



Global Development Awards Competition JAPAN SOCIAL DEVELOPMENT FUND (JSDF) 2021

CALL FOR PROPOSALS FOR COMMISSIONING OF AN INTERNAL AUDIT/INTERNAL CONTROL REVIEW OF NGOs in **India, Kenya, and/or Thailand**

1. About GDN:

The Global Development Network (GDN) is a public international organization that supports high quality, policy-oriented, social science research in developing and transition countries to promote better lives. It supports researchers with financial resources, global networking, as well as access to information, training, peer review and mentoring. GDN acts on the premise that better research leads to more informed policies and better, more inclusive development. Through its global platform, GDN connects social science researchers with policymakers and development stakeholders across the world. Founded in 1999, GDN is currently headquartered in New Delhi. For more information, visit: www.gdn.int

2. About the NGOs:

The NGOs are registered civil society organizations in their respective countries.

3. The Call:

GDN is inviting proposals from reputable audit firms having adequate experience in conducting internal audits/internal control reviews of non-governmental organizations (NGOs).

Applicants are required to indicate their experience and capacity to conduct reviews of this nature in India, Kenya, and Thailand. Applicants can submit applications to undertake this assignment in one or multiple countries considering the budget indicated in point 10.

4. Background:

The Japanese Award for Most Innovative Development Project is a competitive grant program under the umbrella of the [Global Development Awards Competition](#), administered by GDN, funded under the Policy and Human Resources Development Fund (PHRD) trust fund managed by the World Bank, and generously supported by the Ministry of Finance, Government of Japan. The award program invites non-profit NGOs and CSOs to submit project proposals supporting (in particular) improved service delivery, and innovative approaches that may be scaled-up through a grant. The Award targets projects currently at the stage of implementation, and which have a high potential for

impact targeting exceptionally marginalized and disadvantaged groups located in developing countries - per the World Bank's recognition as [low and middle income countries](#).

The two first prize winners compete for the JSDF award after a minimum of 12 months implementation of their MIDP grant for a much larger grant of **up to US\$ 200,000** within the framework of the World Bank-administered [Japan Social Development Fund \(JSDF\)](#).

The JSDF award focuses on piloting socially innovative development projects that have been identified as having the potential for development impact and replicability through the MIDP Award. The objective of JSDF Award is to support community-driven development and poverty reduction programs that serve to enhance productivity, increase access to social and community services and infrastructure, and improve the living conditions of poor and vulnerable groups in eligible countries.

Activities funded under the JSDF award should respond to the following funding criteria:

- Pilot Alternative Innovative approaches targeting groups not reached by other programs.
- Target and Respond to the Needy, providing direct benefits to the poor, vulnerable, and disadvantaged groups with rapid results for improved livelihood.
- Support Community-Driven Development by Empowering the Poor at the local community level;
- Reflect a Participatory Design and consultation process with the targeted beneficiaries who endorse the grant activities.
- Utilize Participatory Monitoring and Evaluation to help beneficiaries address their vulnerability and to ensure ownership and sustainability.

GDN is currently in the process of reviewing 5 applications from NGOs in India (2), Kenya (2), and Thailand (1) for a grant of up to USD 200,000 seeking to scale-up their projects.

5. Objective and scope of work:

GDN is seeking to recruit an audit firm to conduct an internal control review of the selected NGOs in each country. The review will aim to determine whether the NGO has the capacity to effectively manage and implement the project activities, if awarded the \$200,000 grant. This will be carried out through a thorough assessment of the NGO's institutional, administrative and financial capacity.

The audit firm is expected to provide the following services:

- 5.1. Perform an internal control assessment and an assessment of statutory compliance in the following areas:
 - 5.1.1. Governance structure and oversight arrangements;
 - 5.1.2. Financial Management and accountability arrangements – planning, budgeting, accounting, internal controls, funds flow, financial reporting and auditing;
 - 5.1.3. Human Resources – roles and responsibilities of staff – fiduciary and others; and
 - 5.1.4. Procurement Management - conformity with international procurement standards oversight and monitoring arrangements.

- 5.1.5. Compliance with the World Bank's current Environment and Social Frameworks' (ESF) and associated Environmental and Social Standards (ESSs).
- 5.2. Perform testing of control mechanisms which must include but not be limited to the following:
 - 5.2.1. Examine audit reports and annual reports of last three (03) years and highlight any concerns/qualifications that might have been raised by the auditor/consultants;
 - 5.2.2. Review the donor review reports, if any, produced in the last three (03) years and share the outcomes;
 - 5.2.3. Review the staff manual, accounts manual, and accounting software to ensure that the organization has required procedures in place;
 - 5.2.4. Examine that the relevant accounting staff are hired with adequate qualifications; including segregation of duties
 - 5.2.5. Examine whether the organization has complied with the generally accepted rules of accounting and bookkeeping and have made no defaults in meeting the statutory compliance;
 - 5.2.6. Examine whether accounts and records maintained by the organization for the implementation of the Projects are accurate and regular, the accounts and expenditure relating to the Projects' activities are easily traceable, identifiable and verifiable; and the costs reported are reconcilable with the accounting system and records of the organization.
 - 5.2.7. Verify whether it is plausible that the expenditure for a selected item was necessary for the implementation of the Project activities and that it had to be incurred for the contracted activities in any of the ongoing projects, by examining the nature of the expenditure with supporting documents;
 - 5.2.8. To verify that the monetary value of a selected expenditure item agrees with underlying documents; and
 - 5.2.9. International procurement procedures are applied.

Note: The above test of controls is expected to be performed on sample basis as per the sampling methodology agreed *ex-ante* (in writing) with GDN. Please note that the period covered for the sample selection shall be the last six months (at least), except for audit reports, annual reports and, the donor reports (if any).

6. Reports/ Deliverables:

The audit firm will provide GDN the following written report(s):

- Internal Audit/Internal Control Review Report
(Note: This report must include NGO's management responses to the auditor's findings and recommendations.)

7. Timeframe

The audit firm is expected to complete its review and submit the report (as listed in point 6 above) according to a timeline to be defined with GDN.

The formal engagement is estimated to take place during the last half of May and the first half of June 2023.

8. Reporting:

The audit firm will report directly to Mr. **João Costa**, Senior Program Manager at GDN.

9. Location:

The audit firm shall be based in the same country as the NGO or detail how the site visits will be conducted.

10. Budget:

The budget available to finance this audit/review exercise is up to **USD 4,000 per NGO** (including any out-of-pocket expenses, which shall be supported by receipts as evidence). The amount quoted in the application must portray the value for money.

Take note that there are 2 NGOs in India, 2 in Kenya and 1 in Thailand.

11. Application Procedure:

Please apply by e-mail to awards@gdn.int (simultaneously copying it to jcosta@gdn.int) with the following application materials and include "GDAC 2021 JSDF Internal Audit/Control Review Application" in the subject line:

- 11.1. A cover letter of no more than 500 words on the reasoning to apply clearly stating the cost respecting the budget stated in point 10.
- 11.2. Indication of which country/countries the applicant is applying to review the NGOs at and provide evidence of their capacity to undertake this assignment.
- 11.3. Curriculum vitae of the review team.
- 11.4. A template (either in MS Word or PDF format) following which an Internal Audit/Internal Control Review report will be submitted upon completion of the assignment.
- 11.5. If proposing to carry out more than one audit, in the same or in different countries, discuss any impact on the timeline, and describe the measures that will be put in place to implement the tasks within the given timeline.

Applications with complete requirements will be evaluated on a rolling basis during the time of the post. Last date for submission of application is **28 April 2023**. Incomplete submissions will not be considered.

12. Special remarks

GDN will be conducting audits from several organizations from several countries that are competing for the same award and therefore if more than one consultant is selected to audit, a common framework will be established. GDN will engage and plan for the different consultants to interact so that the same standards are observed across assignments.