

Terms of Reference for Annual Audit of Project including ISRS 4400 for Initiative to Stimulate Private Investment for Resource Efficiency (InSPIRE)

Introduction

The "Swisscontact Bangladesh", hereafter referred to as the "Cooperation partner" wishes to engage the services of an audit firm for the purpose of auditing the "Initiative to Stimulate Private Investment for Resource Efficiency (InSPIRE)", as stipulated in the agreement between the Cooperation partner and Sida. The audit shall be carried out in accordance with International Standards on Auditing (ISA) issued by IAASB¹. In addition, an assignment according to International Standards on Related Services (ISRS) 4400 shall be carried out. The audit and the additional assignment shall be carried out by an external, independent and qualified auditor.

I. Objectives and scope of the audit

The objective is to audit the financial report for the period **1 January 2025 to 31 December 2025 and 1 January 2026 to 31 December 2026** as submitted to Sida and to express an audit opinion according to ISA, applying ISA 800/ISA 805, on whether the financial report of "Initiative to Stimulate Private Investment for Resource Efficiency (InSPIRE)" is in accordance with the Cooperation partner's accounting records and Sida's requirements for financial reporting as stipulated in the agreement including appendices between Sida and Cooperation partner (Agreement).

II. Additional assignment; according to agreed upon procedures ISRS 4400, review the following areas in accordance with the Terms of Reference below

Mandatory procedures that must be included:

1. Observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget².
2. Observe and inspect whether the financial report provides information regarding:
 - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.

¹ The International Auditing and Assurance Standards Board (IAASB)

² The budget is attached to the agreement with Sida as an annex and any updates should be supported by a written approval by Sida.

- b) When applicable, compare if the opening fund balance³ for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
 - c) A disclosure of exchange gains/losses. Inquire and confirm whether the disclosure includes the entire chain of currency exchange from Sida's disbursement to the handling of the project/programme within the organisation in local currency/ies, if applicable.
 - d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
 - e) Amount of funds that has been forwarded to implementing partners, when applicable.
3. a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.

Choose a sample of three individuals for three different months and:

- b) Inquire and inspect whether there are supporting documentation⁴ for debited salary costs.
 - c) Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.
 - d) Inspect whether the Cooperation partner comply with applicable tax legislation with regard to personal income taxes (PAYE)⁵ and social security fees.
4. Review and confirm that the Cooperation partner screens IP's and/or suppliers to ensure that such parties are not subject to the European Union's financial sanctions list of persons, groups and organisations (EU Sanctions list).

Enquire whether there have been any reported findings from the screening process and if so, report on such findings.

5. a) Inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.
- b) Applicable for the final year: Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to Sida.

³ I.e. funds remaining from disbursements made during previous reporting period/s

⁴ Debited salary costs should be verified by supporting documentation such as employment contracts.

⁵ Pay As You Earn

III. The reporting

The reporting shall be signed by the responsible auditor (not just the audit firm⁶) and shall include the title of the responsible auditor.

Reporting from the ISA assignment

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated. The financial report that has been the subject of the audit shall be attached to the audit report.

The reporting shall also include a Management letter that discloses all audit findings, as well as weaknesses identified during the audit process. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order and with a risk classification.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

Reporting from the ISRS 4400 assignment

The additional assignment according to agreed upon procedures ISRS 4400 under section II, shall be reported separately in an "Agreed-upon procedures report". Performed procedures should be described and the findings should be reported in accordance with the requirements in the International Standard on Related Services 4400.

When applicable, the sample size shall be stated in the report.

IV. Submission of Report

The Audit Firm will submit 6 (six) sets of reports for each year audit for the project to the Team Leader, InSPIRE project, Swisscontact.

V. Reporting Currency

Reporting currency will be only SEK (Swedish Krona).

VI. Time Frame and Schedule of work

⁶ If the audit firm is obliged to sign, refer to relevant legislation. Sida still needs to know who has been responsible for the audit assignment.

Expected time for performing and finalization of the report are as follows:

Year-1 (1 January 2025 to 31 December 2025)

SL	Items	Participant	Deadline/ Duration	Remarks
1	Entrance Meeting	Sida and Swisscontact	12 February 2026	Swisscontact Bangladesh Office.
2	Audit Field Work	Project Team	13-26 February 2026	Swisscontact Bangladesh Office and Field.
3	Exit Meeting	Sida and Swisscontact	1 March 2026	Swisscontact Bangladesh Office.
4	Draft Report	-	10 March 2026	-
5	Final Report	-	19 March 2026	-

Year-2 (1 January 2026 to 31 December 2026)

SL	Items	Participant	Deadline/ Duration	Remarks
1	Entrance Meeting	Sida and Swisscontact	14 February 2027	Swisscontact Bangladesh Office.
2	Audit Field Work	Project Team	15-28 February 2027	Swisscontact Bangladesh Office and Field.
3	Exit Meeting	Sida and Swisscontact	1 March 2027	Swisscontact Bangladesh Office.
4	Draft Report	-	10 March 2027	-
5	Final Report	-	21 March 2027	-

The above dates can change based on the mutual agreement between the selected audit firms and the Cooperation partner.

VII. Tentative Amount to be Audited

The tentative cost for 2025 is SEK 3,784,406.39 and 2026 is SEK 8,200,929.21

VIII. Payment Procedures

The Corporation partner will approve the final audit report by 7 calendar days after submission. After approving the final audit report the audit firm will invoice to the Cooperation partner. The audit fees will be paid within fifteen working days after receiving the appropriate invoice including the supporting documents. VAT and Tax will be deducted from the Audit Fees and will be deposited to the Government treasury as applicable by GOB Rules.

IX. Submission Guidelines

The soft copy of the technical and financial proposal needs to be submitted by online to the following email address: bgd.inspire@swisscontact.org by **24 December 2025** addressing to: Senior Manager, Finance and Administration, InSPIRE. Please mention **“Proposal for Annual Audit for InSPIRE project”** on the email subject line. Late or incomplete submissions will not be considered.

X. Evaluation Criteria

This will be a quality-cost-based (QCB) evaluation based on the following scoring criteria:

SL	Proposal Type	Maximum Score	Key areas to evaluate
1	Technical Proposal	70	Experience of the audit firm for relevant audit. Audit team capacity, International Affiliation, Understanding of the assignment, Client list, etc.
2	Financial Proposal	30	Price competitiveness, Budget alignment with the technical proposal.

XI. Required Documents

The audit firm should submit the following documents along with the proposal:

- a) Tax Identification Number (TIN) Certificate
- b) Business Identification Number (BIN)
- c) Certificate of Incorporation
- d) Trade License
- e) Registration Certificate
- f) Latest Tax Return Certificate
- g) Other legal documents if relevant for an audit firm

Swisscontact reserves the right to accept or reject any application, in part or full, or cancel the entire procurement process without assigning any reason whatsoever. Submission of an application does not guarantee the award of the contract.