Call for Independent Audit Service
for
Statutory Audit for FY 2083/84
Published Date: 2083/04/12 B.S.

1. Background:

Children as Zones of Peace (CZOP) National Campaign is a national network of over 107 child rights organizations working across all seven provinces of Nepal. Established in 2003, CZOP works to promote, protect, and realize the rights of children through evidence-based advocacy, policy engagement, research, capacity strengthening, and collaborative action with government, civil society, development partners, and children themselves. CZOP has been actively contributing to strengthening child rights governance in Nepal through policy advocacy, child rights monitoring, child-responsive budgeting, parliamentary engagement, and promoting child participation at federal, provincial, and local level.

Children as Zones of Peace (CZOP) National Campaign has been implementing different projects in different province since its establishment. It is necessary to complete the audit after Fiscal Year completion. Hence, Children as Zones of Peace (CZOP) National Campaign invites applications from independent audit forms to conduct the statutory audit for FY 2083/84 B.S. The details of services/ ToR are as follows:

2. Objectives of the Audit:

The objectives of the audit are to provide reasonable assurance that all transactions incurred in the current fiscal year are in accordance with the relevant policies of Children as Zones of Peace (CZOP) National Campaign, comply with funding agencies' requirements, and conform to the Government of Nepal's laws, rules, and regulations. The audit should produce a report as per Nepal Accounting Standards (NAS).

- ❖ Ensure compliance with Nepal Financial Reporting Standards and legal requirements.
- ❖ Evaluate the accuracy and completeness of financial statements.
- ❖ Assess the effectiveness of internal controls.
- ❖ Provide an opinion on the financial statements.
- ❖ Identify areas of improvement and provide recommendations.
- ❖ The auditor shall also provide financial guidance and support during the regular period.

2. Scope of Services:

- Conduct a statutory audit for FY 2083/84 BS and individual project audits within the agreement period.
- The appointed auditor shall conduct the audit for a term of up to three years
- Adhere to nationally accepted auditing standards and comply with directives from funding agencies.
- Audit all operations at Children as Zones of Peace (CZOP) National Campaign.
- Verify adherence to relevant laws and regulations, examine quantitative and qualitative program reports, and assess compliance with external and internal requirements.
- Review management policies and directives to ensure regulatory standards are met and identify any compliance gaps.
- Assess internal controls and risk management systems.
- Submit a draft annual statutory audit report to Children as Zones of Peace (CZOP) National Campaign office as soon as complete the given tasks of signing the contract and sharing the draft report to Children as Zones of Peace (CZOP) National Campaign Board, PC, Admin and Finance, all Project Leaders and so on.
- Provide detailed observations on the draft audit report to management, followed by a

presentation on each audit observation and its implications.

- The final statutory audit report package should as per Nepal Accounting Standards (NAS) requirements include:
    - Certified financial statements
    - Cash positions and details of assets/equipment
    - Auditor's opinion
    - Management letter detailing internal control shortcomings, audit procedures, and relevant recommendations
    - Special reports if required
    - Assist in income filing with the Tax Office.
    - Renew all the Documents of Municipality, DAO & SWC.

4. Audit Methodology

To present a true and fair view of the financial statements/reports, the auditor shall conduct accuracy checks, observations, inspection of records and documents, interviews with beneficiaries, inquiries, analysis, recommendations, and comparisons, including:

- Visit the Children as Zones of Peace (CZOP) National Campaign office to review vouchers, invoices, and all supporting documents for all expenses and income receipts.
- Follow up on previous audit reports and comments.
- Review staff, rental, and other relevant contracts.
- Assess payroll and tax adherence.
- Evaluate policies and compliance for beneficiaries.
- Inspect all inventory and asset lists of Children as Zones of Peace (CZOP) National Campaign.

5. Criteria for Auditor Selection

Prospective audit firms/engagement partners must meet the following criteria:

- Must be a Chartered Accountant and registered member with the Institute of Chartered Accountants of Nepal.
- Be completely impartial and independent from Children as Zones of Peace (CZOP) National Campaign's management or financial interests.
- Should not have any employment, directorship, financial, or close business relationships with senior management during the audit period.
- Should have an audit team with adequate professional qualifications and experience.
- The auditor must have at least five (5) years of auditing experience in NGOs/INGOs sector.
- Provide resumes of key audit team members, including qualifications and relevant work experience.
- Profile of the consultancy firm, including relevant experience of at least 3 years. · Certificate of Practice (COP) with current renewal.
- Firm Registration Certificate with the Institute of Chartered Accountants of Nepal (ICAN). · Company registration certificate and VAT registration certificate.
- Latest tax clearance certificate.
- Financial proposal with validity, inclusive of VAT (Travel, Food and Accommodation Cost should be borne by the Auditor)

7. Access to Facilities and Documents

The financial systems are partly automated in FAMAS system.

- The auditor will have full and complete access at any time to all records and documents (including books of account, legal agreements, minutes of committee meetings, bank records, invoices, and contracts, etc.) and all employees of the entity.

- The auditor will have a right of access to banks and depositories, consultants, contractors, and other persons or firms engaged by the program management over the period under audit review.

These Terms of Reference are intended to guide the statutory audit process and ensure its effectiveness and integrity. Both parties shall adhere to these terms and work collaboratively to achieve the objectives of the audit FY- 2083/084.

9. Evaluation Guideline:

The total weightage of 100% should be divided as 80% for technical evaluation and 20% for financial evaluation.

Criteria of Technical Evaluation

S.N	Criteria	Score
1	**Firm Experience & Past Performance: 30 Points** · Number of years in audit practice - 10 · Experience with donor-funded projects or similar sector - 10 · References and past performance quality (experience certificate) - 10	30
2	**Key Audit Team Qualifications & Competence: 25 Points** · Qualification of team leaders. - 10 · Relevant experience (NGOs/INGOs) of audit team member/s. - 15	25
3	**Audit Methodology & Work Plan: 25 Points** · Quality control and supervision process - 10 · Work plan and timeline - 10 · Clarity of audit approach (risk-based, compliance, etc.) – 5	25
4	**Understanding of Assignment & Technical Responsiveness: 20 Points** · Interpretation of scope and objectives - 5 · Awareness of institutional and regulatory context - 5 · Identification of key risks/issue - 10	20

Criteria of Financial Evaluation

Financial Evaluation will account for 20% of the overall assessment, with the score weighted according to cost-effectiveness.