

TERMS OF REFERENCE

External Auditor

LOCATION: New Delhi, India

ASSIGNMENT: up to 5-years, based on yearly validation of the terms of engagement

About GDN

The Global Development Network (GDN) is a public international organization that supports high quality, policy-oriented, social science research in Low- and Middle- Income Countries, to promote better lives. We help connect researchers and research institutions to financial resources, global networking, research management support, access to information, training, peer review and mentoring. Founded in 1999, GDN is currently headquartered in New Delhi, with a presence in Clermont-Ferrand, France and the United States. For more information, visit the GDN [website](#).

Terms of Reference (ToR)

1. Introduction

This document outlines the Terms of Reference (ToR) for the engagement of an External Auditor for Global Development Network and Global Development Network Inc. The objective of this engagement is to conduct an independent audit of the financial statements of above mentioned entities for the fiscal year 2023-2024. The financial year starts from July 01st to June 30th. GDN Inc. and GDN IO follow the United States Generally Accepted Accounting Practices (GAAP) as required by the American Institute of Certified Accountants (AICPA) and the Financial Accounting Standards Board (FASB). Specifically, the financial statement presentation follows the guidance contained in Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. The revenue for the last audited financial year 2022-2023 for GDN IO and GDN Inc. was \$4.23 million and \$0.28 million respectively. The expected revenue in the financial year 2023-2024 is \$3.27 million and \$0.55 million respectively. The reporting language is English, and accounting is done in USD.

2. Objective

The primary objective of the audit is to express an opinion on whether the financial statements present a true and fair view of the financial position, performance, and cash flows in accordance with Applicable Accounting Standards

3. Scope of Work

Conducting Statutory Audit on a continuous basis for both GDN Inc. and GDN IO. ensuring that:

- Transactions are properly authorized.
- Transactions have been recorded under the proper object of expenditure/receipts.
- Funds have been utilized for the purposes for which they were made available.
- Goods and Services have been procured in accordance with the Procurement Rules.
- Transactions are duly supported by the relevant documents.
- Review of Accounting systems and manuals for both entities.
- Advice on various accounting issues, accounting standards and policies.

- Apart from the annual audit, an individual audit Certification and authentication of Projects Utilization statements for the running projects for both the entities as requested by donors from time to time on need basis.
- Certification and authentication of Projects Utilization statements under both entities as requested by donors from time to time on need basis.
- An audit report on all GDN Inc. and GDN IO to be prepared separately in accordance with the standards prescribed under the US GAAP.
- Present audit report and findings to the Finance & Audit Committee of GDN at the meeting to be organized by GDN.
- In addition to the audit report, a management letter on his recommendation for improvement in the internal control of accounting systems of GDN Inc. and GDN IO during the course of auditing.
- Any other related matters of compliance.

4. Deliverables

The External Auditor will be required to deliver the following:

- Audit Report: An independent auditor's report expressing an opinion on the financial statements.
- Management Letter: A detailed report highlighting any weaknesses in internal controls, instances of non-compliance, and recommendations for improvements.
- Financial Statements: Audited financial statements including all necessary disclosures.

5. Audit Approach and Methodology

The audit approach should be risk-based and systematic, covering all significant financial and operational areas. The methodology should include:

- Planning: Initial meeting with management to understand the organization's structure, operations, and key financial processes.
- Fieldwork: On-site examination of financial records, interviews with staff, and testing of internal controls.
- Reporting: Drafting and finalizing the audit report and management letter, incorporating feedback from organization.

6. Professional Standards

Financial statement presentation follows the guidance contained in Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Accordingly, the Global Development Network (GDN) reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

7. Confidentiality

The External Auditor will maintain confidentiality of all information obtained during the course of the audit and will not disclose any information to third parties without prior written consent from GDN.

8. Qualifications and Experience

The selected External Auditor must have:

- Relevant Professional qualifications (e.g., CPA, CA).
- Extensive experience in auditing not-for-profit organizations.

- A proven track record of conducting audits in accordance with International Standards on Auditing.

9. Submission of Proposal

Interested audit firms should submit their proposals by [Submission Deadline], including:

- A detailed audit plan and methodology.
- Proposed team composition and CVs of key personnel.
- A detailed fee structure.
- References from similar past engagements.

10. Evaluation Criteria

Proposals will be evaluated based on:

- Understanding of the assignment and proposed methodology.
- Relevant experience and qualifications of the audit team.
- Proposed timeline and deliverables.
- Cost-effectiveness of the proposal.

Application Procedure

Interested candidates are invited to send:

- An updated profile
- A cover letter detailing their qualifications and experience including your remuneration expectations
- Contact details of at least three professional references

to jobs@gdn.int with the subject line 'External Auditor' Application – [Your Name]. The deadline for applications is **July 10, 2024**.

Please specify in the body of the email the earliest date you can start the audit, if selected.

Global Development Network is an equal opportunity employer and encourages applicants of all backgrounds to apply. We thank all applicants for their interest; however, only those selected for a discussion will be contacted.

