



HEIFER INTERNATIONAL BANGLADESH

6/6, Flat No # A2 (2nd Floor), Road No# 05

Block # A, Lalmatia Housing Estate, Dhaka.

Terms of Reference (TOR) for the Internal Auditors

Introduction:

Heifer Project International Bangladesh is asking request of interest with detail work plan and budget to perform internal audit of its “ Economic Enhancement Through Strengthening Beef and Goat Market System (BD2015) and Covid-19: Emergency Financial Support for Food project (BD8207)” funded by Heifer International for the period of July 1, 2021 to June 30 2022.

Heifer International began operations in Bangladesh in 2006 under the supervision of Heifer International Nepal and has since developed and implemented programs in collaboration with the Government of Bangladesh and local NGO partners that has contributed immensely to improving the livelihoods of many families. The country office was initiated in 2012 after receiving registration as INGO from NGO affairs bureau. These projects have used social capital development, integrated crop and livestock agriculture, and savings and loans schemes as entry points into communities to achieve results in increased family income, food and nutrition security, women’s empowerment, environmental conservation, and strengthened value chains of various agriculture commodities.

To date, Heifer Bangladesh has supported 28,500 smallholders and marginalized families through its interventions. Heifer Bangladesh has set an ambitious goal of bringing 244,500 families out of poverty, vulnerability and make them resilience through securing a living income by 2030. In this regard, Heifer Bangladesh works closely with development partners and networks, private sectors, multiple government agencies, including the Departments of Agriculture, Poultry and Livestock and Local Government entities.

1. The Scope of this audit is:

The internal audit period will be covered from July 01,2021 to June,30 2022 (at half-yearly interval). 'The Auditor' to perform an internal audit and report to in connection with the following areas:

- i. Control environment
- ii. Procurement and consultancy contract management
- iii. Cash & Bank management
- iv. Project management
- v. Fund Management
- vi. Review of Financial statements

Detailed Statement of Work (SoW)

i. Control environment

The control environment is the foundation on which an effective system of internal control is built and operated in an organization that strives to (1) achieve its strategic objectives, (2) provide reliable financial reporting to internal and external stakeholders, (3) operate its business efficiently and effectively, (4) comply with all applicable laws and regulations, and (5) safeguard its assets.

Carefully formulated policies and procedures play a key bridge between top level management and bottom level management in ensuring that top level management's orders are followed and employees work ethically in accordance with the organization's core values.

'The Auditor' will perform the following procedures:

- Obtain an understanding of the organization's values, missions, policies and procedures.
- Review Operating Manual and other Policies and manuals in place to identify whether room for improvement exists in those policy manuals.
- Review Delegation of Authority and identify incidents of abuse of authority, if any.
- Review for the execution of segregation of duty in transaction process,
- Analyze expenditure against budget.
- Review of Human Recourse and Administrative activities.
- Review vehicle management policy.
- Verification of fixed and minor assets
- Review of compliance with organizational policies.
- Review of compliance with NGO Affairs Bureau.
- Review of compliance with tax and VAT regulations.

ii. Procurement and consultancy contract management

In this area, the key risk is that organizational procurement policies may not be followed, and procurements and consultancy contracts may not be transparent, efficient, effective, and economic and may not promote healthy competition. There is also risk of not following contract terms leading the transactions to be uneconomic for the organization.

'The Auditor' will perform the following procedures:

- Obtain an understanding of the procurement policy of the entity.
- Review that whether procurement policy is followed for appointing the vendors/contractor, on a sample basis.
- Review the terms and conditions of contract and match with deliverables.
- Check that payment vouchers are stamped "PAID" to avoid risks of double payment.

iii. Cash & Bank management

'The Auditor' will perform the following procedures:

- Obtain an understanding of the entities policies and procedures regarding cash & bank management.
- Review that the bank accounts are reconciled monthly and reconciliation statements are properly signed and dated.
- Review cash transactions throughout the year to verify appropriate authorization of each transaction.

iv. Project management

'The Auditor' will perform the following procedures:

- Review revenue and expenditure of project partners.
- Review of budget of the project and compare the expenditure incurred against it.
- Review that whether procurement policy is followed for appointing the vendors/contractor
- Confirm that project partners maintain separate bank account for project.
- Verify fund receives statements of project partners.

v. Review of fund management

'The Auditor' will perform the following procedures:

- Obtain understanding of the nature of funds.
- Understand the approval process of funds.
- Review whether those policies have been followed in order to maintain of the fund.
- Review whether funds have been used upon appropriate approval from NGO Affairs Bureau.

vi. Review of financial statements

'The Auditor' will perform the following procedures:

- Obtain an understanding of the financial statements.

- Review for the presentation of significant transactions assessing if they reflect the real substance.
- Obtain an understanding of the recording procedure of the transactions.
- Review the six-monthly financial statements.
- Check that the figures shown in the financial statements are in agreement with related books of account/register.
- Verification of 100% expense vouchers of two projects (Economic Enhancement Through Strengthening Beef and Goat Market System (BD2015) and Covid-19: Emergency Financial Support for Food project (BD8207). These two-project implementing by project partners.
- Additionally, during the assignment for FY22 (July 2021 – June 2022), ‘The Auditor’ will be reviewed accounts balances and checked for accuracy and suggestions will be provided thereon so that financial statements present true and fair view of financial position and financial performance of HPIB.

2.Methodology of audit: Audit will be conducted by annually by remotely and field visit at project partners offices (Tangail, Rajshahi, Sirajgonj and Kisoregonj)

3. Deliverables and Timeframe :

Two copy of executive Summary with key findings and recommendations; Introduction (Objectives and scope; methodology and timeline; constraints and limitations); Key findings based on the scope of work and recommendations.

SL	Reporting Period	Type of report	Deadline
1	Half Yearly Report (July 2021 to December 2021)	Report of executive Summary with key findings and recommendations.	BY February 2022
2	Half Yearly Report (January 2022 to June 2022)	Report of executive Summary with key findings and recommendations.	BY July 08, 2022

4.Qualifications and competencies required:

- The audit firms should have experience working in development sector National/ International organizations.
- The audit firm is enlisted with NGOAB, Government of Bangladesh, will be eligible to apply.

5.Audit fees:

Fees should include audit fee including tax.