



TERMS OF REFERENCE
External Independent Audit

Name of the Organization: Development Agency for Poor and Tribal Awakening (DAPTA)

Location: Bhawanipatna, Kalahandi, Odisha Pin: 766001

Email ID: dapta@rediffmail.com

1. Background of the Project

Project title: Protecting the rights of children by building resilience of 2000 vulnerable Households in Odisha, India

Location: Kalahandi, Odisha, India

BMZ Funded Project – Project No. 6668

ChildFund Deutschland e.V. – ChildFund India

Project period: 01.10.2022-30.04.2026

Donor: BMZ-Engagement Global

The project aims to strengthen the resilience of vulnerable communities and reduce emergency migration by strengthening livelihoods, community institutions, and child protection systems. The project is implemented in Kalahandi and Nuapada districts of Odisha, India. The project is funded under the BMZ funding title for private executing agencies through Engagement Global (bengo). The implementation period originally covered 1 October 2022 – 30 September 2025, and following an approved amendment, the project duration has been extended until 30 April 2026.

Implementation is undertaken through the following entities:

Entity	Role
Development Agency for Poor & Tribal Awakening (DAPTA)	Local Implementing Partner

In accordance with donor requirements and international accountability standards, an independent external audit shall verify the proper, economical, and intended use of project funds.

2. Objective of the Audit

The objective of the external audit is to verify the proper utilization of project funds and confirm that financial management and expenditures are compliant with:

- the approved financing plan
- BMZ funding guidelines
- Engagement Global / bengo regulations
- the project agreement between ChildFund Deutschland and ChildFund India
- applicable national laws and regulations in India
- Procurement and personnel payments were legal and reasonable
- Assets and equipment exist and are properly used

The audit shall provide independent assurance that the funds have been utilised efficiently, economically, and for the intended purposes of the project. The audit findings will support the final financial reporting and fund utilisation report submitted to Engagement Global / BMZ.

3. Scope of the Audit

The audit shall cover the entire financial implementation period of the project:

1. October 2022 – 30 April 2026

The audit shall cover all expenditures incurred under the project DAPTA. The audit will include verification of financial statements, accounting records, bank statements, supporting documentation, procurement processes, personnel expenditures, contracts and agreements, asset and inventory records, internal financial control systems and financial reports submitted to the donor.

4. Audit Objectives

The audit shall verify the following:

4.1 Financial Accuracy

The auditor shall confirm that:

- financial records present a true and fair view of project expenditures
- transactions are accurately recorded in accounting systems
- accounting practices comply with applicable standards.

4.2 Eligibility of Expenditure

The auditor shall verify that project expenditures:

- were incurred during the contractual implementation period
- correspond to the approved project budget/project objectives
- are necessary for project implementation
- are reasonable and economically justified
- are identifiable and supported by valid documentation

4.3 Compliance with Budget

The auditor shall verify whether:

- expenditures correspond to the approved financing plan
- budget deviations exceeding 30% are properly explained and approved.

4.4 Procurement Compliance

The auditor shall assess whether procurement procedures complied with contractual requirements, including:

- competitive bidding procedures
- proper documentation of procurement decisions
- transparency and value-for-money principles.

4.5 Internal Control Systems

The auditor shall assess the adequacy and effectiveness of financial control systems related to:

- financial management
- procurement processes
- asset management
- payroll administration
- bank and cash management
- risk or fraud or corruption

4.6 Counterpart Contributions

The auditor shall verify the amount and origin of local contributions, including contributions made by:

- DAPTA
- implementing partners
- other project stakeholders.

5. Audit Standards

The audit shall be conducted in accordance with:

- International Standards on Auditing (ISA)
- ISRS 4400 – Agreed-Upon Procedures regarding Financial Information
- IFAC Code of Ethics for Professional Accountants
- BMZ / Engagement Global audit guidelines.

The external auditor must be independent from both the implementing organizations and the German executing agency.

6. Audit Methodology

The auditor shall perform the following procedures.

6.1 Preparatory Phase

- review project agreements
- review financing plan and amendments
- review financial reports and accounting systems
- conduct risk assessment.

6.2 Fieldwork

The auditor shall perform:

- desk review of financial documentation
- verification of supporting documents
- verification of accounting records
- sample testing of financial transactions.

6.3 Verification Procedures

The auditor shall verify that:

1. expenditure was incurred by the implementing entities
2. expenditure is recorded in accounting systems
3. expenditure occurred during the eligibility period
4. expenditure corresponds to the approved budget
5. expenditure was necessary for project implementation
6. expenditure is supported by adequate documentation
7. procurement rules were followed
8. tax and social security obligations were complied with.

6.4 Sampling Methodology

The auditor shall apply a risk-based sampling methodology to verify financial transactions.

Sampling shall consider:

- transaction volume
- financial risk
- procurement activities
- complexity of project activities.

7. Audit Deliverables

The auditor shall deliver the following:

7.1 Draft Audit Report

The draft report shall include:

- audit methodology
- summary of findings
- financial irregularities
- recommendations for corrective action.

7.2 Final Audit Report

The final report shall incorporate comments received from ChildFund India and the implementing partners.

7.3 Audit Certificate

The auditor shall issue a signed audit certificate confirming that:

- receipts and expenditures are properly documented
- expenditures comply with the financing plan
- local contributions are correctly reported
- donor conditions have been respected
- deviations have been explained where applicable.

8. Audit Timeline

Activity	Timeline
Audit firm selection	March – April 2026
Audit contract signing	Before 30 April 2026
Audit fieldwork	May – June 2026
Draft audit report	Within 3 weeks after fieldwork
Final audit report	Within 2 weeks after comments

9. Qualifications of the Auditor

The selected auditor must:

- be a registered Chartered Accountant firm in India
- be independent of the implementing organizations
- have at least five years of experience auditing donor-funded projects
- have experience auditing international development projects
- demonstrate knowledge of BMZ or international donor financial regulations.

The audit team should include:

Role	Experience
Audit Partner	Minimum 10 years experience
Audit Manager	Minimum 5 years experience
Audit Team Members	Relevant professional qualifications

10. Coordination and Reporting

The auditor shall report to DAPTA

Coordination will be provided by

- Project Management Team
- Finance Team – Childfund India

11. Confidentiality and Ethics

The auditor shall maintain strict confidentiality of all information obtained during the audit.
All documentation accessed during the audit shall be used solely for the purposes of the audit engagement.

12. Access to Information

The implementing partner shall provide the auditor with full access to:

- accounting records
- financial statements
- supporting documentation
- contracts
- procurement files
- personnel records
- project reports
- asset registers.

13. Record Retention

- All project financial records and documentation shall be retained for a minimum of five years after submission of the final fund utilisation report, in accordance

11. Confidentiality and Ethics

The auditor shall maintain strict confidentiality of all information obtained during the audit.
All documentation accessed during the audit shall be used solely for the purposes of the audit engagement.

12. Access to Information

The implementing partner shall provide the auditor with full access to:

- accounting records
- financial statements
- supporting documentation
- contracts
- procurement files
- personnel records
- project reports
- asset registers.

13. Record Retention

All project financial records and documentation shall be retained for a minimum of five years after submission of the final fund utilisation report, in accordance with donor requirements.

ToR for External Independent Audit of Development Agency for Poor & Tribal Awakening (DAPTA)

Development Agency for Poor and Tribal Awakening (DAPTA)

TERMS OF REFERENCE

External Independent Audit

Name of the Organization: Development Agency for Poor and Tribal Awakening (DAPTA)

Location: Bhawanipatna, Kalahandi, Odisha Pin: 766001

Email ID: dapta@rediffmail.com

1. Background of the Project

Project title: Protecting the rights of children by building resilience of 2000 vulnerable Households in Odisha, India

Location: Kalahandi, Odisha, India

BMZ Funded Project – Project No. 6668

ChildFund Deutschland e.V. – ChildFund India

Project period: 01.10.2022-30.04.2026

Donor: BMZ-Engagement Global

The project aims to strengthen the resilience of vulnerable communities and reduce emergency migration by strengthening livelihoods, community institutions, and child protection systems. The project is implemented in Kalahandi and Nuapada districts of Odisha, India. The project is funded under the BMZ funding title for private executing agencies through Engagement Global (bengo). The implementation period originally covered 1 October 2022 – 30 September 2025, and following an approved amendment, the project duration has been extended until 30 April 2026.

Implementation is undertaken through the following entities:

Entity	Role
Development Agency for Poor & Tribal Awakening (DAPTA)	Local Implementing Partner

In accordance with donor requirements and international accountability standards, an independent external audit shall verify the proper, economical, and intended use of project funds.

2. Objective of the Audit

The objective of the external audit is to verify the proper utilization of project funds and confirm that financial management and expenditures are compliant with:

- the approved financing plan
- BMZ funding guidelines
- Engagement Global / bengo regulations
- the project agreement between ChildFund Deutschland and ChildFund India
- applicable national laws and regulations in India
- Procurement and personnel payments were legal and reasonable
- Assets and equipment exist and are properly used

The audit shall provide independent assurance that the funds have been utilised efficiently, economically, and for the intended purposes of the project. The audit findings will support the final financial reporting and fund utilisation report submitted to Engagement Global / BMZ.

3. Scope of the Audit

The audit shall cover the entire financial implementation period of the project:

1. October 2022 – 30 April 2026

The audit shall cover all expenditures incurred under the project DAPTA. The audit will include verification of financial statements, accounting records, bank statements, supporting documentation, procurement processes, personnel expenditures, contracts and agreements, asset and inventory records, internal financial control systems and financial reports submitted to the donor.

For detailed information, please check the complete version of the RFP attached below.

Job Email ID:

dapta(at)rediffmail.com

https://www.devnetjobsindia.org/JobDescription.aspx?Job_Id=288900