



Centre for Peace and  
Development Initiatives

## Terms of Reference (TOR) for the External Auditors

### Background:

Centre for Peace and Development Initiatives (CPDI) is an independent, non-partisan and a not-for-profit civil society organization working on issues of peace and development in Pakistan. It is registered Under Section 42 of the Companies Ordinance, 1984 (now substituted by the Companies Act 2017). It was established in September 2003 by a group of concerned citizens who realized that there was a need to approach the issues of peace and development in an integrated manner. CPDI is a first initiative of its kind in Pakistan. It seeks to inform and influence public policies and civil society initiatives through research-based advocacy and capacity building in order to promote citizenship, build peace and achieve inclusive and sustainable development. Areas of special sectoral focus include promoting peace and tolerance, police reforms, right to information, strong local governments, climate change and mitigation, transparency in governance, democratic values, rule of law and accountable governance in the country.

CPDI envisions a world that guarantees rule of law, protects human and civil rights, embraces diversity of views, supports vulnerable people and provides optimum conditions in which each individual can realize his or her full potential.

CPDI aspires to become a national and international leader in advocacy. We resolve to build on its reputation for informing and influencing public policies and initiatives through research based championship of rights based campaigns. We are determined to continue our engagement with the people and the Government of Pakistan, and to promote active citizenship in all its forms. CPDI specializes in five sectors of development: Promotion of Peace and Tolerance, Rule of Law, Transparency and Right to Information, Budget Watch, Legislative Watch and Democratic Development.

### Objective of the Audit:

- 1 The objective of the audit of CPDI's financial statements is to enable the auditors to express an independent professional opinion on the financial position of CPDI and to ensure that the funds utilized to CPDI's activities have been used for their intended purposes.
- 2 The books of accounts of CPDI provide the basis for preparation of the CPDI's Financial Statements. Proper books of accounts as required by law have been maintained by CPDI and also maintain adequate internal controls and supporting documentation for the transactions.

## Scope of the Audit

1. The audit will be carried out in accordance with the International Auditing Standards and will include tests and verification procedures as the auditors deem necessary.
2. Verify all funds have been used in accordance with the established rules and regulations of CPDI and only for the purposes for which the funds were provided.
3. Goods, works and services financed have been procured in accordance with the CPDI established rules and procedures.
4. Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented to.
5. The financial statements have been prepared by CPDI management in accordance with applicable accounting standards and give a true and fair view of the financial position of CPDI and of its receipts and expenditures for the period ended on that date.
6. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
7. Express an opinion as to the reasonableness of the financial statements in all material respects.
8. 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.
9. Conduct entry and exit meeting with the Executive Director of CPDI.
10. In addition to the audit report, the auditors will prepare a Management Letter on the following:
  - 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 Executive Director's attention any other matters that the auditors consider pertinent.

## Audit Duration:

The audit work shall be completed within two weeks from the date of commencement of the audit.

## Deliverables:

- 1 The Auditors on completion of the audit work will submit 3 (three) original copies of the Audit Report appended to the Financial Statements along with the reports to the attention of the Executive Director.
- 2 Management letter in accordance with the scope of work described here before.

**Qualification of the Audit Firm:**

The audit firms based in Pakistan having affiliation/membership with an internationally reputed audit firms will be eligible to apply.

**Audit Fees:**

The audit fees will be fixed through a competitive bidding process.

**How to Apply:**

Interested firms must submit company profile, audit approach, budget, and references in a sealed bid via courier to CPDI Address:

**Procurement Section CPDI House 13, Street 788, G.13/4 Islamabad.**

Deadline for submission of application is **10 May 2023**.