

TERMS OF REFERENCE (TOR) FOR AUDITOR

Audit period	: 1 st July 2022 to 30 th June 2023
Audit start date	: As per Schedule
Deadline for the final audit report	: 31 st October 2023

BACKGROUND

Underprivileged Children's Educational Programs (UCEP) Bangladesh was established in 1972 when there was an enormous increase in the number of destitute children and large-scale migration of rural poor families into the cities after the post-liberation war situation. UCEP Bangladesh is a non-profit and non-governmental organization aims to uplift the socio-economic conditions of underprivileged communities through help to learn skills to earn. At present UCEP is governed by UCEP association, which is comprised of 41 voluntary members among whom 7 members of Board of Governors elected for a two years' term. UCEP management is led by the Executive Director (ED) who along with a pool of highly experienced and expert Senior Management team manage the organization with support from decentralized management function at the district level supervised by Regional Manager.

The functioning area of UCEP-Bangladesh includes eight districts namely Dhaka, Chattogram, Rajshahi, Khulna, Barisal, Rangpur, Sylhet and Gazipur and giving Technical and Vocational Education and Training through TVET Institute and Technical schools.

The organization obtained registration from NGO Affairs Bureau (NGOAB) under the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978 vide Registration # 34, dated 22 April 1981.

1.0 SCOPE OF THE AUDIT:

The scope of audit to be undertaken should address the following:

- 1.1 Audit of the books and statements prepared by UCEP Bangladesh for their different Projects statement for the period from 01 July 2022 to 30 June 2023 in accordance with UCEP Manual and policies including Trial Balance, Income and Expenditure Statement, Balance Sheet, Projects Reports, and the transactions that make up the amounts shown in these financial statements.
- 1.2 Appropriate supporting documents, records and books of accounts in automation and manual relating to all activities have been kept clear linkages should exist between the books of accounts and the financial statements presented.
- 1.3 Items and services have been procured correctly in accordance with the guidelines.
- 1.4 Whether the expenses were properly done in compliance with guidelines and relevant financial policies and procedures of UCEP Bangladesh.
- 1.5 Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
- 1.6 Review the compliances issues of the regulatory bodies (as related).
- 1.7 Verify all funds have been used in accordance with the established rules & regulations and only for the purposes for which the funds were provided. Total reconciliation should also be verified.
- 1.8 Express an opinion as to the reasonableness of the financial statements in all material respects.

- 1.9 Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements
- 1.10 Review adequacy of internal control systems and supporting documentation.
- 1.11 Review fixed asset register.
- 1.12 Audit to be performed in accordance with the international standards on Auditing (ISA).
- 1.13 Issuance of an audit report in English on the financial statements (Income and Expenditure statement and Balance Sheet) for the period ended June 30, 2023 (model of report as per ISA) to the attention of the Chairperson UCEP Bangladesh Board of Governness with copy to Executive Director of UCEP.
- 1.14 Issuance of a management letter in English on the findings of the audit and comments on the internal control system.
- 1.15 NGOAB ToR for Auditor vide ref letter No 03.07.2666.657.43.253.17-619 Dated 31.01.2022 to be complied submitting FD 4 for the foreign funded projects.
- 1.16 Discuss with UCEP management on any findings of the auditors, prior to finalizing the audit report.
- 1.17 Conduct Audit Exit Meeting with the Executive Director and the Senior Management Team of UCEP Bangladesh.
- 1.18 Issuances of a management Report on the findings of the audit and comments on the internal control system. In addition, the following issues will be included in the Management report.
 - a. Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - c. Report on the implementation status of recommendations pertaining to previous period audit reports.
 - d. Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
 - e. Bring to the ED's attention any other matters that the auditors consider pertinent.

2. PRINCIPLES OF THE AUDIT:

The audit includes all transactions processed in accounts of UCEP activities during 01 July 2022 to 30 June 2023 with the following audit operations:

- 2.1 Check the correctness and completeness of the financial transactions from its origin.
- 2.2 Check whether the records, systems, documents and statements are maintained in accordance with the policies and procedures of UCEP Bangladesh.
- 2.3 Detect and report any irregularities in terms of costs, relevance, approvals and documentation.
- 2.4 Any other material item which the Auditor feels necessary to report.

3.0 PROFESSIONAL SECRECY:

3.1 Any document, information or data entrusted to or produced by the Auditor about this assignment shall be strictly confidential and cannot be used by the Auditor for any other purpose without the written consent of UCEP. This provision shall remain valid even after the completion of this assignment.

3.2 The auditor shall be liable for and ensure a careful and professional performance of the tasks on behalf of UCEP.

3.3 The auditor shall immediately inform UCEP of any event, which could have negative influence or hinder the successful completion of the assignment.

4.0 OBLIGATION TO TESTIFY:

During the audit, if any fraud/misappropriation is detected, the Auditor shall, in consultation with UCEP, gather concrete evidence of the incidence so that, where necessary, UCEP can take appropriate legal or disciplinary action. In case of any confusion the auditor shall thoroughly investigate the matter by talking with concerned people like vendors, staff and other beneficiaries. The Auditor shall also immediately inform UCEP of such incidence besides including it in the report.

5.0 BASIC DOCUMENTS FOR COMPLIANCE:

The following documents are the basis for this audit:

- UCEP Constitution, Service Rules, manual and policies
- Fiscal Year 2022-2023 approved budget
- Relevant agreements
- Other (prevailing) policies and procedures of UCEP.

6.0 DURATION & REPORTING OF AUDIT:

The Auditor shall submit two draft audit reports (01 July 2022 to 30 June 2023) to the Chairperson, UCEP Bangladesh Board of Governness with copy to Executive Director for reviewing by 20 October 2023. After discussion and acceptance of the draft audit report by UCEP, the Auditor shall submit six (6) copies each of the final audit report to UCEP Bangladesh by agreed timelines. The auditor will attach the following statements with the audit report.

1. Statement of Financial Position
2. Statement of income & expenditure
3. Statement of Receipts and Payments
4. Statement of FD 4 (where applicable)
5. Notes to the accounts and necessary disclosure.
6. List of projects with receipts, payments and outstanding/balances as of June 30, 2023
7. Management report
8. Relevant report will have delivered as requirement of donors considering accounting period when matured i.e. January -December 2022; April 2022 to March 2023 etc.

7. Timetable:

Timetable of the assignment will be as follows:

S.I	Name of the Milestone	Deadline
1	Audit Start Date	1 February 2023
2	Briefing meeting	1 February 2023
3	Commencement of the desk work at Head Office and Region Office	15 October 2023
4	Audit findings sharing meeting with SMT & D-FC team	18 th October 2023
5	Presentation of Draft audit report (at ED's office)	23 rd October 2023
6	Receiving and incorporation of management feedback	25 th October 2023
7	Debriefing meeting with ED and submission of final audit report	30 th October 2023
8	Completion of audit report signing	31 st October 2023

8. Deliverables:

1. The Auditors on completion of the audit work will submit 5 (five) copies of Audit Report appended to the Financial Statements.
2. Management letter in accordance with the scope of work describe here before.

9. Qualification of the firm:

The audit firm Bangladesh having affiliation/membership with an international audit firms will be eligible to apply.

10. FEES:

As per the decision of UCEP Management and based on the agreement of the Auditor, the total fees for this audit shall be BDT (including Tax & VAT). UCEP shall pay the fees after receiving final audit report.

List of Accounts:

A. UCEP Bangladesh and Its Entities

SI No	Accounts Names	Accounts Period	Remarks
1	Consolidated Financial Statement of UCEP Bangladesh	1 July 2022 to 30 June 2023	
2	UCEP Development Fund	1 July 2022 to 30 June 2023	
3	Cheyne Tower	1 July 2022 to 30 June 2023	
4	UTI Dhaka	1 July 2022 to 30 June 2023	
5	UTI Sylhet	1 July 2022 to 30 June 2023	
6	UIST Dhaka	1 July 2022 to 30 June 2023	
7	UCEP University	1 July 2022 to 30 June 2023	
8	AK Khan UCEP Private Polytechnic Institute (AKKUPPI)	1 July 2022 to 30 June 2023	
9	Shaheed Khalek UCEP Textile Institute (SKUTI)	1 July 2022 to 30 June 2023	
10	UCEP Resort & Convention Center for UCEP Bangladesh, Sonadanga Project	1 July 2022 to 30 June 2023	
11	UCEP Microenterprise Development Program	1 July 2022 to 30 June 2023	
12	UCEP Welfare Trust	1 July 2022 to 30 June 2023	
13	UCEP Staff Provident Fund	1 July 2022 to 30 June 2023	
14	UCEP Gratuity Fund	1 July 2022 to 30 June 2023	
15	UCEP- Staff Benevolent Fund	1 July 2022 to 30 June 2023	
16	UCEP- Zakat Fund	1 July 2022 to 30 June 2023	
17	Others, if any		

B. List of Foreign Funded Projects Accounts

SI No	Accounts Names	Accounts Period	Remarks
1	Skill development program under the Schneider Electric Foundation funded by Schneider Electric Foundation	1 May 2022 to 30 April 2023	FD-4 to be submitted
2	Quality Education and Skills for Transformation (QuEST) Project	1 July 2022 to 31 December 2022	Do
3	For Supporting Second Chance Education of Underprivileged Children through Sponsoring School	1 January 2022 to 31 December 2022	Do
4	For supporting second chance education of underprivileged children through sponsoring School in Rajshahi	1 January 2022 to 31 December 2022	Do
5	Securing Rights of Women Domestic Workers (SRDW) in Bangladesh	01 April 2022 to 31 March 2023	Do
6	Participation of Women in Economic Realization-POWER Project	1 January to 31 December 2022	Do
7	Expanded Education Opportunity for Underprivileged Children in Bangladesh	1 January to 31 December 2022	Do
8	Others, if any		