

TERMS OF REFERENCE



Centre for Peace and
Development Initiatives

PROJECT AUDIT: AUDIT OF THE GRANT CONTRACT
SNGII/ICF/R2/KP-CPDI-01 FOR THE PERIOD FEBRUARY 1, 2022, TO
AUGUST 30, 2023

Posted date	November 4, 2023	Last date to apply	November 17, 2023
Country	Pakistan	Location	Islamabad
Type of Services	Consultancy (contractual)	Category	External Audit Firm
Position	1	Tentative commencement date of services	November 22, 2023
Level of Efforts	2 Weeks	Tentative duration	November 22, 2023 to December 06, 2023.
Proposals / applications to be submitted at: House 13, Street 788, Sector G-13/4, Islamabad.			

ABOUT CPDI

The Centre for Peace and Development Initiatives (CPDI) is an independent, non-partisan and a not-for-profit civil society organization working on issues of peace and development in Pakistan. It is registered under Section 42 of the Companies Ordinance, 1984 (XLVII of 1984). It seeks to inform and influence public policies and civil society initiatives through research-based advocacy and capacity building to promote citizenship, build peace, improve governance, and achieve inclusive and sustainable development. Areas of special sectoral focus include promoting peace and tolerance, police reforms, right to information, strong local governments, climate change and mitigation, transparency in governance, democratic values, rule of law, accountable governance in the country and public health initiatives.

ABOUT THE ASSIGNMENT

1. BACKGROUND

The objective of the audit is to obtain a professional and independent opinion on the extent to which the August 30, 2023 CPDI has complied with applicable procedures in its procurements, disbursements, and management of related financial records for the period February 1, 2022 to August 30, 2023. Where appropriate, the auditor shall provide recommendations to CPDI for improvement of the overall financial management of the Grant-funded pilot.

2. GENERAL AUDIT REQUIREMENT

The audit shall be performed in accordance with international standards on auditing (ISAs). The auditor shall report that proper books of accounts have been maintained by the Grantee for the Grant management for the recording of grant expenditure. Further, the auditor shall report that the documentation clearly identifies, among other things, the basis upon which invoices have been calculated and raised and that these records have been maintained:

- (a) with the degree of care expected.
- (b) in chronological order.
- (c) in a form that is appropriate for audit.

The auditor shall report whether the Grant records provide a true and fair view of the Grant's expenditures.

3. KEY TASKS

The auditor shall report that the:

- a) Classification of the Grant expenditure is correct.
- b) Financial records pertaining to the Grant are free from material misstatements whether due to fraud or error.
- c) Principles of transparency and accountability have been followed in Grant transactions and recommend improvements, if any.
- d) Internal control procedures related to handling, recording, and reporting of cash and use of funds are appropriate.
- e) Grantee has complied with applicable procurement procedures defined by the Grant agreement in procuring goods and services.
- f) Financial transactions are duly authorized and approved by the relevant authority matrix
- g) Time charges invoiced to OPM are in compliance with agreed Budgeted rates and staff timesheets.
- h) Expenses invoiced to OPM are in line with costs and are supported by adequate supporting documentation.
- i) Grantee has complied with applicable local laws i.e., income tax, sales tax, and corporate laws in relation to procuring goods and services under the Grant Agreement.
- j) The audit shall cover the period from February 1, 2022, to August 30, 2023.

4. DELIVERABLES

a) Audit Report

The audit report shall specifically refer to the following and explicitly express the auditor's opinion as un-qualified or qualified – as the case may be.

- i. Audit procedures performed and conclusions reached thereon.

- ii. Significant uncertainty, errors or omissions in connection with CPDI's book-keeping, accounting system or internal checks.

b) Management letter

The auditor shall provide a management letter, in which they shall:

- i. Provide their recommendations for their observations about the accounting records, systems and controls that were examined during the course of the audit.
- ii. Identify specific deficiencies or areas of weakness in system of internal controls and provide recommendations for their improvement.
- iii. Give comments on the extent to which outstanding issues/qualifications have been addressed.
- iv. Report to CPDI for any other matter that the auditor considers pertinent including ineligible expenses.

5. DURATION:

Management expects that the fieldwork shall be completed within two weeks starting from November 22, 2023 (ending by December 06, 2023).

The draft audit report shall be provided to the management by December 08, 2023, and the final report not later than December 12, 2023.

The auditor shall schedule a pre-audit meeting with the management before the start of the audit.

6. REQUIRED QUALIFICATION AND EXPERIENCE

The audit firm must be an international audit firm with a presence in Pakistan and approval from the State Bank of Pakistan to conduct audits.

7. REPORTING:

The auditor shall report to the CPDI Finance Manager & Executive Director CPDI

8. ADDITIONAL REQUIREMENTS

The auditors will present three hard copies and one soft copy of the final audit report to CPDI and a management letter should be prepared and addressed to CPDI. They will include a copy of a statement on the current position of the records, and eligibility of expenditures, compliance with the OPM Pakistan agreement and a detailed management letter with recommendations on the status of systems within the organization.

9. HOW TO APPLY:

The auditor shall submit a proposal to CPDI to document their willingness to be appointed as auditor of SNG project audit. Such proposal shall include, amongst others, the following:

- a) Estimated fee and the basis of calculation.
- b) Estimated time to complete the audit.
- c) Firm profile containing information regarding the legal status, affiliations with international firms, if any.
- d) The names and relevant experiences of the core audit team members.

*Late submissions will not be entertained.