

Expression of Interest

The Regional Centre for Development Cooperation invites Expressions of Interest (Eoi) from eligible and experienced Chartered Accountant firms to undertake an External Independent Audit for its BMZ-funded project titled **“Protecting the Rights of Children by Building Resilience of 2000 Vulnerable Households in Odisha, India”** implemented in Kalahandi and Nuapada districts. The audit will cover the entire project period from October 2022 to April 2026 and will assess financial accuracy, compliance with BMZ and Engagement Global guidelines, procurement processes, internal controls, and proper utilisation of funds. The selected auditor should have proven experience in auditing donor-funded development projects and must comply with international auditing standards.

Interested firms are requested to submit their Expression of Interest along with relevant credentials, experience, and proposed approach via email to **rcdcbbsr@gmail.com**, addressed to the **Executive Director, Regional Centre for Development Cooperation, Bhubaneswar**. The application should clearly mention **“Eoi for External Audit – BMZ Project”** in the subject line. The last date for submission of the Eoi is **15 April 2026 (5:00 PM IST)**. Only shortlisted firms will be contacted for further process.

For more details, please refer the **ToR** and **Statement of Accounts by Chartered Accountants** documents.

TERMS OF REFERENCE

External Independent Audit

BMZ Funded Project – Project No. 6668
ChildFund Deutschland e.V. – ChildFund India

1. Background of the Project

- Project title** : Protecting the rights of children by building resilience of 2000 vulnerable Households in Odisha,India
- Project number** : 6668
- Location** : Odisha, India
- Implementing partner** : Regional Centre for Development Cooperation
- 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
Regional Centre for Development Cooperation (RCDC)	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 utilisation 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 by RCDC. 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:

- RCDC
- 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 organisations 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 organisations
- 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 implementing Partner

Coordination will be provided by

- Implementing Partner
- 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

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16. 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.

17. Use of the Template from donor for quantitative documentary proof (Annex statement-of accounts-by-chartered accountants)

Statement of Accounts by Chartered Accountants

1. The chartered accountant shall structure his auditor's certificate according to the quantitative documentary proof of the statement of application of funds (cf. Annex 2). He must record the commissions and documents which make up the terms of use made available on which the audit is based.
2. Expenditure which exceeds the budget appropriations by more than 30% shall be explained separately, if the approval of the BMZ has not previously been obtained.
3. The final auditor's certificate shall contain the following (minimum requirement):

"We hereby certify that we have audited the statement of accounts of (name of the project-executing agency in the developing country) in respect of the financing of the project (name) on the basis of the following terms of use made available to us (list of commissions and documents). To this end, we have inspected the books and vouchers and report that:

1. Proofs of receipts and expenditure have been properly furnished in the form of vouchers.
2. The expenditures, for which evidence has been supplied, are in keeping with the appointed purpose as set out in the Financing Plan. Any deviations from the Financing Plan are described and explained separately.
3. The amount and origin of documented income which is accounted for as counterpart contributions made by the project executing agency, the target group and/or other agencies in the project country have been specified.
4. The terms set by the donor have been observed/have not been observed in the following points.
5. Special notes."

B. Quantitative documentary proof**Statement of application of funds**

BMZ project number

Statement of accounts for 20 to 20

Financial statement as at

4.1	<u>Expenditure</u>	Appropriation according to Financing Plan of [date] in local currency	Actual expenditure in local currency	Deviation – as a % –
4.1.1	<u>for investments</u>			
4.1.1.1.				
4.1.1.2				
4.1.1.3				
4.1.1.4				
4.1.2	<u>for operating expenditure</u>			
4.1.2.1				
4.1.2.2				
4.1.2.3				
4.1.2.4				
4.1.3	<u>for personnel</u>			
4.1.3.1				
4.1.3.2				
4.1.3.3				
4.1.3.4				
4.1.5	<u>for evaluation or study</u>			
	Project expenditure			
4.1.6	<u>Reserve funds</u> (appropriations only)		—	
	<u>Total expenditure</u>			

4.2.	Receipts	Budgeted receipts according to Financing Plan of [date] –in local currency –	Actual receipts –in local currency –	Deviation – as a % –
4.2.1	BMZ grant and financial contribution from private executing organisation			
4.2.2	Contribution from project-executing agency, target group and/or other source in developing country			
4.2.3	Additional resources (e.g. interest, sales revenue)			
	Total receipts			

4.3	Financial statement as at	
		– in local currency –
	Total receipts	
	Total expenditure	./.
	Balance	_____
	Overspending ¹	

It is confirmed that no funds were available for the financing of the project other than the receipts detailed above. It is also confirmed that all expenditure was necessary, that funds were utilised efficiently and economically and that the information given conforms with the books and vouchers.

.....
(Place)

.....
(Date)

.....
(Signature and stamp)

¹ Overspending = Actual total expenditure – Appropriation total expenditure according to Financing Plan