



## REQUEST FOR PROPOSAL (RFP)

Dear Sir / Madam:

UNDP kindly request you to submit your Proposal for **Consultancy Services for External Financial Audit of selected Upazila Parishads in the seven (7) Districts of Bangladesh.**

**Proposals shall be submitted on or before 4.30 p.m. (local time) on Wednesday, June 15, 2016**

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Proposals may be submitted on or before the deadline indicated by UNDP in the e-Tendering system. Bids must be submitted in the online e-Tendering system in the following link:

<https://etendering.partneragencies.org>; using your username and password. If you have not registered in the system before, you can register now by logging in using

**Username:** event.guest

**Password:** why2change

and follow the registration steps as specified in the system user guide.

Your Proposal must be expressed in the English, and valid for a minimum period of 60 days.

You are kindly requested to indicate whether your company intends to submit a Proposal by clicking on "Accept Invitation" in the system.

In the course of preparing and submitting your Proposal, it shall remain your responsibility to ensure that it submitted into the system by the deadline. The system will automatically block and not accept any bid after the deadline. Kindly ensure attaching the required supporting documents (with file name less than 60 characters) in pdf format which must be free from any virus or corrupted files. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation

The Financial Proposal and the Technical Proposal files MUST BE COMPLETELY SEPARATE and uploaded separately in the system and clearly named as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate. Each document shall include the Proposer's name and address. **The file with the "FINANCIAL PROPOSAL" must be encrypted with a password so that it cannot be opened nor viewed until the Proposal has been found to pass the technical evaluation stage. Once a Proposal has been found to be responsive by passing the technical evaluation stage, UNDP shall request via email the Proposer to submit the password to open the Financial Proposal.** The Proposer shall assume the responsibility for not encrypting the financial proposal.

**PLEASE DO NOT PUT THE PRICE OF YOUR PROPOSAL IN THE 'LINE ITEMS' IN THE SYSTEM. INSTEAD PUT 1 AND UPLOAD THE FINANCIAL PROPOSAL AS INSTRUCTED ABOVE.**

The Proposal that complies with all of the requirements meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link:

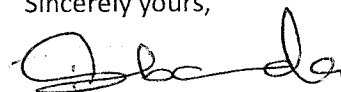
<http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/>

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link: [http://www.un.org/depts/ptd/pdf/conduct\\_english.pdf](http://www.un.org/depts/ptd/pdf/conduct_english.pdf)

Thank you and we look forward to receiving your Proposal.

Sincerely yours,



Thokozani Murape  
Procurement Specialist  
May 30, 2016

## Description of Requirements

Context of the Requirement	<p>The objectives of the financial audit are:</p> <p>(i) Examination of the Annual Financial Statements (AFS) of selected Upazila Parishads and review and give an opinion on whether their financial statements/position true and fair in compliance with the financial rules and regulations and PPR 2011 (amended) of Government of Bangladesh. Also give an opinion on financial performance of UZPs.</p> <p>(ii) Give (Express) an opinion on the adequacy of accounting and internal control practiced were adequate by the selected UZPs followed by IBAS (Integrated Budgeting and Accounting Standard established and other relevant rules applied by the Government of Bangladesh.</p> <p><b>Project Description:</b>  The Upazila Governance Project (UZGP) is an intervention of the Government of Bangladesh (GoB), implemented by the Local Government Division (LGD) of the Ministry of Local Government, Rural Development &amp; Cooperatives (MLGRD&amp;C). The Upazila Governance Project (UZGP) has been commissioned to strengthen the capacity of Upazilas and other stakeholders to foster service delivery and promote participatory local development with special emphasis on MDGs realization. The project aims at fostering good local governance at Upazila level by encouraging greater transparency and accountability. UZGP will endeavour to set up a fiscal support process, through performance based block grants for improving Upazila governance, to integrate all resources flowing to the Upazila level for facilitating bottom-up integrated planning with Union Parishads on the one hand , and discretionary utilization of resources for local development by people on the other.</p> <p>UZGP provides Upazila Parishads with access to more funds in the form of Performance Grants (PBG) which will allow eligible Upazila Parishads to access greater financial resources in the form of transfers from the central government. The grants have been introduced in a phased manner from FY 2012-2013 through Upazila Fiscal Facility (UFF) mechanism. In order to access the PBG from UFF, the Upazila Parishads had to comply with a number of minimum conditions and undergo an external performance assessment. This assessment is to cover selected Upazila Parishads which have entered the programme for FY 2014-2015 and 2015-16.</p>
Implementing Partner of UNDP	Upazila Parishads in the seven (7) Districts of Bangladesh.

<p>Brief Description of the Required Services<sup>1</sup></p>	<p>Financial audit:</p> <p>The audit of the financial statements of UZPs will be performed in accordance with the Bangladesh Standards of Auditing that are compatible with the International Standards of Auditing (ISA).</p> <p>(1) For 14 UZPs that received the UFF grants under the fiscal year of 2014-2015: The financial audit will be  focused on funds received and its utilization throughout the year under UFF as supported by UZGP;</p> <p>(2) For 14 UZPs that received the UFF grants under the fiscal year of 2015-2016: The financial audit will be  focused on funds received and its utilization throughout the year under UFF as supported by UZGP;</p> <p>The scope of financial audit will include:</p> <p>(i) Examination and verification of books of accounts such as ;Cash Book, Ledger, Bills &amp; voucher of incurred expenditure, Cheque Issuance Register, Advance Register, Asset Register, VAT Register, Cheque counter foils, deposit slips and other relevant register and files as maintained by the UZPs. Physical verification can be made in order to authenticate the expenditure especially in terms of goods and works procured (completed/ongoing) by the UZPs during the fiscal year under audit, so as to enable the auditor to express an opinion on the financial statements prepared by the concerned officials of UZPs. The financial statement comprises annual accounts including non-cash items.</p> <p>(ii) Verification the accounts of "Receipts and Expenditure" of the Upazila Parishads as received from UZGP. The modality of payment also to be checked with the bank statement as shown in the cash book.</p> <p>(iii) Report on any instance of fraud/misappropriation of funds that the auditor comes across during the period of audit conduction.</p> <p>(iv) Evaluation of accounting procedures, internal controls and capacity of staff in carrying out financial management tasks including identifying the weaknesses/shortfalls of such systems and suggesting remedial measures in terms of accountability and transparency.</p> <p>(v) Verification of compliances including required banking arrangements or process.</p> <p>(vi) Verification the inventory of assets created through expenditures on its budget as maintained by UZPs.</p> <p>(vii) The concerned authority of LGD will send a request letter to all Upazila Parishads for submitting The Annual Financial</p>
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<sup>1</sup> A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

	<p>Statement in prescribed format of Cash Receipts and Disbursement Statement and to be submitted to the concerned Auditor under this independent audit. In case of UZPs are not being able to prepare the Financial Statement and Notes, the auditor will assist in their preparation. As part of their audit, the auditors will suggest improvements/ rectifications in the draft Accounts and Notes, so that the audited accounts present fairly in all material respects, the cash receipts and disbursements of the UZPs in accordance with the Upazila Parishad Act and Local Government Rules/regulations. The audit firm will mention in its report its assessment of the capacity of the UZP in preparing its annual accounts.</p> <p><b>3. Tasks and approach:</b></p> <p>The selected firm will thoroughly study the assignment and internalize the essence and spirit of the audit; in consultation with the representatives of LGD, UNDP, UNCDF and the project team, the firm will prepare an elaborate work plan detailing the composition of field teams. LGD, UNDP, UNCDF will organise a briefing for the firms and their team members to present the Terms of Reference in detail and ensure a common interpretation of all contracted firms; actual field work in the Upazila Parishads; the auditor will obtain each client's response which is called "spot reply" in writing on audit observations (if any) in front of UNO/Chair/Vice Chair and other concerned officials of line departments those who were involved in the process of implementation of UFF at the end of audit conduction.</p> <p>Orientation of audit teams: The firm will organize a two days orientation for the audit team members. The orientation workshop will cover the background to the audit, objectives, rationale, reporting and obligations, timeframe, coordination and logistical arrangements. The result of orientation will enable the audit team members to conduct the financial audit in a standardized manner across the Upazila Parishads.</p> <p><b>4.</b> Each UZP will be visited by an audit team, and it is expected that the team will spend at least three working days at each UZP. The team will stay as many days as required for ensuring quality audit.</p> <p><b>5.</b> The team is expected to review the necessary primary and secondary documentation and hold discussions with the UZP functionaries. For some qualitative data and also for validation of some information, the team members would also need to talk to members of community, selected key informants and physically verify schemes.</p> <p><b>6.</b> The audit team will debrief and discuss the audit results with the UZP functionaries. The debriefing is intended to give a quick on-the-spot feedback to the UZP, but without giving formal results.</p>
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	<p><b>7. Geographical location of the Audit Units:</b> The audit will cover selected Upazilas in seven (7) districts as follows:</p> <p>Upazilas for 2014-2015 fiscal year</p> <table> <tr> <td>District</td><td>upazilas</td></tr> <tr> <td>Sirajganj</td><td>Kazipur, Ullapara</td></tr> <tr> <td>Barguna</td><td>Betagi, Sadar</td></tr> <tr> <td>Khulna</td><td>Dumuria, Digholia</td></tr> <tr> <td>Kishorganj</td><td>Sadar, Mithamoin</td></tr> <tr> <td>Sunamganj</td><td>Jagannathpur, Sadar</td></tr> <tr> <td>Brahmanbaria</td><td>Sadar, Bancharampur</td></tr> <tr> <td>Rangpur</td><td>Sadar, Pirganj</td></tr> </table> <p>Upazilas for 2015-2016 fiscal year</p> <table> <tr> <td>District</td><td>upazilas</td></tr> <tr> <td>Kishoregonj</td><td>Kuliarchar, Kotiadi</td></tr> <tr> <td>B,baria</td><td>Nabinagar, Ashuganj</td></tr> <tr> <td>Sunamgonj</td><td>Jagannathpur, Bishwambarpur</td></tr> <tr> <td>Sirajgonj</td><td>Ullapara, Belkuchi</td></tr> <tr> <td>Khulna</td><td>Batiaghata, Terakhada</td></tr> <tr> <td>Barguna</td><td>Bamna, Borguna Sadar</td></tr> <tr> <td>Rangpur</td><td>Badarganj, Rangpur Sadar</td></tr> </table>	District	upazilas	Sirajganj	Kazipur, Ullapara	Barguna	Betagi, Sadar	Khulna	Dumuria, Digholia	Kishorganj	Sadar, Mithamoin	Sunamganj	Jagannathpur, Sadar	Brahmanbaria	Sadar, Bancharampur	Rangpur	Sadar, Pirganj	District	upazilas	Kishoregonj	Kuliarchar, Kotiadi	B,baria	Nabinagar, Ashuganj	Sunamgonj	Jagannathpur, Bishwambarpur	Sirajgonj	Ullapara, Belkuchi	Khulna	Batiaghata, Terakhada	Barguna	Bamna, Borguna Sadar	Rangpur	Badarganj, Rangpur Sadar
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List and Description of Expected Outputs to be Delivered	<p><b>Inception Report:</b></p> <ul style="list-style-type: none"> <li>• Elaborating the methodology and approach plan</li> <li>• Providing a comprehensive work plan with specific dates per activity</li> <li>• Orientation and training of the audit teams (2 day training, include training program in the report)</li> </ul> <p><b>Field Data Collection</b></p> <ul style="list-style-type: none"> <li>• Data Collection</li> <li>• Field data monitoring and cross validation</li> <li>• Preparation of Database on financial information</li> </ul> <p><b>Draft Reports</b></p> <ul style="list-style-type: none"> <li>• Synthesis report</li> <li>• Individual audit report for each UZP</li> </ul> <p><b>Final Reports</b></p> <ul style="list-style-type: none"> <li>• Same as above (reviewed after LGD, UNDP, UNCDF comments)</li> </ul>																																
Person to Supervise the Work/Performance of the Service Provider	<i>As indicated in the ToR</i>																																
Frequency of Reporting	<i>As indicated in the ToR</i>																																

Progress Reporting Requirements	<i>As indicated in the ToR</i>
Location of work	<input type="checkbox"/> Exact Address/es <i>[pls. specify]</i> <input type="checkbox"/> At Contractor's Location
Expected duration of work	It is expected that the entire work will be done within <b>eight weeks</b> (45 working days) over a period of three months.
Target start date	1 August 2016
Latest completion date	31 October, 2016
Travels Expected	<i>As indicated in the ToR</i>
Special Security Requirements	<input type="checkbox"/> Security Clearance from UN prior to travelling <input type="checkbox"/> Completion of UN's Basic and Advanced Security Training <input type="checkbox"/> Comprehensive Travel Insurance <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Others <i>[pls. specify]</i>
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input type="checkbox"/> Others <i>[pls. specify]</i>
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Currency of Proposal	<input type="checkbox"/> United States Dollars <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency, BDT
Value Added Tax on Price Proposal <sup>2</sup>	<input checked="" type="checkbox"/> must be inclusive of VAT
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days  <p>In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.</p>
Partial Quotes	<input checked="" type="checkbox"/> Not permitted <input type="checkbox"/> Permitted
	<ul style="list-style-type: none"> <li>• <b>1st Payment:</b> 20% of total contract value will be paid after submission Inception Report.</li> </ul>

<sup>2</sup> VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

Payment Terms <sup>3</sup>	<ul style="list-style-type: none"> <li>• <b>2nd Payment:</b> 30% of total contract value will be paid after Completion of field data collection</li> <li>• <b>3rd Payment:</b> 30% of total contract value will be paid after submission of Draft Report</li> <li>• <b>4th Payment:</b> 20% of total Contract value will be paid after submission of final report.</li> </ul>
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Operations Manager of UZGP
Type of Contract to be Signed	<input type="checkbox"/> Purchase Order <input type="checkbox"/> Institutional Contract <input checked="" type="checkbox"/> Contract for Professional Services <input type="checkbox"/> Long-Term Agreement <sup>4</sup> <input type="checkbox"/> Other Type of Contract
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.
Criteria for the Assessment of Proposal	<p>Evaluation and comparison of proposals: Prior to the technical evaluation all proposals will be screened based on the minimum eligibility criteria mentioned below:</p> <p><b>Minimum Eligibility Criteria:</b></p> <ul style="list-style-type: none"> <li>• Company Profile – This should not exceed 15 pages, describing the nature of business, field of expertise, licenses, certifications, accreditations etc.</li> <li>• Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc.</li> <li>• Business Licenses – Registration Papers, Tax Payment</li> </ul>

<sup>3</sup> UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

<sup>4</sup> Minimum of one (1) year period and may be extended up to a maximum of three (3) years subject to satisfactory performance evaluation. This RFP may be used for LTAs if the annual purchases will not exceed \$100,000.00.



Certification, etc.

- Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List. (Annex 5)

Firm:

- The firm must have Minimum 10 years of working experience of external financial audit;
- The Firm must have minimum 5 years of working experience with bilateral/multilateral donor agencies in similar types of local government institutions audit activities;
- The Firm must have minimum 5 years of work experience in rural environment/knowledgeable in government rules and regulations as applicable to UZPs/past audit experience of Local Government Institutions.

Team Leader

- The team leader must have completed Chartered Accountant.

Team Member/Auditor (2)

- The team member must have completed CA Course (CACC), and presently working with the firm.

"All Proposers must submit necessary documentations to substantiate above Eligibility criteria. Failure to do so shall result in disqualification"

Technical Proposal (70%)

☒Background experience/ Expertise of Firm

☒Adequacy and comprehensiveness of the proposal (concept, approach, work plan)

☒Qualifications and competence of the key staff for the Assignment

BASIS OF TECHNICAL EVALUATION

Criteria	Weight	Max. Points
<u>Technical</u>	70	
<ul style="list-style-type: none"><li>Experience and qualifications of the Firm</li></ul>		10
Experience with development & UN Agencies/ International Organization		
Relevance of previous work/contract undertaken and references		

	<ul style="list-style-type: none"> <li><b>Overall experience and qualifications of the Lead Consultant/Coordinator assigned</b></li> </ul>		15
	Educational Background of the lead consultant/coordinator		
	Experience in designing and conducting the financial audit		
	<ul style="list-style-type: none"> <li><b>Overall experience and qualifications of the other Auditors assigned</b></li> </ul>		30
	Educational Background of the other Auditors		
	Experience in designing and conducting the financial audit		
	<ul style="list-style-type: none"> <li><b>Proposed methodology and work plan</b></li> </ul>		15
	Coverage of thematic areas relevant to the audit objectives		
	Range and relevance of audit tools and methodology proposed		
	<u>Financial</u>	30	
	<u>Total</u>	100	
<p><b>Financial Proposal (30%)</b></p> <p>In the Second Stage, the price proposal of all contractors, who have attained minimum 70% score in the technical evaluation, will be compared. The contract will be awarded to the bidder offering the 'best value for money'. The contract will be awarded to the Contractor based on the cumulative method. The formula for the rating of the Proposals will be as follows:</p> <p>Rating the Technical Proposal (TP):  TP Rating = (Total Score Obtained by the Offer / Max. Obtainable Score for TP) x 100</p> <p>Rating the Financial Proposal (FP):  FP Rating = (Lowest Priced Offer / Price of the Offer Being Reviewed) x 100</p> <p>Total Combined Score:  (TP Rating) x (Weight of TP, e.g. 70%) + (FP Rating) x (Weight of FP, e.g., 30%)  =Total Combined and Final Rating of the Proposal</p> <p>The proposal obtaining the overall highest score after adding the score of the technical proposal and the financial proposal is the proposal that offers best value for money</p>			
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider <input type="checkbox"/> One or more Service Providers, depending on the following factors :		

Annexes to this RFP <sup>5</sup>	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) <sup>6</sup> <input checked="" type="checkbox"/> Detailed TOR (Annex 4) <input checked="" type="checkbox"/> Others <sup>7</sup> Written Self-Declaration (Annex 5)
Contact Person for Inquiries (Written inquiries only) <sup>8</sup>	bd.procurement@undp.org <b><i>Please mention the following in the subject while sending any query to UNDP regarding this RFP on or before 06 June, 2016. "Queries on RFP-BD-2016-009"</i></b> Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.
Other Information	A pre-bid meeting will be held at IDB Bhaban, (12 <sup>th</sup> floor), procurement meeting room, for the clarification on the bidding document and ToR on <b><u>06 June, 2016 at 11.00 AM.</u></b>

<sup>5</sup> Where the information is available in the web, a URL for the information may simply be provided.

<sup>6</sup> Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

<sup>7</sup> A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

<sup>8</sup> This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL<sup>9</sup>

*(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery<sup>10</sup>)*

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[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date] , and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions :

**A. Qualifications of the Service Provider**

**Minimum Eligibility Criteria:**

- Company Profile – This should not exceed 15 pages, describing the nature of business, field of expertise, licenses, certifications, accreditations etc.
- Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc.
- Business Licenses – Registration Papers, Tax Payment Certification, etc.
- Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List. (Annex 5)

**Firm:**

- The firm must have Minimum 10 years of working experience of external financial audit;
- The Firm must have minimum 5 years of working experience with bilateral/multilateral donor agencies in similar types of local government institutions audit activities;
- The Firm must have minimum 5 years of work experience in rural environment/knowledgeable in government rules and regulations as applicable to UZPs/past audit experience of Local Government Institutions.

**Team Leader**

- The team leader must have completed Chartered Accountant.

**Team Member/Auditor (2)**

- The team member must have completed CA Course (CACC), and presently working with the firm.

**“All Proposers must submit necessary documentations to substantiate above Eligibility criteria. Failure to do so shall result in disqualification”**

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<sup>9</sup> This serves as a guide to the Service Provider in preparing the Proposal.

<sup>10</sup> Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

**B. Proposed Methodology for the Completion of Services**

*The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.*

**C. Qualifications of Key Personnel**

*If required by the RFP, the Service Provider must provide :*

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;*
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and*
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.*

**D. Cost Breakdown per Deliverable\* (This portion to be provided in separate sealed envelope)**

	<b>Deliverables</b> <i>[list them as referred to in the RFP]</i>	<b>Percentage of Total Price</b> <i>(Weight for payment)</i>	<b>Price</b> <i>(Lump Sum, All Inclusive)</i>
1	Deliverable 1		
2	Deliverable 2		
3	....		
	<b>Total</b>	100%	

*\*This shall be the basis of the payment tranches*

**E. Cost Breakdown by Cost Component [This is only an Example]:**

<b>Description of Activity</b>	<b>Remuneration per Unit of Time</b>	<b>Total Period of Engagement</b>	<b>No. of Personnel</b>	<b>Total Rate</b>
<b>I. Personnel Services</b>				
1. Services from Home Office				
a. Expertise 1				
b. Expertise 2				
2. Services from Field Offices				
a . Expertise 1				
b. Expertise 2				
3. Services from Overseas				
a. Expertise 1				
b. Expertise 2				
<b>II. Out of Pocket Expenses</b>				
1. Travel Costs				
2. Daily Allowance				
3. Communications				

4. Reproduction				
5. Equipment Lease				
6. Others				
<b>III. Other Related Costs</b>				

*[Name and Signature of the Service Provider's  
 Authorized Person]*  
*[Designation]*  
*[Date]*

*General Terms and Conditions for Services***1.0 LEGAL STATUS:**

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations Development Programme (UNDP). The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

**2.0 SOURCE OF INSTRUCTIONS:**

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect UNDP or the United Nations and shall fulfill its commitments with the fullest regard to the interests of UNDP.

**3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:**

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

**4.0 ASSIGNMENT:**

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

**5.0 SUB-CONTRACTING:**

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.

**6.0 OFFICIALS NOT TO BENEFIT:**

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

## **7.0 INDEMNIFICATION:**

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

## **8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:**

- 8.1** The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
- 8.2** The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- 8.3** The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- 8.4** Except for the workmen's compensation insurance, the insurance policies under this Article shall:
  - 8.4.1** Name UNDP as additional insured;
  - 8.4.2** Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the UNDP;
  - 8.4.3** Provide that the UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
- 8.5** The Contractor shall, upon request, provide the UNDP with satisfactory evidence of the insurance required under this Article.

## **9.0 ENCUMBRANCES/LIENS:**

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the UNDP against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.



## **10.0 TITLE TO EQUIPMENT:**

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

## **11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:**

**11.1** Except as is otherwise expressly provided in writing in the Contract, the UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the UNDP under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP.

**11.2** To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

**11.3** At the request of the UNDP; the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNDP in compliance with the requirements of the applicable law and of the Contract.

**11.4** Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of the UNDP, shall be made available for use or inspection by the UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

## **12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS:**

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or THE United Nations, or any abbreviation of the name of UNDP or United Nations in connection with its business or otherwise.

### **13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:**

Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party ("Discloser") to the other Party ("Recipient") during the course of performance of the Contract, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

**13.1** The recipient ("Recipient") of such information shall:

- 13.1.1** use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and,
- 13.1.2** use the Discloser's Information solely for the purpose for which it was disclosed.

**13.2** Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:

- 13.2.1** any other party with the Discloser's prior written consent; and,
- 13.2.2** the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, provided that, for these purposes a controlled legal entity means:
  - 13.2.2.1** a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,
  - 13.2.2.2** any entity over which the Party exercises effective managerial control; or,
  - 13.2.2.3** for the UNDP, an affiliated Fund such as UNCDF, UNIFEM and UNV.

**13.3** The Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

**13.4** The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

**13.5** The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or

at any time is developed by the Recipient completely independently of any disclosures hereunder.

- 13.6** These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

#### **14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS**

- 14.1** In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.
- 14.2** If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- 14.3** Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.
- 14.4** The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

#### **15.0 TERMINATION**

- 15.1** Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2** UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

- 15.3** In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4** Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

## **16.0 SETTLEMENT OF DISPUTES**

- 16.1 Amicable Settlement:** The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.
- 16.2 Arbitration:** Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

## **17.0 PRIVILEGES AND IMMUNITIES:**

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

## **18.0 TAX EXEMPTION**

- 18.1** Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.
- 18.2** Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the UNDP before the payment thereof and the UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

## **19.0 CHILD LABOUR**

- 19.1** The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.
- 19.2** Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

## **20.0 MINES:**

- 20.1** The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.
- 20.2** Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

## **21.0 OBSERVANCE OF THE LAW:**

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

## **22.0 SEXUAL EXPLOITATION:**

- 22.1** The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.
- 22.2** The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

## **23.0 AUTHORITY TO MODIFY:**

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possesses the authority to agree on behalf of UNDP to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the Contractor and jointly by the UNDP Authorized Official

**TERMS OF REFERENCE****FOR CONSULTANCY FIRM CONTRACT:**

Provision of Consultancy Services for External Financial Audit of selected Upazila Parishads in the seven (7) Districts of Bangladesh.

<b>A. Project Title:</b>
Upazila Governance Project (UZGP)
<b>B. Description of the Assignment:</b>
<p>The objectives of the financial audit are:</p> <p>(i) Examination of the Annual Financial Statements (AFS) of selected Upazila Parishads and review and give an opinion on whether their financial statements/position true and fair in compliance with the financial rules and regulations and PPR 2011 (amended) of Government of Bangladesh. Also give an opinion on financial performance of UZPs.</p> <p>(ii) Give (Express) an opinion on the adequacy of accounting and internal control practiced were adequate by the selected UZPs followed by IBAS (Integrated Budgeting and Accounting Standard established and other relevant rules applied by the Government of Bangladesh.</p>
<b>C. Project Description:</b>
<p>The Upazila Governance Project (UZGP) is an intervention of the Government of Bangladesh (GoB), implemented by the Local Government Division (LGD) of the Ministry of Local Government, Rural Development &amp; Cooperatives (MLGRD&amp;C). The Upazila Governance Project (UZGP) has been commissioned to strengthen the capacity of Upazilas and other stakeholders to foster service delivery and promote participatory local development with special emphasis on MDGs realization. The project aims at fostering good local governance at Upazila level by encouraging greater transparency and accountability. UZGP will endeavour to set up a fiscal support process, through performance based block grants for improving Upazila governance, to integrate all resources flowing to the Upazila level for facilitating bottom-up integrated planning with Union Parishads on the one hand , and discretionary utilization of resources for local development by people on the other.</p> <p>UZGP provides Upazila Parishads with access to more funds in the form of Performance Grants (PBG) which will allow eligible Upazila Parishads to access greater financial resources in the form of transfers from the central government. The grants have been introduced in a phased manner from FY 2012-2013 through Upazila Fiscal Facility (UFF) mechanism. In order to access the PBG from UFF, the Upazila Parishads had to comply with a number of minimum conditions and undergo an external performance assessment. This assessment is to cover selected Upazila Parishads which have entered the programme for FY 2014-2015 and 2015-16.</p>

## D. Scope of Work

### Financial audit:

The audit of the financial statements of UZPs will be performed in accordance with the Bangladesh Standards of Auditing that are compatible with the International Standards of Auditing (ISA).

(1) For 14 UZPs that received the UFF grants under the fiscal year of 2014-2015: The financial audit will be

focused on funds received and its utilization throughout the year under UFF as supported by UZGP;

(2) For 14 UZPs that received the UFF grants under the fiscal year of 2015-2016: The financial audit will be

focused on funds received and its utilization throughout the year under UFF as supported by UZGP;

The scope of financial audit will include:

(i) Examination and verification of books of accounts such as ;Cash Book, Ledger, Bills & voucher of incurred expenditure, Cheque Issuance Register, Advance Register, Asset Register, VAT Register, Cheque counter foils, deposit slips and other relevant register and files as maintained by the UZPs. Physical verification can be made in order to authenticate the expenditure especially in terms of goods and works procured (completed/ongoing) by the UZPs during the fiscal year under audit, so as to enable the auditor to express an opinion on the financial statements prepared by the concerned officials of UZPs. The financial statement comprises annual accounts including non-cash items.

(ii) Verification the accounts of "Receipts and Expenditure" of the Upazila Parishads as received from UZGP. The modality of payment also to be checked with the bank statement as shown in the cash book.

(iii) Report on any instance of fraud/misappropriation of funds that the auditor comes across during the period of audit conduction.

(iv) Evaluation of accounting procedures, internal controls and capacity of staff in carrying out financial management tasks including identifying the weaknesses/shortfalls of such systems and suggesting remedial measures in terms of accountability and transparency.

(v) Verification of compliances including required banking arrangements or process.

(vi) Verification the inventory of assets created through expenditures on its budget as maintained by UZPs.

(vii) The concerned authority of LGD will send a request letter to all Upazila Parishads for submitting The Annual Financial Statement in prescribed format of Cash Receipts and Disbursement Statement and to be submitted to the concerned Auditor under this independent audit. In case of UZPs are not being able to prepare the Financial Statement and Notes, the auditor will assist in their preparation. As part of their audit, the auditors will suggest improvements/ rectifications in the draft Accounts and Notes, so that the audited accounts present fairly in all material respects, the cash receipts and disbursements of the UZPs in accordance with the Upazila Parishad Act and Local Government Rules/regulations. The audit firm will mention in its report its assessment of the capacity of the UZP in preparing its annual accounts.

### 3. Tasks and approach:

The selected firm will thoroughly study the assignment and internalize the essence and spirit of the audit; in consultation with the representatives of LGD, UNDP, UNCDF and the project team, the firm will prepare an elaborate work plan detailing the composition of field teams. LGD, UNDP, UNCDF will organise a briefing for the firms and their team members to present the Terms of Reference in detail



and ensure a common interpretation of all contracted firms; actual field work in the Upazila Parishads; the auditor will obtain each client's response which is called "spot reply" in writing on audit observations (if any) in front of UNO/Chair/Vice Chair and other concerned officials of line departments those who were involved in the process of implementation of UFF at the end of audit conduction.

Orientation of audit teams: The firm will organize a two days orientation for the audit team members. The orientation workshop will cover the background to the audit, objectives, rationale, reporting and obligations, timeframe, coordination and logistical arrangements. The result of orientation will enable the audit team members to conduct the financial audit in a standardized manner across the Upazila Parishads.

4. Each UZP will be visited by an audit team, and it is expected that the team will spend at least three working days at each UZP. The team will stay as many days as required for ensuring quality audit.

5. The team is expected to review the necessary primary and secondary documentation and hold discussions with the UZP functionaries. For some qualitative data and also for validation of some information, the team members would also need to talk to members of community, selected key informants and physically verify schemes.

6. The audit team will debrief and discuss the audit results with the UZP functionaries. The debriefing is intended to give a quick on-the-spot feedback to the UZP, but without giving formal results.

7. Geographical location of the Audit Units: The audit will cover selected Upazilas in seven (7) districts as follows:

Upazilas for 2014-2015 fiscal year

District	upazilas
Sirajganj	Kazipur, Ullapara
Barguna	Betagi, Sadar
Khulna	Dumuria, Digholia
Kishorganj	Sadar, Mithamoin
Sunamganj	Jagannathpur, Sadar
Brahmanbaria	Sadar, Bancharampur
Rangpur	Sadar, Pirganj

Upazilas for 2015-2016 fiscal year

District	upazilas
Kishoregonj	Kuliarchar, Kotiadi
B,baria	Nabinagar, Ashuganj
Sunamgonj	Jagannathpur, Bishwambarpur
Sirajgonj	Ullapara, Belkuchi
Khulna	Batiaghata, Terakhada
Barguna	Bamna, Borguna Sadar
Rangpur	Badarganj, Rangpur Sadar

E. Expected Outputs	Timeline
As per RFP documents	

<b>F. Methodology and Approach Plan</b>
The firm should clearly provide a detailed outline of the methodology for collection of information, documents, audit procedures, and quality control processes to be followed to assess the collected information and documents.
<b>G. Institutional Arrangement</b>
<ul style="list-style-type: none"> <li>• The firm will assign a Coordinator. The Coordinator will be responsible for coordination of the assignment and compilation of the synthesis report. Moreover, the Coordinator will work to ensure the quality of the audit. The Coordinator will be a qualified Chartered Accountant.</li> <li>• Audit firm should also consider sending a Principal/Partner or at least a chartered accountant to visit at least one Upazila Parishad to get first-hand knowledge. Senior staff members (Partners, Audit Managers) will be involved in reviewing audit findings and in drafting audit reports.</li> <li>• The firm will provide LGD, UNCDF, UNDP with the list of field work plans in advance, in order for the LGD-UNCDF-UNDP project team to plan their quality control and monitoring visits during the course of the field work on a random basis.</li> <li>• Furthermore, the LGD, UNCDF, UNDP project team will randomly select sampled UZPs for cross and further validation of audit. Severe quality problems in the audit process may lead to re-audit on the cost of the responsible company. The firm will be responsible for all logistical, transport and subsistence costs for the assignment.</li> <li>• The assignment will be managed by the UZGP Project Manager, Operations Manager and UNCDF Programme Analyst.</li> </ul>
<b>H. Duration of the Work and Duty Station</b>
It is expected that the entire work will be done within eight weeks (45 working days) over a period of three months from August to October 2016.
<b>I. Final Products/Services</b>
<p>Financial Audit Report</p> <p>Reporting: The selected firm will submit individual audit report for each Upazila Parishad in a standard audit reporting format as per ISA. The Upazila specific assessment reports will be compiled into a Synthesis Report. The audit reports will be reviewed by the LGD-UNCDF-UNDP before finalizing the audit report.</p> <p>Financial audit reports should include an opinion on the annual financial statement of the UZP that is being audited or a disclaimer of opinion as the case may be. Such an opinion shall cover the objectives and scope as described above and, in addition, any other significant matter that the auditor finds appropriate to be included in the audit report.</p> <p>The auditors will draft a Management Letter addressed to the Chairman of the UZP being audited. The Management Letter should include comments, observations and recommendations on the weaknesses in the UZP's financial and administrative systems and</p>

internal controls as well as on any other matters to which the UZP's attention needs to be drawn to, including the written comments received from the UZP and discussion of audit observations with the UZP.

The financial audit report, audited accounts and letter to management must be prepared in Bangla.

Two copies of the draft financial audit reports will be sent to UZGP Project and LGD; after having been reviewed by LGD, three hard copies of the audit report will be prepared and one soft copy will be submitted to LGD and UNCDF. One 'Audit Report' along with the 'Management Letter' for the corresponding UZP has to be packed together first in a smaller packet, and accordingly all such smaller packets for each UZP have to be packed then in a bigger packet thus packing one set of the report together. Finally two such sets of packets have to be enclosed in a big master packet. The master packets, as well as each set, should include packing lists.

**Synthesize Report:** In addition to the individual audit reports submitted by the auditor for each of the UZPs audited, a synthesize report of all audits of UZPs undertaken under UZGP must be prepared and two copies be submitted, one each to the LGD and to the UZGP within the Contract award. The synthesize Report shall be prepared in English. The synthesize report will include a schedule of audits undertaken for the year and a list of significant audit findings that are common to the majority of the UZPs audited by the auditor during the year.

**J. Qualification of the successful contractor**

**As per RFP documents**

**K. Scope of Bid Price and Schedule of Payment**

**As per RFP Documents**

**L. Recommended Presentation of Proposal**

Interested firms must submit the following detailed proposal made up of documentation to demonstrate the qualifications of the prospective firm, to enable appraisal of competing bids. This should include technical and financial proposals, details of which are listed below.

**1. Technical Proposal**

- (i) Firm information – Name of Firm and details of registration, address and bank account; business registration certificate and corporate documents (Articles of Association or other founding authority); description of present activities and most recent annual report (including audited financial statements), if applicable;

- (ii) Relevant Experience – Description of experience in projects of a comparable nature, with specific description of technical specialization of the Firm in the field of social or legal research/study , and list of current and past assignments of the Firm;
- (iii) Process - The Technical Proposal needs to contain a detail description of the process the contractor intends to follow to complete the tasks including a detailed work plan and time schedule for completion/delivery of the final product (the updated and revised text of the BD codes) which, after selection of the contractor, will be agreed upon by the Project in consultation with the Advisory Panel of Experts in the early stages of the commencement.
- (iv) Human Resources - The Technical Proposal needs to contain a list and detailed information on the proposed Human Resources which will be utilized for the task including their respective qualifications and relevant experience/exposure and required expertise/skills to complete the tasks i.e. legal, linguistic, drafting and editing expertise, among others.
- (v) Tools and Methodologies - The Technical Proposal must detail tools and methodologies that will be used to ensure the accuracy of the update and revision by the contractor. In particular, in order to deliver the task to the highest standard, checks using processes including software-built processes should be applied by the selected contractor.

*2 references to be provided by the contractor where previous work has been undertaken.*

## **2. Financial Proposal** (including fee, travel cost, DSA, and other relevant expenses)

- (i) The Financial Proposal shall specify a total delivery amount (in USD or BDT) including consultancy fees and all associated costs, i.e. travel cost, subsistence per diems, printing costs, consultation workshop costs and overheard recharges.

In order to assist UNDP in the comparison of financial proposals, the financial proposals will include a breakdown of this amount disclosing the key assumption employed in costing the working. The costing must be broken down for the update and revision of specified legal texts on price per page of source text of the submitted or finished updated and revised text.

The cost of preparing a proposal and of negotiating a contract, including any related travel, is not reimbursable as a direct cost of the assignment.

## **M. Evaluation**

In response to the RFP, **the contractor will have to submit a Technical proposal as per the Terms of Reference of the scheme and a financial Proposal separately.** The tender selection committee will first evaluate the technical proposal of the institutions/firms. Any institutions/firms getting more than 70% of the maximum achievable points (i.e. 49 points) in the technical proposal will be considered for financial appraisal, and ultimately therefore, for contracting. The financial proposal will be evaluated based on lowest price.

The total scoring points for both the evaluations will be 1000; the technical evaluation will be based on 700 points and the rest 300 points are to be allotted to the bidder proposing lowest price.

A cumulative analysis weighted-scoring method will be applied to evaluate the firm. The award of the contract will be made to the tenderer whose offer has been evaluated and determined as:

- a) Responsive/compliant/acceptable with reference to this ToR, and;
- b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to this solicitation, with the ratio set at 70:30 respectively.

## BASIS FOR EVALUATION

Criteria	Weight	Max. Points
<u>Technical</u>		
• <b>Experience and qualifications of the Firm</b>		10
Experience with development & UN Agencies/ International Organization		
Relevance of previous work/contract undertaken and references		
• <b>Overall experience and qualifications of the Lead Consultant/Coordinator assigned</b>		15
Educational Background of the lead consultant/coordinator		
Experience in designing and conducting the financial audit		
• <b>Overall experience and qualifications of the other Auditors assigned</b>		30
Educational Background of the other Auditors		
Experience in designing and conducting the financial audit		
• <b>Proposed methodology and work plan</b>		15
Coverage of thematic areas relevant to the audit objectives		
Range and relevance of audit tools and methodology proposed		
<u>Financial</u>	30	
<u>Total</u>	100	

**Declaration**

Date:

**United Nations Development Programme**

UNDP Registry, IDB Bhaban, Agargaon  
Sher-E-Bangla Nagar, Dhaka, Bangladesh

Assignment: **Consultancy Services for External Financial Audit of selected Upazila Parishads in the seven (7) Districts of Bangladesh.**

**Reference:** RFP-BD-2016-009

Dear Sir,

I declare that ..... is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.

Yours Sincerely,