**TERMS OF REFERENCE**

**FOR THE STATUTORY AUDIT SERVICE**

**1. About WOREC**

Women’s Rehabilitation Centre (WOREC) is a non-governmental organization working for the protection and promotion of human rights which was established on 1991. WOREC is one of the leading national organizations that works to prevent violence against women, its causes and consequences, and to ensure, social and cultural well being of women as well as other marginalized groups by promoting their access to rights and social justice.

**2. Objective of the audit**

The objective of the audit is to enable the auditor to express an independent opinion whether the Financial Statements present fairly, in all material respect, the financial position of the Women’s Rehabilitation Centre (WOREC) of the F.Y 2078/79 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

**3. Scope of the audit**

The audit will be carried out in accordance with the Nepal Standards on Auditing and will include such tests and verification procedures as the auditors consider necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

* Review the effectiveness and efficiency of the internal control system.
* Appraise the effectiveness and efficiency with which resources are employed and identifying opportunities to improve operating performance.
* Review the reliability and integrity of financial and operating information and the means used to identify measure, classify and report such information.
* Review the system established by management to ensure compliance with those policies, laws, regulations and controls that could have a significant impact on operations and determine whether the organization is in compliance with its financial and administrative and other relevant legislation that governs the organization.

**4.Responsibility for Preparation of Financial Statements**

The responsibility for the preparation of financial statements lies with the management of WOREC. The management of WOREC is also responsible for: (a) the designing, implementing and maintaining appropriate internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud and error; (b) the selection and application of appropriate accounting policies and making accounting estimate that are reasonable in the circumstances. The management of WOREC will prepare the financial statements in accordance with Nepal Financial Reporting Standards.

**5. Responsibility of Auditor**

The auditor is responsible for the formulation of an opinion on the financial statements based on their audit conducted in accordance with Nepal Standards on Auditing. These standards require auditor to plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall financial statement presentation and of the risks of material differences as a result of fraud.

**6.Management Letter**

In addition to the audit report, the auditors will prepare a “Management Letter” in which

they will:

* Provide comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit;
* Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement;
* Report on non-compliance with the provisions of applicable laws and regulations of the country;
* Bring to the management’s attention any other matters that the auditor considers pertinent.
* Report on the implementation status of recommendations pertaining to previous period audit;

**7. General Information**

* The auditor should be given access to all books of account, documents, legal documents, correspondence and any other information deemed necessary by them for discharge of their duties.
* All information obtained by the Auditor during the course of audit should be kept confidential and should not disclose to others without approval of the WOREC unless it is required by any laws of Nepal to disclose them.

**8.Documents to be submitted**

* The interested audit firm should submit Expression of Interest
* Technical and Financial proposals
* The Technical Proposal should contain at least profile of the firm, structure, staff strength, audit approach and methodology, composition of the proposed audit team and other matters as firm considers to be helpful in evaluation of the firm’s technical proposal.
* The “Financial Proposal” must reflect Audit Fee.
* The firm should have valid firm registration, renewal documents and practicing certificate.
* The firm should be registered with VAT
* The firm should have obtained tax clearance certificate of latest financial year end
* The firm should not be subject to any ongoing legal proceedings and not currently serving any actions against the firm from the regulatory, judicial and legal body. The firm should not be currently blacklisted under the applicable legislation.

**9.Application Process**

Interested audit firms that meet the above requirements are encouraged to apply in

on or before the 6 December 2021 by 5 .00pm by clearly marked “**Application for Statutory Audit Service**” via mail on “procurement@worecnepal.org or delivery on POX. 13233.