

Appendix I: Terms of Reference (ToR)

Framework service agreement with external Audit Firms for FD4 Audits against FD6/FD7 approvals of CARE Bangladesh

1. Preamble

This is a general Guidelines to select External Qualified Audit Firms (EQAFs) having requisite qualification (enlisted with GoB authorities), size and capacity to provide independent opinion on different financial statements of the organization having different aspects and predefined scope of works (SoW) in respect to the financial statements be audited. The selected EQAFs will enter into an agreement initially for one or multi-year (may further extend upon mutual agreement) duration with the common goal to conduct FD4 audit per agreed rate without further solicitation process.

2. Organization Background:

CARE Bangladesh (Registered under Foreign Donation (Voluntary Activities) Regulations Ordinance 1978 Vide No. 004 dated 22.04.1981 and renewed on 25.05.2020 by the NGO Affairs Bureau, is the part of CARE International, works with more than 70 countries around the world.

Our Vision

We seek a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security.

Our Mission

CARE Bangladesh amplifies **the voices of the poor** and the marginalized in ways that **influence** public opinion, development practice, and policy at all levels. This happens as **knowledge** drawn from our grass roots and global **experience** is channeled through purposeful **relationships** with civil society, government, and the private sector.

CARE Bangladesh has been working in Bangladesh since 1949 and implementing number of projects across the country under Head Office and different Field Offices. These programs are focused on Women Empowerment, Extreme Rural Poverty, Private Sector and market systems Development, Health and Nutrition, Water and Sanitation, Nutrition, Emergency Response, Infrastructure and Agriculture and Natural Resources.

3. Planning for the Audits:

To select multi EQAFs for carrying out the FD4 audit assignments against particular Scope of Work (SoW). The selected EQAFs shall carry out external audit for projects FD4 accounts against FD-6 or FD-7 approvals for a certain period under a general service agreement with CARE Bangladesh. The standard SoW and audit periods for each project FD6/FD7 approvals will be shared before the issuance of purchase order. The key features of FD4 audits is stated below:

FD-4 Audits: This is a requirement of NGO AB and to be conducted per FD6 or FD7 approval against specific period and detailed SoW will be shared before engagement. An indicative SoW is also available as integral part of this ToR (**Annex-I**). We anticipate 30 to 40 nos of FD4 audits will have to be conducted in a year.

4. General Audit Scope:

Your function as auditors in accordance with Auditing Standards is to examine the accuracy of the periodic financial reports of projects. In the financial report, you should state whether in your opinion the financial statements of the component, which have been audited, have recorded in a true and fair way the expenditure of the project for the period audited. The audit will be carried out by an independent

auditor, (one who does not have privileged ties with persons responsible for relevant activities), having the required know-how, and in accordance with generally accepted ISA - International Standards on Auditing, and IFAC- International Federation of Accountants. The audit firm have to be enlisted by NGOAB as qualified to conduct FD4 audits.

4.1: Professional Secrecy

- a) Any document, information or data entrusted to or produced by the AUDITOR in connection with this assignment shall be strictly confidential and cannot be used by the AUDITOR for any other purpose without the written consent of the AUDITEE. This provision shall remain valid even after the completion of this assignment.
- b) The AUDITOR shall take necessary measure to ensure a careful and professional performance of the tasks to maintain the confidentiality unless determined by AUDITEE and any legal requirements.
- c) The AUDITOR shall immediately inform the AUDITEE of any event, which could have a negative influence or endanger the successful completion of the assignment.

4.2: Obligation to Testify

If during the course of the audit any frauds/misappropriations are detected, the AUDITOR shall have to provide evidence of the incidence to the AUDITEE, so that the AUDITEE can take appropriate actions, if necessary.

4.3: Financial Records: The project needs to maintain required (in line with NGOAB & GAAP) accounting records and to prepare financial statements giving true and fair view of the state of the project's affairs for the period it is prepared.

4.4: Interview: The auditor can perform her/his audit through conducting interview with the relevant program staff's, key management staff's, finance, logistics, HR and other relevant staffs/ stake holder of the organization.

4.5: Irregularities and Fraud: The auditor should review/ check and report as to whether the project follows adequate system on internal control and ensures the responsibility to comply with the regulations including those in relation to prevention and detection of irregularities and fraud. The audit plan must be made in a way so that there is a reasonable expectation of detecting material misstatement in the financial statements resulting from fraud or breach of regulations as well as agreement.

4.6: Spot of documents check: Auditor will review vouchers at Dhaka head office and field office. Auditors will also visit field/partner offices upon mutual agreement following specific SoW engagement. We have regional offices in Rangpur/ Khulna and Cox Bazar and field offices and may change with new set up during of the course of period.

4.7: Procurement of goods and services: The auditor shall check/review the documents, vouchers related to procurement of goods and services including consultant hiring process and give comments/suggestions whether adequate internal control systems in place on procurement management system and have been applied properly or not, as well as eventual suggestions for further improvements. The auditor shall assess whether Procurement, Tenders and Contractor/Consultant Selection is carried out on a manner that ensures correctness and maximum value for money.

4.8: Expense charged against approved budget lines: The auditor should check the relevancy of individual expenditure i.e. whether those are incurred in line with approved budget and charged against appropriate budget line i.e. no irrelevant expenditure are booked against different budget line to be within stipulated allocation.

4.9: Tax and VAT issues: The auditor should also check and report the Tax & VAT issues as guided in the NBR policy and also existing laws of the Republic of Bangladesh.

4.10 Anti-Corruption Clause: Neither party shall offer nor seek, accept or get promised directly or indirectly for himself/ herself or for any other party any gift or benefit which would or could be construed as an illegal practice.

4.11 Timeframe and Reporting Requirements: It will be indicated in the specific SoW of FD4 audit for each engagement for the project.

4.12: No of Copies: It will be indicated in the respective SoW before engaging the job.

4.13: Payment Clause:

Fees will be stated in Purchase Order. CARE will pay the fees after receiving the final audit report and the invoice from the Auditor through account payee cheque in favor of the audit firm. However, payment will be made after satisfactory completion of the assignment and deduction of VAT/Tax as per latest GOB /NBR rules.

CARE Standard Payment Terms are 30 days from receipt of goods or service and accurate & complete invoice acceptable to CARE Bangladesh.

5. Auditor Independence and Qualification:

The auditor must be impartial and independent from all aspects of management or financial interests in the entity being audited. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, employed by, serve as a Member of management committee, or have any financial or close business relationships with any senior management of CARE Bangladesh. The auditor should disclose any relationship that might possibly compromise his/ her independence.

The audit firm/engagement partner must be a Chartered Accountant and registered with the Institute of Chartered Accountants of Bangladesh (ICAB). The firm must have at least five years of relevant and diversified professional experience in auditing with sizeable portfolio and experience in the audit of donor funded project, development sector, INGOs and NGOs. The audit firm must be enlisted by NGOAB as qualified to conduct FD4 audits. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA, including experience in auditing the accounts of entities.

6. Period of bid validity:

The quoted price should be valid for 2 years. There will be an option to reassess and adjust prices annually in the agreement if required for the conditions below:

- Govt. declared Vat has been revised

This ensures flexibility and reflects the changing market conditions, fostering a fair and dynamic long-term partnership.

7. Evaluation Criteria:

Technical evaluation: 70%.

The ranking to evaluate is between 1 and 5, where 5 is the highest score

	Technical Evaluation criteria	% scoring
1	Overall Proposal Suitability: Adequacy of the proposed technical approach, methodology and work plan in responding to this Terms of Reference	20%
2	Previous Work and Awards: Provide 5 or more client experiences or testimonials or purchase order or work completion report preferably from UN/INGO/local NGO	20%

	whose environment, size, and scope are most similar to CARE.	
3	Technical Expertise and Organizational Experience: <ul style="list-style-type: none"> Organizational profile with client names and assignment of donor-funded project Qualifications and competence of the proposed staffs 	30%
	total	70%

Financial evaluation: 30%.

Annex-II Price offer format that outlines the fees and associated costs including govt. circulated VAT & TAX and provide budget notes.

8. Application process:

If you are interested and feel competent in carrying out this very exciting work, please submit technical and financial proposals in two separate documents:

Technical Proposal:

1. Technical proposal: proposed technical approach, methodology and work plan in responding to this Terms of Reference.
2. Organizational profile with client name and names of the assignment of different donor-funded project
3. Team composition and CVs of team members
4. Relevant expertise (Including all the previous relevant track records –5 client experiences or testimonials or Purchase Order or Work completion certificate preferably from INGO/Development project/UN.
5. Legal documents: Latest Trade License (FY25-26)/ Registration Certificate, -E-TIN Certificate, BIN Certificate

Financial Proposal:

Annex-II Financial Proposal that outlines the fees and associated costs including govt. circulated VAT & TAX and provide budget notes.

9. Terms and conditions for service provider

- CARE Bangladesh reserves the right to cancel/terminate/halt the process without showing any justification to the bidder though they have given time and resources to submission of the proposal.
- CARE Bangladesh reserves the right to monitor the quality and progress of the work during the assignment. [etc.]
- No advance payment will be made against the Agreement.
- All prices should be included in VAT and Tax. Govt. VAT and Tax rules and regulations will be followed strictly.
- Mushak 6.3 must be provided along with bill and challan. VAT and Tax will be deducted at source as per Govt. rules
- CARE Bangladesh reserves the right to accept or reject partially or fully any or all quotations without assigning any reason whatsoever. CARE Bangladesh may not select the lowest bidder, if the quality, specifications etc. are not up to the mark and not bound to provide any explanation about the selection process.

- CARE Bangladesh reserves the right to make framework agreement with multiple vendors for the same goods and services.
- CARE Bangladesh encourages every prospective bidder to avoid and prevent conflicts of interest, by disclosing to CARE Bangladesh if you, or any of its affiliates or personnel, were involved in the preparation of the requirements, design, specifications, cost estimates, and other information used in this tender document.
- CARE Bangladesh is not bound to accept any quotation, nor award a Work Order, nor be responsible for any costs associated with a Supplier's preparation and submission of a quotation, regardless of the outcome or the manner of conducting the selection process.
- All activities should comply with national environmental regulations and sustainability standards.

10. Penalty

If the service provider fails to provide services of any or all the contract within the period (s) specified in the Contract / Purchase Order, the Purchaser shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price / Purchase Order amount, as penalty, a sum equivalent to the percentage stated below:

Sl No.	Total Delay	% to be deducted on the contracted value.
01.	First 10 days	1.0%
02.	From 11 to 20 days	2.5%
03.	From 21 to 30 days	3.5%
04.	Above 30 days	5.0% or the termination clause may also be applicable .

**Deduction of the penalty amount will not be applicable in case if any extended completion time/ period is officially agreed and accepted by CARE Bangladesh after the completion date mentioned in PO.

List of Annexure:

Annexure I: Indicative SoW for FD4 audit

Annexure II: Price offer format.