**CENTRE FOR YOUTH AND SOCIAL DEVELOPMENT (CYSD)**
E-1, Institutional Area, Gangadhar Meher Marg, P.O. RRL, Bhubaneswar – 751013, Odisha, India

# TERMS OF REFERENCE (ToR) cum REQUEST FOR QUOTATION (RFQ)

## Expenditure Verification (Audit) of an EU-funded Grant Contract

*Project: "Improving Social Security and Building Resilient Communities in the Kalahandi–Balangir–Koraput (KBK) Region of Odisha, India"*

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| **RFQ Reference No.** | CYSD/RFQ/AUDIT/2026/FC/01 |
| **Date of Issue / Publication** | 26 August 2026 |
| **Last Date for Submission of Quotations** | 01 September 2026, by 5:00 PM (IST) |
| **Expected Submission of Final Audit Report** | 24 September 2026 |

## Contents of this Document



## 1. About the Organisation

The Centre for Youth and Social Development (CYSD) is a voluntary development organisation based in Bhubaneswar, Odisha, working since its inception on issues of participatory rural and tribal development, livelihoods, food and social security, and community empowerment, with a particular focus on the Kalahandi–Balangir–Koraput (KBK) region. CYSD holds Special Consultative Status with the Economic and Social Council (ECOSOC) of the United Nations and implements programmes supported by national and international donors, including the European Union.

## 2. About the Project

CYSD is the coordinator of an action co-financed by the European Union under the following grant contract. Brief particulars are given below.

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| **Project Title** | Improving Social Security and Building Resilient Communities in the Kalahandi–Balangir–Koraput (KBK) Region of Odisha, India |
| **Contracting Authority** | European Union, represented by the European Commission (Delegation of the European Union) |
| **EU Contribution (maximum)** | EUR 500,000.00 (up to 90% of total eligible cost) |
| **Implementation Period** | 1 January 2022 to 30 June 2026 (as extended) |
| **Project Location** | KBK region (Kalahandi, Balangir, Koraput districts), Odisha, India |

## 3. Background and Rationale for the Assignment

Under the General Conditions of the EU grant contract (Article 15.7), an expenditure verification report is mandatory for the final report of any grant exceeding EUR 100,000. As the EU contribution to this action exceeds that threshold, CYSD is required to submit, together with its final financial report and request for payment of the balance, an expenditure verification report produced by an external auditor.

In consultation with the Delegation of the European Union, CYSD is engaging the auditor through its own organisational procurement process. Accordingly, CYSD invites quotations from eligible and independent firms of Chartered Accountants to carry out the expenditure verification of the action in accordance with the format and methodology prescribed by the European Union.

## 4. Objective of the Assignment

The objective is to carry out an independent expenditure verification of the final financial report of the action and to issue a Report of Factual Findings in the standard European Union format, so that CYSD can finalise and submit its closure documentation to the Contracting Authority within the contractual deadline.

## 5. Scope of Work

The auditor shall verify the expenditure declared by CYSD in the final financial report covering the entire implementation period of the action (1 January 2022 – 30 June 2026). The assignment shall, in particular, include:

- Verification that the expenditure declared actually occurred, is accurately recorded, and is eligible under the terms and conditions of the grant contract and its annexes.
- Verification of the reality, accuracy and eligibility of costs against underlying supporting documents (invoices, vouchers, contracts, payment proofs, bank statements, timesheets/payroll, etc.).
- Verification of compliance with the contract's procurement (nationality/origin and award) rules for contracts awarded during implementation, and with applicable record-keeping and accounting requirements.
- Verification of exchange-rate application, revenue/interest (if any) and of the reconciliation of the financial report with CYSD's accounting records.
- Verification of transfer of ownership of assets/equipment (where applicable) and of visibility/communication expenditure.

The exact procedures to be performed are those set out in the European Union's standard Terms of Reference for an Expenditure Verification of a Grant Contract, reproduced in full shall be shared after the award of assignment.

## 6. Applicable Standards and Report Format

The verification shall be carried out in accordance with the European Union's standard **"Terms of Reference for an Expenditure Verification of a Grant Contract – External Action of the European Union" (Annex VII to the grant contract)**, and in compliance with the International Standard on Related Services (ISRS) 4400, "Engagements to Perform Agreed-upon Procedures Regarding Financial Information", and the IESBA Code of Ethics.

The auditor shall submit its output as a Report of Factual Findings in the prescribed EU model, comprising at least the following components:

- Report of Factual Findings (main report), signed and dated by the auditor;
- Annex 1 – Engagement context / information about the grant contract and the report (contract & report summary sheet);
- Annex 3.1 – Financial report(s) provided by the auditee (CYSD);
- Annex 3.2 – Procedures performed;
- Annex 3.3 – Table of transactions (provided as an Excel file);
- Annex 3.4 – Table of errors/exceptions, if any (provided as an Excel file).

**Note:** The complete EU Annex VII Terms of Reference and model Expenditure Verification Report shall be provided upon the award of the assignment.

## 7. Deliverables

- A draft Report of Factual Findings for review by CYSD, in the EU Annex VII format as per the grant contract.
- The final, signed Report of Factual Findings in the EU Annex VII format, together with all annexes listed in Section 6, in English.
- Submission of [two (2)] signed hard copies and one soft copy (PDF plus the Excel annexes) to CYSD.

## 8. Assignment Timeline

The following indicative schedule applies. The assignment is time-critical: the entire verification must be completed within fifteen (15) calendar days of signing the engagement, and the final report must reach CYSD no later than 24 September 2026.

| Activity / Milestone | Date |
|---|---|
| Publication of ToR / issue of RFQ (call for quotations) | 25 August 2026 |
| Last date & time for submission of quotations | 1 September 2026, 5:00 PM IST |
| Evaluation of quotations & selection of auditor | 2 September 2026 |
| Signing of engagement letter / agreement | 3 September 2026 |
| Audit & verification (within 15 calendar days of signing) | 4 – 18 September 2026 |
| Submission of draft report to CYSD | by 22 September 2026 |
| **Submission of final Expenditure Verification Report** | **24 September 2026** |

## 9. Eligibility and Qualification Criteria

Interested firms must meet the following minimum criteria and provide documentary evidence:

- A registered firm of Chartered Accountants holding a valid Firm Registration Number (FRN) issued by the Institute of Chartered Accountants of India (ICAI).
- In continuous practice for at least [five (5)] years, with a valid ICAI peer-review certificate (where applicable).
- Demonstrated experience in expenditure verification / audit of projects funded by the European Union or other bilateral/multilateral donors — at least [two (2)] comparable assignments in the last [three (3)] years, with client references.
- Experience of auditing NGOs/not-for-profits, including FCRA-funded projects.
- Valid PAN and GST registration.
- Independence from CYSD — the firm must not be CYSD's current statutory/internal auditor and must have no conflict of interest with CYSD or the action.
- Confirmed availability to complete the assignment strictly within the timeline in Section 8.

## 10. Independence, Ethics and Confidentiality

The auditor must be independent of CYSD and comply with the ethical requirements of the IESBA Code. The auditor shall treat all information obtained during the assignment as confidential and shall not disclose it to any third party without the prior written consent of CYSD, except as required for reporting to the Contracting Authority.

## 11. Information and Support to be Provided by CYSD

CYSD will provide the selected auditor with the grant contract and its annexes; the final financial report and detailed breakdown of expenditure; accounting records, ledgers and supporting documents; the EU Annex VII Terms of Reference; and reasonable access to relevant staff and premises to complete the verification.

## 12. Contents of the Quotation

**Interested firms shall submit their quotation in two parts:**

**A. Technical Proposal —** firm profile and FRN; ICAI peer-review certificate; CVs of the proposed audit team; details of relevant EU/donor-funded audit experience with references; a brief statement of approach and methodology; and a signed confirmation of the firm's ability to deliver in the EU Annex VII format and within the stated timeline, together with a declaration of independence.

**B. Financial Proposal —** an all-inclusive professional fee quoted as a lump sum in INR, showing the professional fee and applicable taxes (GST) separately, and inclusive of all travel, boarding, lodging and out-of-pocket expenses. The quotation shall remain valid for at least 30 days from the last date of submission.

> *Bidders must use the format at Annexure I for both the Technical and the Financial Proposal.*

## 13. Evaluation and Selection

Quotations will first be screened for eligibility and technical responsiveness (Section 9). Among technically responsive firms, CYSD intends to apply the following method:

- Least-Cost Selection — the assignment will be awarded to the technically qualified firm offering the lowest evaluated fee; OR
- Quality-and-Cost-Based Selection (QCBS) in the ratio [70:30] (technical:financial), at CYSD's discretion.

*CYSD will confirm the method actually applied in the RFQ as published. CYSD reserves the right to accept or reject any or all quotations without assigning any reason.*

## 14. Submission of Quotations

E-mail submissions, as specified below must reach CYSD on or before 1 September 2026, 5:00 PM (IST), with the subject line: "Quotation – Expenditure Verification, CYSD/RFQ/AUDIT/2026/FC/01".

| | |
|---|---|
| E-mail and contact number of responsible point persons from CYSD | procurement@cysd.org<br>+91-7008092818 – Mr. Srikant Rath<br>+91-6371622304 – Mr. Purna Mohapatra |

## 15. Terms of Payment

Payment will be made in Indian Rupees against invoice, as follows (indicative — to be confirmed in the engagement letter): **[30%] on signing of the engagement, and the balance [70%] on CYSD's acceptance of the final Report of Factual Findings.** Applicable taxes will be paid as per law and TDS deducted at source as applicable.

## 16. General Terms and Conditions

- This RFQ does not constitute an offer or commitment on the part of CYSD.
- Late, incomplete or conditional quotations may be rejected.
- The selected firm shall sign an engagement letter/agreement with CYSD before commencing work.
- The report must be acceptable to the Delegation of the European Union; the auditor shall address reasonable clarifications from CYSD/EU at no additional cost.
- CYSD reserves the right to amend, extend or cancel this RFQ at any stage.

## 17. Contact for Queries

For any clarification regarding this RFQ, please contact Mr. Srikant Rath or Mr. Purna Mohapatra as mentioned above during office hours on or before [1 September 2026].

# ANNEXURE I

## FORMAT FOR TECHNICAL & FINANCIAL PROPOSAL

RFQ Ref: CYSD/RFQ/AUDIT/2026/FC/01

*To be completed, signed and stamped by the bidding firm and submitted against the above RFQ. Bidders may attach additional sheets where space is insufficient.*

## PART A — TECHNICAL PROPOSAL

### A.1. Particulars of the Bidding Firm

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|---|---|
| **Name of the firm** | |
| **ICAI Firm Registration No. (FRN)** | |
| **Registered / office address** | |
| **Year of establishment** | |
| **Contact person & designation** | |
| **Phone / Mobile** | |
| **E-mail** | |
| **PAN** | |
| **GST Registration No.** | |
| **ICAI Peer-Review Certificate No. & validity** | |

### A.2. Relevant Experience (EU / Donor-funded Audit or Expenditure Verification)

*List assignments of a similar nature. As per the RFQ, at least [two (2)] comparable assignments in the last [three (3)] years are required. Client reference contacts must be provided.*

| S.No | Client / Project | Donor | Nature of assignment | Value (INR/EUR) | Year | Reference contact |
|---|---|---|---|---|---|---|
| | | | | | | |
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### A.3. Proposed Audit Team

| Name | Position / role | Qualification & ICAI membership no. | Relevant exp. (yrs) | Role in this assignment |
|---|---|---|---|---|
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*(Attach CVs of the key team members, including the engagement partner and the signing Chartered Accountant.)*

## A.4. Approach and Methodology

Briefly describe how the firm will conduct the expenditure verification in accordance with the EU Terms of Reference at Annexure I and ISRS 4400, and how the timeline in Section 8 of the RFQ will be met. Attach a separate sheet if required.

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## A.5. Confirmations and Declarations by the Bidder

**We, the undersigned, confirm that:**

- We have read and understood the RFQ and the EU Terms of Reference at Annexure I, and we are able to deliver the Expenditure Verification Report / Report of Factual Findings in exactly that format.
- We will carry out the engagement in compliance with ISRS 4400 and the IESBA Code of Ethics, applying the materiality threshold of 2% of gross reported expenditure at a 95% confidence level as required by the said Terms of Reference.
- We can complete the assignment within fifteen (15) calendar days of signing the engagement and to submit the final report no later than 24 September 2026.
- We are independent of CYSD, are not CYSD's current statutory/internal auditor, and have no conflict of interest with CYSD or the action.
- We will not subcontract any part of this assignment without the prior written authorisation of CYSD.
- Our quotation shall remain valid for at least [30] days from the last date of submission.
- All information provided in this proposal is true and correct.

## A.6. Checklist of Documents Enclosed

| S.No | Document | Enclosed (Yes/No) |
|---|---|---|
| 1 | Firm registration proof / ICAI FRN certificate | |
| 2 | ICAI Peer-Review Certificate (where applicable) | |
| 3 | PAN and GST registration certificates | |
| 4 | CVs of the proposed audit team | |
| 5 | Details/references of relevant EU/donor-funded audit experience (A.2) | |
| 6 | Signed confirmations & declarations (A.5) | |
| 7 | Financial Proposal (Part B), separately signed | |

Signature of Authorised Signatory: ______________________________

Name & Designation: ____________________________ Firm's Seal:

Place: __________________ Date: __________________

## PART B — FINANCIAL PROPOSAL

*The professional fee must be quoted as a firm, all-inclusive lump sum in Indian Rupees (INR), inclusive of all travel, boarding, lodging and out-of-pocket expenses, with applicable GST shown separately.*

| S.No | Description | Amount (INR) |
|---|---|---|
| 1 | Professional fee for the expenditure verification of the action (all-inclusive of travel, boarding, lodging and out-of-pocket expenses) | |
| 2 | Add: GST @ [18] % | |
| | **Total quoted price (inclusive of taxes)** | |

Total quoted price in words: ________________________________________________________________

- The above fee is a firm, all-inclusive lump sum; no extra claims will be entertained.
- TDS will be deducted at source as applicable; taxes payable as per law.
- This financial quotation is valid for at least [30] days from the last date of submission.
- Indicative payment terms per the RFQ: [30%] on signing of the engagement and [70%] on CYSD's acceptance of the final Report of Factual Findings.

Signature of Authorised Signatory: _______________________________
Name & Designation: _____________________________ Firm's Seal:

Firm Registration No. (FRN): __________________ Place & Date: __________________