRAQ** finance is extremely busy it is important that the audit team is aware of the following:

* All documentations, information required to facilitate the audit will be made available however prior notification is required.
* The GOAL **IRAQ** Finance team will facilitate the auditors as best they can. However, in light of GOAL’s ongoing work commitments, the finance team will appreciate if all queries and/or clarifications are sought based on the timeframe agreed during the briefing meeting, and that all information requirements are notified well in advance. This will facilitate both GOAL and the auditors to meet their respective agendas. **It is very important that the communication between the auditors and GOAL IRAQ Finance team strictly follows the process outlined in the brief prior to the commencement of the audit. This is to avoid duplication of effort.**
* Access to GOAL **IRAQ** office is restricted to working hours 8:00 am to 4:00 pm (This may change, especially in light of security considerations)
* GOAL **IRAQ** office is not accessible on weekends or holidays.

On completion of the audit a review meeting will be held at the GOAL **IRAQ** office with the audit representative and the GOAL **IRAQ** finance team together with the Country Director if necessary.

 All copies of the reports as submitted to Dublin will be shared with GOAL **IRAQ**.

**Requirements**

**Essential Criteria**

1. Registration to operate in **IRAQ**
2. Branch in **IRAQ**
3. Relevant professional certificate from a recognized International institution
4. Evidence of Provision of similar audits to NGOs
5. Commitment to Complete Audit in line with GOAL HQ deadlines
6. Commitment to complete audit in line with International Standards on Auditing (ISA)

**Award Criteria**

1. Passing through the essential criteria
2. One of the Big 4 Audit firms, or tier 2 Audit firms
3. A draft plan for the completion of the Annual Audit
4. Price
5. Qualifications and CVs of audit team
6. References
7. Evidence of provision of similar services

**Dates of Engagement**

We estimate that the time required for the interim audit should be approximately 1 week and will commence on October 2023.

The year-end statutory audit should take place in early February 2024, and we estimate the time required will be no more than 2 weeks.

**Timeframe**

Detailed audit fieldwork to commence early February 2024, with any outstanding queries/items to be resolved and the signed financial statements to be completed by 29 February 2024.