



HEIFER INTERNATIONAL BANGLADESH

Gold House, House No. 38, Flat No. 5B, Road No. 11
Dhanmondi, Dhaka.

Request for Proposal to conduct Internal Audit for the Year 2025-2026.

Terms of Reference (TOR) for the Internal Auditors

Background:

Heifer International initiated its operations in Bangladesh in 2006, operating under the supervision of Heifer International Nepal. Since then, it has collaborated with the Government of Bangladesh and local NGOs, implementing programs that have significantly improved the livelihoods of numerous families. The country office was established in 2012, and Heifer Bangladesh has been registered as an INGO with the NGO Affairs Bureau. Employing strategies such as social capital development, integrated crop and livestock agriculture, and savings and loans schemes, Heifer Bangladesh aims to enhance family income, food and nutrition security, women's empowerment, environmental conservation, and strengthen the value chains of various agricultural commodities.

To date, Heifer Bangladesh has supported 94,500 smallholders and marginalized families and aspires to lift 236,000 households out of poverty by 2025 through sustainable and resilient practices. In this regard, Heifer Bangladesh works closely with multiple government agencies, including the Departments of Agriculture, Poultry and Livestock and Local Government entities.

Project Summary:

SI.NO	Project Name	Budget FY-2025-26	Project Partner	Working Area	Remarks
1	Bangladesh Country Office Administrative Cost	43,938,300	Heifer International Bangladesh	Country Office Dhaka	
2	BD Beef and Goat Value Chain Signature Program	160,830,000	WAVE Foundation	Upazila: Puthia, Poba, Mohanpur, Godagari (Rajshahi)	
			National Development Program (NDP)	Upazila: Lalpur (Natore), Raigang and Ullapara (Sirajanj)	

			BASA Foundation	Upazila: Mirjapur, Shokipur (Tangail), Belkuchi (Sirajganj), Bhairab (Kishoreganj)	
			Amra Shadhin Mohila Samabaya Samity LTD- (Jagorani Chakra Foundation)	Upazila: Baraigram, Gurudaspur (Natore)	
			Eco-Social Development Organization (ESDO)	Upazila: Tanore (Rajshahi), Niamatpur (Naogaon)	
3	Strengthening Climate Smart Vegetable and Flower Value Chain in Bangladesh	147,897,307	Rural Reconstruction Foundation (RRF)	Upazila: Chaugachha and Jhikorgachha (Jashore)	
			Jagorani Chakra Foundation	Upazila: Jashore Sadar	

The Scope of this audit is:

The internal audit will cover the period from July 01, 2025, to June 30, 2026, and will be conducted bi-annually. The audit will focus on 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 Expenditure
- vii. Inventory and Stock Management

Detailed Statement of Work (SoW)

I. Control environment

The control environment serves as the cornerstone for establishing and operating an effective internal control system within an organization, aiming to (1) achieve its strategic objectives, (2) provide reliable financial reporting to internal and external stakeholders, (3) conduct business operations efficiently and effectively, (4) adhere to all applicable laws and regulations, and (5) safeguard assets.

Carefully formulated policies and procedures act as a vital link between top-level management and lower-level management, ensuring that directives from top-level management are adhered to, and employees work ethically in alignment with the organization's core values.

'The Auditor' will undertake the following procedures:

- Obtain an understanding of the organization's values, missions, policies, and procedures.
- Review the Operating Manual and other policies and manuals in place to identify opportunities for improvement.
- Risk assessment and control mechanisms
- Assess the Delegation of Authority and identify any instances of authority abuse.
- Evaluate the execution of segregation of duties in the transaction process.
- Analyze expenditures against the budget.
- Review Human Resources and Administrative activities.
- Examine the vehicle management policy.
- Verify fixed and petty assets.
- Assess compliance with organizational policies.
- Review 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 a risk of non-compliance with contract terms, potentially rendering transactions uneconomical for the organization.

'The Auditor' will perform the following procedures:

- Obtain a comprehensive understanding of the entity's procurement policy.
- Review the extent to which the procurement policy is followed for appointing vendors/contractors, based on a sample selection.
- Scrutinize the terms and conditions of contracts, comparing them with deliverables on a sample basis.
- Verify that payment vouchers are appropriately stamped as "PAID" to mitigate the risks associated with double payments.

III. Cash & Bank management

'The Auditor' will perform the following procedures:

- Obtain an understanding of the entities policies and procedures regarding cash & bank management.
- Scrutinize the monthly reconciliation of bank accounts, ensuring that reconciliation statements are appropriately signed and dated.
- Evaluate a sample of cash transactions conducted throughout the year to verify the proper authorization of each transaction.
- Verify the surprise cash transactions and cash count procedures.

IV. Project management

'The Auditor' will perform the following procedures:

- Examine the revenue and expenditure of project partners on a sample basis.
- Review the project budget and compare the incurred expenditures against it.
- Evaluate adherence to the procurement policy for appointing vendors/contractors, selecting a sample for review.
- Confirm that project partners maintain bank accounts in the name of the Heifer Bangladesh project.
- Verify the funds received by project partners from Heifer Bangladesh.

V. Review of fund management

'The Auditor' will perform the following procedures:

- Obtain understanding of the nature of funds.
- Comprehend the approval process for funds.
- Scrutinize whether established policies have been followed to maintain the fund.
- Review whether funds have been utilized with appropriate approval from the NGO Affairs Bureau.

VI. Review of financial statements

'The Auditor' will perform the following procedures:

- Obtain an understanding of the financial statements.
- Review the presentation of significant transactions, assessing their reflection of the real substance.
- Obtain an understanding of the transaction recording procedure.
- Examine the six-monthly financial statements.
- Verify that the figures presented in the financial statements align with the related books of account/register.
- Verify 100% of the expenses vouchers for two projects implemented by 07 (seven) project partners, located in above mentioned areas.
- Verify 100% of the expense vouchers for Heifer Project International Country Office vouchers from July 2025 to June 2026.
- Evaluate the efficiency of transactions and compare them with the established policy.
- Additionally, during the assignment for FY26 (July 2025 – June 2026), 'The Auditor' will review account balances for accuracy, providing suggestions to ensure that the financial statements present a true and fair view of the financial position and performance of HPIB.

VII. Inventory and Stock Management

The Auditor will conduct physical verification of the Inventory and Stock Management of 07 (Seven) partners, Heifer Country Office and Heifer Regional Offices.

Mode of Internal Audit

- The audit will involve reviewing 100% of expenditures and all relevant supporting documents remotely through the Program Management Software (PMS).
- The auditor will physically verify project fixed assets, inventory, and petty cash for all project partners and the Heifer Country/Regional Office.
- Following the document review, the auditor will conduct bi-annual field visits to each project partner office. This will include sampling beneficiary households in their operational areas and inspecting the business entities of suspected vendors or suppliers.

Delivery Schedule

The auditor shall submit one copy of the draft management report in Microsoft Word or Excel format to the Country Director of Heifer International Bangladesh. The draft report is due by:

- **20 January 2026** for the period covering **July 2025 to December 2025**.
- **20 June 2026** for the period covering **January 2026 to June 2026**.

The final audit report, in five copies, must be delivered to Heifer International Bangladesh by:

- **30 January 2026** for the period covering **July 2025 to December 2025**.
- **05 July 2026** for the period covering **January 2026 to June 2026**.

Price

The auditor's proposed price must include detailed information on how it was determined. For example, the proposal should specify:

- The estimated number of hours per staff level.
- Hourly rates for each staff level.
- Total cost by staff level.

Additionally, any out-of-pocket expenses should be clearly indicated. The financial proposal must be submitted in a separate, sealed envelope.

Payment

Payment will be made upon confirmation by Heifer International Bangladesh that the work has been satisfactorily completed. The payment will be divided into two equal installments:

1. Upon completion of the audit for the period July 2025 to December 2025.
2. Upon completion of the audit for the period January 2026 to June 2026.

Payment will be made after deducting VAT and Tax at source as per government rules. Heifer Project International Bangladesh will not pay any other expenses that are not mentioned in the proposal.

Audit Review

All draft audit reports will be reviewed by Heifer International Bangladesh prior to finalization to ensure compliance with the terms of the contract and relevant audit guidelines.

Qualifications and competencies required

- Renowned Chartered Accountancy Firm that has prior experience in conducting Internal Audit/Statutory Audit of NGO/INGO/FD-4
- The Chartered Accountancy Firm will have the legal documents, e.g., TIN, BIN, PSR, Trade license, etc., with CV/profile, technical and financial proposal.

Instructions

- Chartered Accountancy Firms must submit their proposal by December 15, 2025, through email: info.bangladesh@heifer.org or hard copy.
- You are requested to submit the financial proposal clearly stating VAT & Tax on your company letterhead in a non-editable format. The proposal should be addressed to Ms. Nurun Nahar, Country Director, Heifer International Bangladesh, Gold House, House: 38, Road: 11 (New), Dhanmondi, Dhaka-1209.
- The proposal will not be accepted after the stipulated timeline,

Confidentiality

The auditors are required to maintain the confidentiality of all documents, information, or materials directly related to the activity that are classified or deemed confidential.

Right to Reject

Heifer International Bangladesh reserves the right to reject any or all proposals submitted in response to this RFQ.