

Terms of Reference (ToR) Special Audit

1. Background

The Catholic Bishops' Conference of India (CBCI) seeks to hire a reputable auditing firm for reviewing and evaluating the existing practices and systems of Caritas India and recommending suggestive measures for strengthening Caritas India's institutional, programmatic and financial operations and systems for effective delivery of services. The firm will have primarily the following objectives.

2. Objectives of the Special Audit

The Special audit aims to:

- a) Verify and confirm the expenditures incurred in the specified 54 projects with an aggregate sum of INR 72.53 Crores and provide an evidence-based analysis along with constructive recommendations from the perspective of the donors and in the context of program implementation during its period.
- b) Deliver an objective, evidence-based audit report that addresses any outstanding issues within the system with clear specified solutions to mitigate current and evolving key risks
- c) To provide constructive recommendations to key findings related to financial management and accounting standards.
- d) Ensure the audit is conducted in compliance with FCRA regulations.

3. Scope of Work

The scope of the special audit will include, but not be limited to, the following activities:

Finance

- a) Focus on reviewing and verifying facts, and provide evidence-based conclusions by assessing financial risks.
- b) Review of financial documents and transactions related to the identified findings.
- c) Conduct interviews and meetings with relevant stakeholders to gather additional evidence, clarify discrepancies, and finalize conclusions.
- d) This includes reviewing project reports, financial records, fund utilization, and any other documentation related to project implementation.
- e) Ensure compliance with donor agreements by verifying that financial transactions, project implementation, and reports adhere to donor-specified terms.
- f) Vet the findings of the special audit conducted from 2021-2023 by the donor agencies.
- g) Review the Income Tax scrutiny proceedings related to F.Y. 2021-22 (A.Y. 2022-23) with the Income Tax department, the process followed and the necessary matters of concern.
- h) Review the proceedings related to the FCRA approval, the process followed and the necessary matters of concern.

Human Resource

- i) Review HR statutory and other compliances.
- j) Assess adherence to HR policies and procedures.

4. Deliverables

The appointed auditing firm will be expected to deliver the following:

- a) **Inception Report:** Outlining the methodology, audit plan, and timelines within three days of contract signing.
- b) **Interim Progress Report:** A report on the progress of the audit, highlighting any preliminary findings within two weeks.
- c) **Draft Audit Report:** A comprehensive draft report within three weeks that includes the audit findings, responses to all open issues, and evidence-based conclusions.

- d) **Final Audit Report:** After incorporating feedback from the relevant authorities and other stakeholders, the final report will include recommendations and action points for resolving any identified issues should be submitted within four weeks of signing the contract.

5. Timeline

The special audit is expected to be completed within one month of the signing of the contract, with the following key milestones:

- a) Inception Report: 3 days after contract signing
- b) Interim Progress Report: 2 weeks after inception
- c) Draft Audit Report: 3 weeks after inception
- d) Final Audit Report: 6 weeks after inception

6. Qualifications of the Auditor Firm

The auditing firm must possess the following qualifications:

- a) Proven experience in conducting audits of non-profit organizations with large turnover, preferably in the development and humanitarian sector.
- b) Expertise in audits of external aid operations financed by the donors.
- c) Expertise in forensic and special audits, with a strong understanding of Indian Statutes and Generally Accepted Accounting Standards.
- d) Strong analytical, communication, and reporting skills, with the ability to present complex financial findings clearly and objectively.
- e) Independent, impartial, and professional in all dealings related to the audit.

7. Reporting and Coordination

The auditor will report directly to the CBCI's designated representative. Regular meetings will be held to ensure the audit is progressing according to the agreed timeline, and the auditor will be required to share interim findings if any significant issues arise.

8. Budget and Payment Terms

The auditor firm is expected to provide a detailed budget proposal covering the costs of conducting the audit. The agreed remuneration will be paid after completion of the audit and sharing the final report and upon raising the appropriate invoice in the name of CARITAS INDIA, 3rd Floor, CBCI Centre, Ashoka Place, New Delhi – 110 001 having GST as 07AAATC0399L1ZI

9. Submission of Proposals

Interested auditing firms should submit their proposals, including the following:

- a) Company profile and relevant experience.
- b) CVs of key personnel.
- c) Proposed methodology and work plan.
- d) Budget breakdown.
- e) Contact details for at least three references from similar engagements.

10. Deadline for Submission

All proposals must be submitted to CBCI by 31st Oct 2024 in the email id at dysecretarygeneral@cbci.in. Proposals submitted after the deadline will not be considered.