



Terms of Reference (ToR)

For Audit of the Projects

“for “Humanitarian assistance for crisis-affected internally displaced persons (IDPs), refugees, host communities and other vulnerable communities in Myanmar and bordering areas of Bangladesh”

(with the project part in Bangladesh titled “Primary healthcare, nutrition, and emergency relief for conflict- and disaster-affected populations in Bangladesh”)

of

Gonoshasthaya Kendra (GK)

Background

Gonoshasthaya Kendra (GK) is a registered NGO in Bangladesh and has been working since 1972 for the development of the health, education, social wellbeing and women rights of the disadvantaged section of the community. GK is registered with Bangladesh Government for Public Charitable Trust and Department of Social Welfare, NGO Affairs Bureau, Government of the Bangladesh bearing Registration No-DSW/FDO/R/053 dated 27-08-1980 and subsequently renewed up to 14-05-2031.

GK started with two visions: “The fate of the poor decides fate of the country” and “Development of the country depends on development of women.”

About the Project

Starting from the first week of July 2024, arrived more than 1.2 million refugees in 2017 resulting is that financially constrained country (Bangladesh) created huge needs of the humanitarian services for the refugee services. While both Bangladesh Government and the UN agencies declared urgent needs of the humanitarian services for the refugees, primary healthcare services are required on the ground at this point.

Although GK has been working for the newly arrived refugees from the beginning of the crisis with own funds, the financial and manpower capacities are limited.

The FD-7 Project itself aims to improve the health and nutritional situation of refugees and contribution to peaceful coexistence of host and refugee communities in Cox’s Bazar

Place of Audit

The Audit must be carried out within GK facilities in Cox’s Bazar and wherever feel necessary. In case Auditors feel visiting any other office, including Head Quarters and/or any filed offices. The firm should provide audit plan to the GK Management at least 5 days prior the commencement of the audit.

The Auditor reserves the right to include additional/special check if felt necessary.

Scope of Work

The auditor should be familiar with German donor regulations, NGOAB rules and regulation, the International Accounting Standard (IAS) and GAAP. The auditor is also expected to review the program documents and implementation for the period being audited. The auditor of the project transactions is to be focused on the following deliverable:

- udit will be for the one project periods FD-7 (1): for the period of 01-07-2024 to 31-12-2024, FD-7 (2): for the period of 01-01-2025 to 31-12-2025, and FD-7 (3): for the period of 01-01-2026 to 30-09-2026) and in line with provisions laid down in the terms of reference.

- Review and check respective sample of bills/vouchers/invoice and other relevant documents of the reports on sample basis to ensure compliance to the agreement;
- Review and assessment of reliability, integrity, and capacity of financial operations and financial information including the ability of identify measure, classify and report such information and conduct day to day financial management;
- Review and assess the adequacy of internal controls to ensure GK and MI compliance with policies, plans, procedures, laws and regulations;
- Review tax code compliance and computation for income tax withholding to ensure accurate rates and procedures for staff salary deductions;
- Review and asses monthly financial reporting procedures including review of bank statement, expense vouchers, journal entries and other accounting documents and procedures using QuickBooks (QB) accounting software;
- Review and assess the adequacy of IT controls.
- The Auditor will certify the project according to the FD4 ToR released by the NGOAB; accordingly, the FD4 certification will be issued.
- Auditors will also provide two Management Letters along with Recommendations for areas of improvement.
- The Report will be prepared as per requirement of Bangladesh Govt. rules and regulations including certifying the expenditure through FD4 and submission to NGOAB as part of independent audit. The report should be prepared in English at least 7 set of the Audit Reports and related attachments should be issued.

The SOW will include elements of a full internal audit aimed at appraising internal control systems and improving financial management procedures and effectiveness. However, in addition to internal controls this SOW targets specific deliverables of focuses an abbreviated internal audit on specific areas of concern including capacity of financial operations, reliability of financial reporting, tax withholding computations, and use of QBs accounting software.

In the course of the auditor's work, it is expected that the auditor will review, and if appropriate provide comments on the following:

- Annual financial statement (Phase Wise)
- Prior year audit report and related corrective actions plan (Previous Phase)
- Administrative code and related ordinance or resolutions

Provide a report on the GK's internal controls that identify both the GK's strength and weakness in each area of operational controls include recommendations to correct any deficiencies identified.

Provide a report on the GK-MI funded project's Internal Controls that will identify both strengths and weaknesses in each area of operational controls and include recommendations to correct any deficiencies identified. Areas that shall be tested and reported on shall include:

A. Purchasing, including but not limited to whether:

1. Purchase orders were prepared only the basis of written purchase requisitions or other appropriate form, and approved by authorized persons;
2. Controls exist preventing unauthorized purchases, unauthorized use of purchase order forms, and to prevent invoices from being paid in an amount greater than the original purchase order;
3. Controls exist to verify that goods and services were received as per contract;
4. Contracts (including purchase orders) were awarded in a manner consistent with the local statutory rules and regulations, and if aggregation policies were properly applied;
5. There is an appropriate record of open purchase orders; and the use of any credit or procurement cards are used consistent with state law and regulations;
6. Contracts awarded by the governing body, have appropriate resolutions, certification of availability of funds, and executed written contracts; and whether there were, in the opinion of the auditor, any, unreasonable, or inappropriate contracts, and identification of any such contracts;
7. An encumbrance system is properly used and administered;
8. Invoices agree with original purchase order; purchase order agrees with and is consistent with any governing body approved contract, or if to the
9. Voucher packages contain a purchase order, an invoice, a receiving slip, a proof of delivery (bill of lading, packing slip, notice of delivery, etc.);

10. Payments are made from original invoices (not statements or duplicates) invoice dates are not prior to delivery date; and,
11. If written procedural documentation regarding the procurement function (i.e., administrative code, purchasing manual) exists

B. General fiscal operations, including but not limited to whether:

- Controls within the GK's accounting functions: budgeting, cash receipts, accounts payable, encumbrance, general ledger maintenance, and if they are adequate, consistently applied, and in compliance with state law, regulations, and local ordinances;
- Banking and investment practices are consistent with state law;
- Grant accounting is compliant with contracts, draw-down and reimbursement procedures, and timeliness;
- Payroll/human resources, including but not be limited to whether:
- There exist controls over manual and non-manual payroll payments;
- Payments are made in accordance with contract terms;
- Position control reconciles with payroll and budget information ;
- Verification that timesheets exist and tie into payroll records;
- Verification that salaries were properly authorized and paid in accordance with contract or ordinance; and,
- Risk management: if adequate insurance coverage is provided at the least cost to the GK-MI funded Project; if self-insured, review of controls and oversight procedures; and; if risk management policies are in place and training provided for staff as appropriate; if procedures are established for periodic review of risk management practices and providers; if risk management contracts were awarded pursuant to law; and,
- Inventory controls: whether supplies, fixed assets, technology and electronic equipment with value greater than EUR 50 are adequately inventoried and controlled.
- Statutory and regulatory compliance review of all (100 percent) professional services, competitive contracting, and extraordinary unspendable service contracts from the previous fiscal year.

Time Frame and Schedule of work

The audit will be initiated from within fifteen days from the issuance of work order/appointment letter.

The auditor shall provide GK with a draft preliminary report of their findings including an opinion, report on financial statement and NGOAB requirement, presentation of audit result in concurrence with and a management summary and a set of conclusion and recommendations, not later than five working days of their work (exit meeting) and final report not later than five days after exit meeting.

The auditor will prepare FD4 comparing all statement and findings and submit to NGOAB as part of independent audit as per Govt. rules.

Reporting:

The auditor should express opinion, which includes following:

- Provide an opinion whether the specific transactions reviewed have been incurred, transparent, authentic, fair value has been obtained and incurred in accordance with the terms of contract between GK and Malteser International.
- Accounting standard that have been applied and indicate the effect of any deviation from those standard.
- Disclosure of audit methodology used to derive at the opinion.
- The report should be summarize and provide overall auditors conclusion and indicate the critical issues.
- The report should contain as a separate section providing a detailed breakdown of ineligible and unsupported cost.
- Finance team capacity and necessary improvement areas.
- These findings are to be reviewed by GK before the final report is established and communicated.
- The final report must achieve the objectives set out in these Terms of Reference and submit at least 8 copies to GK.
- The report will be prepared as per requirement of Bangladesh Govt. rules and regulation including certifying the expenditure through FD4 and submission to NGOAB as part of independent audit.

Fees & payments

An amount in BDT. Should be clearly mentioned in the financial proposal submitted by the Audit Firm as fees including

VAT for conducting project. VAT & tax will be deducted as per existing governmental rule. Audit fee will be paid after submission of 7 copies of the Audit Report and payment will be made from GK-MI project, Cox's Bazar Office.

The audit firm will remain responsible to responds any quarries on the audited report from NGOAB. Any report to NGOAB for consultation with GK.

Travelling, Food & Accommodation Expenses of Audit team will be beard by Audit firm.

Apply Instruction

Send your proposal to: hrgkmi2018@gmail.com

OR

Cover letter with a signed proposal and relevant documents to be sent by post at the following address.

Please mention the name of the post on the top of the envelope.

HR & Admin Manager,

Gonoshasthaya Kendra,

40/ A, Mukti Joddha Shoroni,

Luciana Building (2nd floor), Old Saymon Road, Baharchara, Cox's Bazar

Application Deadline: December-12, 2024