



Terms of Reference

Local Audits

ISLAMIC RELIFE - PALESTINE

June.2015

Terms of Reference for Local Audits

- **Fundamental principles**

The audit analysis will be carried out by an independent consultant (one who does not have privileged ties with persons responsible of the organization to be checked), having the required know-how, as well as an experience with applicable national standards in the country in which the mandate is carried out.

- **Objectives of audit analysis**

1. Examine and evaluate the adequacy, effectiveness and efficiency of the organisation's internal control systems and procedures.
2. Recommend corrective actions to improve operations.
3. Enhance internal controls and reduce costs where possible.

- **Key accountabilities:**

Internal Audit

1. Conduct internal audits to assess the adequacy, effectiveness and efficiency of the established internal controls and procedures.
2. Identify key areas of risk within the organisation and propose appropriate controls to mitigate the risks.
3. Review the accuracy, timeliness and relevance of financial information and other disclosures provided to management.
4. Discuss audit findings and recommendations with line managers and report significant issues to senior management.
5. Prepare audit reports in line with the approved audit plan.

- **Main interactions with other functions/ external entities**

Frequent interaction with all personnel within the organization, senior management and the Deputy Internal Audit Manager.

- **Requirements**

1. A degree in accounting or any related fields, including course work in accounting and financial management systems
2. At least three years' experience in internal auditor and examine a government or international organization documents
3. Ability to read, interpret and analyse documents such as financial statements and audit reports.
4. Ability to solve practical problems in situations where only limited standardization exists
5. Knowledge of accounting and finance, HR and programmes

6. Excellent ability to speak and write fluent English and Arabic
7. Have the necessary licenses.

- **Reports for the mandate**

The following reports are considered for carrying-out the mandate:

1. Internal audits (e.g. key financial controls)
2. Project audits

- **General controls**

To give an opinion on the areas such as (but not exclusively):

1. Compliance with policies, e.g. programmes
2. Ensure project funds have been appropriately spent with donor wishes
3. HR, Fixed Assets and Stock policies are in place, adhered to and secure
4. Budgets are appropriate, approved and in a timely manner.
5. The management procedures related to the repatriation of competences and responsibilities
(commitments, posting of expenditures, reconciliation of cash, follow up on debtors and creditors, inventories, etc.)
6. The respect of purchasing procedures
7. To check that all corrections required from any previous audit have been carried out

- **Writing audit reports**

To check the content of the audit reports and give opinion on the followings:

- 1.1 General description of the audited organization, objective of the program, period covered by the audit
- 1.2 Objectives and extent of the audit
- 1.3 Declaration of an audit opinion and summary write up of key issues.