* United Nations Development Programme*

**REQUEST FOR PROPOSAL**

**Provision of Audit Services for National Implemented Projects**

RFP No.: UNDP/AFG/RFP/2019/0000004195

Project: UNDP Country Office

Country: Afghanistan

Issued on: 25 August 2019

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# Section 1. Letter of Invitation

**UNDP/AFG/RFP/2019/0000004195 - Provision of Audit Services for National Implemented Projects of UNDP Afghanistan.**

The United Nations Development Programme (UNDP) hereby invites you to submit a Proposal to this Request for Proposal (RFP) for the above-referenced subject.

This RFP includes the following documents and the General Terms and Conditions of Contract which is inserted in the Bid Data Sheet (BDS):

Section 1: This Letter of Invitation

Section 2: Instruction to Bidders

Section 3: Bid Data Sheet (BDS)

Section 4: Evaluation Criteria

Section 5: Terms of Reference

Section 6: Returnable Bidding Forms

* Form A: Technical Proposal Submission Form
* Form B: Bidder Information Form
* Form C: Joint Venture/Consortium/Association Information Form
* Form D: Qualification Form
* Form E: Format of Technical Proposal
* Form F: Financial Proposal Submission Form
* Form G: Financial Proposal Form

If you are interested in submitting a Proposal in response to this RFP, please prepare your offer comprising of all required documents should be submitted in accordance with Section 2, through the UNDP ATLAS E-Tendering system, which can be accessed at <https://etendering.partneragencies.org>.

**No hard copy or email submissions will be accepted by UNDP:**

The step by step instructions for registration of bidders and quotation/proposal submission through the UNDP ATLAS E-Tendering system is available in the instructions manual for the bidders, attached with this RFP. Should you require any training on the UNDP ATLAS E-Tendering system or face with any difficulties when registering your company or submitting your bid, please send an email to the E-Tendering Help Desk at [procurement.af@undp.org](mailto:procurement.af@undp.org) or call +93728999757 during office hours to request for help.

The proposers are advised to use Internet Explorer (Version 10 or above) browser to avoid any compatibility issues with the E-Tendering system.

Please refer to E-Tendering system for closing date of this RFP.

Kindly go through this invitation letter and other documents attached here to this RFP. Should you have any question or require any clarification, please feel free to send an email to the procurement officer at [procurement.af@undp.org](mailto:procurement.af@undp.org)

Please note that UNDP implements a policy of zero tolerance on proscribed practices, including fraud, corruption, collusion, unethical practices, and obstruction. UNDP is committed to preventing, identifying and addressing all acts of fraud and corrupt practices against UNDP as well as third parties involved in UNDP activities. (See <http://www.undp.org/about/transparencydocs/UNDP_Anti_Fraud_Policy_English_FINAL_june_2011.pdf>   and  <http://www.undp.org/content/undp/en/home/operations/procurement/procurement_protest/> for full description of the policies)

UNDP looks forward to receiving your Bid and thanks you in advance for your interest in UNDP procurement opportunities.

Approved by:

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| Title: Head of Procurement Unit  Date: August 25, 2019 |

# Section 2. Instruction to Bidders

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| GENERAL PROVISIONS | |
| Introduction | * 1. Bidders shall adhere to all the requirements of this RFP, including any amendments in writing by UNDP. This RFP is conducted in accordance with the UNDP Programme and Operations Policies and Procedures (POPP) on Contracts and Procurement which can be accessed at <https://popp.undp.org/SitePages/POPPBSUnit.aspx?TermID=254a9f96-b883-476a-8ef8-e81f93a2b38d>   2. Any Proposal submitted will be regarded as an offer by the Bidder and does not constitute or imply the acceptance of the Proposal by UNDP. UNDP is under no obligation to award a contract to any Bidder as a result of this RFP.   3. As part of the bid, it is desired that the Bidder registers at the United Nations Global Marketplace (UNGM) website ([www.ungm.org](http://www.ungm.org)). The Bidder may still submit a bid even if not registered with the UNGM. However, if the Bidder is selected for contract award, the Bidder must register on the UNGM prior to contract signature. |
| Fraud & Corruption,  Gifts and Hospitality | * 1. UNDP strictly enforces a policy of zero tolerance on proscribed practices, including fraud, corruption, collusion, unethical or unprofessional practices, and obstruction of UNDP vendors and requires all bidders/vendors observe the highest standard of ethics during the procurement process and contract implementation. UNDP’s Anti-Fraud Policy can be found at <http://www.undp.org/content/undp/en/home/operations/accountability/audit/office_of_audit_andinvestigation.html#anti>   2. Bidders/vendors shall not offer gifts or hospitality of any kind to UNDP staff members including recreational trips to sporting or cultural events, theme parks or offers of holidays, transportation, or invitations to extravagant lunches or dinners.   3. In pursuance of this policy, UNDP (a) Shall reject a proposal if it determines that the selected bidder has engaged in any corrupt or fraudulent practices in competing for the contract in question; (b) Shall declare a vendor ineligible, either indefinitely or for a stated period of time, to be awarded a contract if at any time it determines that the vendor has engaged in any corrupt or fraudulent practices in competing for, or in executing a UNDP contract.   4. All Bidders must adhere to the UN Supplier Code of Conduct, which may be found at <http://www.un.org/depts/ptd/pdf/conduct_english.pdf> |
| Eligibility | * 1. A vendor should not be suspended, debarred, or otherwise identified as ineligible by any UN Organization or the World Bank Group or any other international Organization. Vendors are therefore required to disclose to UNDP whether they are subject to any sanction or temporary suspension imposed by these organizations.   2. It is the Bidder’s responsibility to ensure that its employees, joint venture members, sub-contractors, service providers, suppliers and/or their employees meet the eligibility requirements as established by UNDP. |
| Conflict of Interests | * 1. Bidders must strictly avoid conflicts with other assignments or their own interests, and act without consideration for future work. Bidders found to have a conflict of interest shall be disqualified. Without limitation on the generality of the above, Bidders, and any of their affiliates, shall be considered to have a conflict of interest with one or more parties in this solicitation process, if they:   2. Are or have been associated in the past, with a firm or any of its affiliates which have been engaged by UNDP to provide services for the preparation of the design, specifications, Terms of Reference, cost analysis/estimation, and other documents to be used for the procurement of the goods and services in this selection process;   3. Were involved in the preparation and/or design of the programme/project related to the services requested under this RFP; or   4. Are found to be in conflict for any other reason, as may be established by, or at the discretion of UNDP.   5. In the event of any uncertainty in the interpretation of a potential conflict of interest, Bidders must disclose to UNDP, and seek UNDP’s confirmation on whether or not such a conflict exists.   6. Similarly, the Bidders must disclose in their proposal their knowledge of the following:   7. If the owners, part-owners, officers, directors, controlling shareholders, of the bidding entity or key personnel are family members of UNDP staff involved in the procurement functions and/or the Government of the country or any Implementing Partner receiving services under this RFP; and   8. All other circumstances that could potentially lead to actual or perceived conflict of interest, collusion or unfair competition practices.   Failure to disclose such an information may result in the rejection of the proposal or proposals affected by the non-disclosure.   * 1. The eligibility of Bidders that are wholly or partly owned by the Government shall be subject to UNDP’s further evaluation and review of various factors such as being registered, operated and managed as an independent business entity, the extent of Government ownership/share, receipt of subsidies, mandate and access to information in relation to this RFP, among others. Conditions that may lead to undue advantage against other Bidders may result in the eventual rejection of the Proposal. |
| PREPARATION OF PROPOSALS | |
| General Considerations | * 1. In preparing the Proposal, the Bidder is expected to examine the RFP in detail. Material deficiencies in providing the information requested in the RFP may result in rejection of the Proposal.   2. The Bidder will not be permitted to take advantage of any errors or omissions in the RFP. Should such errors or omissions be discovered, the Bidder must notify the UNDP |
| Cost of Preparation of Proposal | * 1. The Bidder shall bear any and all costs related to the preparation and/or submission of the Proposal, regardless of whether its Proposal was selected or not. UNDP shall not be responsible or liable for those costs, regardless of the conduct or outcome of the procurement process. |
| Language | * 1. The Proposal, as well as any and all related correspondence exchanged by the Bidder and UNDP, shall be written in the language (s) specified in the BDS. |
| Documents Comprising the Proposal | * 1. The Proposal shall comprise of the following documents:   2. Documents Establishing the Eligibility and Qualifications of the Bidder;   3. Technical Proposal;   4. Financial Proposal;   5. Proposal Security, if required by BDS;   6. Any attachments and/or appendices to the Proposal. |
| Documents Establishing the Eligibility and Qualifications of the Bidder | * 1. The Bidder shall furnish documentary evidence of its status as an eligible and qualified vendor, using the Forms provided under Section 6 and providing documents required in those forms. In order to award a contract to a Bidder, its qualifications must be documented to UNDP’s satisfaction. |
| Technical Proposal Format and Content | * 1. The Bidder is required to submit a Technical Proposal using the Standard Forms and templates provided in Section 6 of the RFP.   2. The Technical Proposal shall not include any price or financial information. A Technical Proposal containing material financial information may be declared non-responsive.   3. Samples of items, when required as per Section 5, shall be provided within the time specified and unless otherwise specified by UNDP, and at no expense to UNDP   4. When applicable and required as per Section 5, the Bidder shall describe the necessary training programme available for the maintenance and operation of the services and/or equipment offered as well as the cost to the UNDP. Unless otherwise specified, such training as well as training materials shall be provided in the language of the Bid as specified in the BDS. |
| Financial Proposals | * 1. The Financial Proposal shall be prepared using the Standard Form provided in Section 6 of the RFP. It shall list all major cost components associated with the services, and the detailed breakdown of such costs.   2. Any output and activities described in the Technical Proposal but not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, as well as in the final total price.   3. Prices and other financial information must not be disclosed in any other place except in the financial proposal. |
| Proposal Security | * 1. A Proposal Security, if required by BDS, shall be provided in the amount and form indicated in the BDS. The Proposal Security shall be valid up to thirty (30) days after the final date of validity of the Proposal.   2. The Proposal Security shall be included along with the Technical Proposal. If Proposal Security is required by the RFP but is not found along with the Technical Proposal, the Proposal shall be rejected.   3. If the Proposal Security amount or its validity period is found to be less than what is required by UNDP, UNDP shall reject the Proposal.   4. In the event an electronic submission is allowed in the BDS, Bidders shall include a copy of the Bid Security in their proposal and the original of the Proposal Security must be sent via courier or hand delivery as per the instructions in BDS.   5. The Proposal Security may be forfeited by UNDP, and the Proposal rejected, in the event of any one or combination, of the following conditions:      1. If the Bidder withdraws itsoffer during the period of the Proposal Validity specified in the BDS, or;      2. In the event that the successful Bidder fails:      3. to sign the Contract after UNDP has issued an award; or   6. to furnish the Performance Security, insurances, or other documents that UNDP may require as a condition precedent to the effectivity of the contract that may be awarded to the Bidder. |
| Currencies | * 1. All prices shall be quoted in the currency or currencies indicated in the BDS. Where Proposals are quoted in different currencies, for the purposes of comparison of all Proposals:  1. UNDP will convert the currency quoted in the Proposal into the UNDP preferred currency, in accordance with the prevailing UN operational rate of exchange on the last day of submission of Proposals; and 2. In the event that UNDP selects a proposal for award that is quoted in a currency different from the preferred currency in the BDS, UNDP shall reserve the right to award the contract in the currency of UNDP’s preference, using the conversion method specified above. |
| Joint Venture, Consortium or Association | * 1. If the Bidder is a group of legal entities that will form or have formed a Joint Venture (JV), Consortium or Association for the Proposal, they shall confirm in their Proposal that : (i) they have designated one party to act as a lead entity, duly vested with authority to legally bind the members of the JV, Consortium or Association jointly and severally, which shall be evidenced by a duly notarized Agreement among the legal entities, and submitted with the Proposal; and (ii) if they are awarded the contract, the contract shall be entered into, by and between UNDP and the designated lead entity, who shall be acting for and on behalf of all the member entities comprising the joint venture.   2. After the Deadline for Submission of Proposal, the lead entity identified to represent the JV, Consortium or Association shall not be altered without the prior written consent of UNDP.   3. The lead entity and the member entities of the JV, Consortium or Association shall abide by the provisions of Clause 9 herein in respect of submitting only one proposal.   4. The description of the organization of the JV, Consortium or Association must clearly define the expected role of each of the entity in the joint venture in delivering the requirements of the RFP, both in the Proposal and the JV, Consortium or Association Agreement.  All entities that comprise the JV, Consortium or Association shall be subject to the eligibility and qualification assessment by UNDP.   5. A JV, Consortium or Association in presenting its track record and experience should clearly differentiate between:  1. Those that were undertaken together by the JV, Consortium or Association; and 2. Those that were undertaken by the individual entities of the JV, Consortium or Association.    1. Previous contracts completed by individual experts working privately but who are permanently or were temporarily associated with any of the member firms cannot be claimed as the experience of the JV, Consortium or Association or those of its members, but should only be claimed by the individual experts themselves in their presentation of their individual credentials.    2. JV, Consortium or Associations are encouraged for high value, multi-sectoral requirements when the spectrum of expertise and resources required may not be available within one firm. |
| Only One Proposal | * 1. The Bidder (including the individual members of any Joint Venture) shall submit only one Proposal, either in its own name or as part of a Joint Venture.   2. Proposals submitted by two (2) or more Bidders shall all be rejected if they are found to have any of the following:   3. they have at least one controlling partner, director or shareholder in common; or   4. any one of them receive or have received any direct or indirect subsidy from the other/s; or   5. they have the same legal representative for purposes of this RFP; or   6. they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about, or influence on the Proposal of, another Bidder regarding this RFP process;   7. they are subcontractors to each other’s Proposal, or a subcontractor to one Proposal also submits another Proposal under its name as lead Bidder; or   8. some key personnel proposed to be in the team of one Bidder participates in more than one Proposal received for this RFP process. This condition relating to the personnel, does not apply to subcontractors being included in more than one Proposal. |
| Proposal Validity Period | * 1. Proposals shall remain valid for the period specified in the BDS, commencing on the Deadline for Submission of Proposals. A Proposal valid for a shorter period may be rejected by UNDP and rendered non-responsive.   2. During the Proposal validity period, the Bidder shall maintain its original Proposal without any change, including the availability of the Key Personnel, the proposed rates and the total price. |
| Extension of Proposal Validity Period | * 1. In exceptional circumstances, prior to the expiration of the proposal validity period, UNDP may request Bidders to extend the period of validity of their Proposals. The request and the responses shall be made in writing, and shall be considered integral to the Proposal.   2. If the Bidder agrees to extend the validity of its Proposal, it shall be done without any change in the original Proposal.   3. The Bidder has the right to refuse to extend the validity of its Proposal, and in which case, such Proposal will not be further evaluated. |
| Clarification of Proposal | * 1. Bidders may request clarifications on any of the RFP documents no later than the date indicated in the BDS. Any request for clarification must be sent in writing in the manner indicated in the BDS. If inquiries are sent other than specified channel, even if they are sent to a UNDP staff member, UNDP shall have no obligation to respond or confirm that the query was officially received.   2. UNDP will provide the responses to clarifications through the method specified in the BDS.   3. UNDP shall endeavor to provide responses to clarifications in an expeditious manner, but any delay in such response shall not cause an obligation on the part of UNDP to extend the submission date of the Proposals, unless UNDP deems that such an extension is justified and necessary. |
| Amendment of Proposals | * 1. At any time prior to the deadline of Proposal submission, UNDP may for any reason, such as in response to a clarification requested by a Bidder, modify the RFP in the form of an amendment to the RFP. Amendments will be made available to all prospective bidders.   2. If the amendment is substantial, UNDP may extend the Deadline for submission of proposal to give the Bidders reasonable time to incorporate the amendment into their Proposals. |
| Alternative Proposals | * 1. Unless otherwise specified in the BDS, alternative proposals shall not be considered. If submission of alternative proposal is allowed by BDS, a Bidder may submit an alternative proposal, but only if it also submits a proposal conforming to the RFP requirements. UNDP shall only consider the alternative proposal offered by the Bidder whose conforming proposal ranked the highest as per the specified evaluation method. Where the conditions for its acceptance are met, or justifications are clearly established, UNDP reserves the right to award a contract based on an alternative proposal.   2. If multiple/alternative proposals are being submitted, they must be clearly marked as “Main Proposal” and “Alternative Proposal” |
| Pre-Bid Conference | * 1. When appropriate, a Bidder’s conference will be conducted at the date, time and location specified in the BDS. All Bidders are encouraged to attend. Non-attendance, however, shall not result in disqualification of an interested Bidder. Minutes of the Bidder’s conference will be disseminated on the procurement website and shared by email or on the e-Tendering platform as specified in the BDS. No verbal statement made during the conference shall modify the terms and conditions of the RFP, unless specifically incorporated in the Minutes of the Bidder’s Conference or issued/posted as an amendment to RFP. |
| SUBMISSION AND OPENING OF PROPOSALS | |
| Submission | * 1. The Bidder shall submit a duly signed and complete Proposal comprising the documents and forms in accordance with the requirements in the BDS. The submission shall be in the manner specified in the BDS.   2. The Proposal shall be signed by the Bidder or person(s) duly authorized to commit the Bidder. The authorization shall be communicated through a document evidencing such authorization issued by the legal representative of the bidding entity, or a Power of Attorney, accompanying the Proposal.   3. Bidders must be aware that the mere act of submission of a Proposal, in and of itself, implies that the Bidder fully accepts the UNDP General Contract Terms and Conditions. |
| **Hard copy (manual) submission**  **Email Submission**  **eTendering submission** | * 1. Hard copy (manual) submission by courier or hand delivery allowed or specified in the BDS shall be governed as follows:   2. The signed Proposal shall be marked “Original”, and its copies marked “Copy” as appropriate. The number of copies is indicated in the BDS. All copies shall be made from the signed original only. If there are discrepancies between the original and the copies, the original shall prevail.   3. The Technical Proposal and the Financial Proposal envelopes MUST BE COMPLETELY SEPARATE and each of them must be submitted sealed individually and clearly marked on the outside as either “TECHNICAL PROPOSAL” or “FINANCIAL PROPOSAL”, as appropriate. Each envelope SHALL clearly indicate the name of the Bidder. The outer envelopes shall:   i. Bear the name and address of the bidder;  ii. Be addressed to UNDP as specified in the BDS   1. Bear a warning that states “*Not to be opened before the time and date for proposal opening*” as specified in the BDS.   If the envelopes and packages with the Proposal are not sealed and marked as required, UNDP shall assume no responsibility for the misplacement, loss, or premature opening of the Proposal.   * 1. Email submission, if allowed or specified in the BDS, shall be governed as follows:  1. Electronic files that form part of the proposal must be in accordance with the format and requirements indicated in BDS; 2. The Technical Proposal and the Financial Proposal files MUST BE COMPLETELY SEPARATE. The financial proposal shall be encrypted with different passwords and clearly labelled. The files must be sent to the dedicated email address specified in the BDS. 3. The password for opening the Financial Proposal should be provided only upon request of UNDP. UNDP will request password only from bidders whose Technical Proposal has been found to be technically responsive. Failure to provide correct password may result in the proposal being rejected.    1. Electronic submission through eTendering, if allowed or specified in the BDS, shall be governed as follows: 4. Electronic files that form part of the proposal must be in accordance with the format and requirements indicated in BDS; 5. The Technical Proposal and the Financial Proposal files MUST BE COMPLETELY SEPARATE and each of them must be uploaded individually and clearly labelled. 6. The Financial Proposal file must be encrypted with a password so that it cannot be opened nor viewed until the password is provided. The password for opening the Financial Proposal should be provided only upon request of UNDP. UNDP will request password only from bidders whose technical proposal has been found to be technically responsive. Failure to provide the correct password may result in the proposal being rejected. 7. Documents which are required to be in original form (e.g. Bid Security, etc.) must be sent via courier or hand delivery as per the instructions in BDS. 8. Detailed instructions on how to submit, modify or cancel a bid in the eTendering system are provided in the eTendering system Bidder User Guide and Instructional videos available on this link: <http://www.undp.org/content/undp/en/home/operations/procurement/business/procurement-notices/resources/> |
| Deadline for Submission of Proposals and Late Proposals | * 1. Complete Proposals must be received by UNDP in the manner, and no later than the date and time, specified in the BDS. UNDP shall only recognize the date and time that the bid was received by UNDP   2. UNDP shall not consider any Proposal that is submitted after the deadline for the submission of Proposals. |
| Withdrawal, Substitution, and Modification of Proposals | * 1. A Bidder may withdraw, substitute or modify its Proposal after it has been submitted at any time prior to the deadline for submission.   2. Manual and Email submissions: A bidder may withdraw, substitute or modify its Proposal by sending a written notice to UNDP, duly signed by an authorized representative, and shall include a copy of the authorization (or a Power of Attorney). The corresponding substitution or modification of the Proposal, if any, must accompany the respective written notice. All notices must be submitted in the same manner as specified for submission of proposals, by clearly marking them as “WITHDRAWAL” “SUBSTITUTION,” or “MODIFICATION”   3. eTendering: A Bidder may withdraw, substitute or modify its Proposal by Canceling, Editing, and re-submitting the proposal directly in the system. It is the responsibility of the Bidder to properly follow the system instructions, duly edit and submit a substitution or modification of the Proposal as needed. Detailed instructions on how to cancel or modify a Proposal directly in the system are provided in Bidder User Guide and Instructional videos.   4. Proposals requested to be withdrawn shall be returned unopened to the Bidders (only for manual submissions), except if the bid is withdrawn after the bid has been opened |
| Proposal Opening | * 1. There is no public bid opening for RFPs. UNDP shall open the Proposals in the presence of an ad-hoc committee formed by UNDP, consisting of at least two (2) members. In the case of e-Tendering submission, bidders will receive an automatic notification once their proposal is opened. |
| EVALUATION OF PROPOSALS | |
| Confidentiality | * 1. Information relating to the examination, evaluation, and comparison of Proposals, and the recommendation of contract award, shall not be disclosed to Bidders or any other persons not officially concerned with such process, even after publication of the contract award.   2. Any effort by a Bidder or anyone on behalf of the Bidder to influence UNDP in the examination, evaluation and comparison of the Proposals or contract award decisions may, at UNDP’s decision, result in the rejection of its Proposal and may be subject to the application of prevailing UNDP’s vendor sanctions procedures. |
| Evaluation of Proposals | * 1. The Bidder is not permitted to alter or modify its Proposal in any way after the proposal submission deadline except as permitted under Clause 24 of this RFP. UNDP will conduct the evaluation solely on the basis of the submitted Technical and Financial Proposals.   2. Evaluation of proposals is made of the following steps:   3. Preliminary Examination   4. Minimum Eligibility and Qualification (if pre-qualification is not done)   5. Evaluation of Technical Proposals   6. Evaluation of Financial Proposals |
| Preliminary Examination | * 1. UNDP shall examine the Proposals to determine whether they are complete with respect to minimum documentary requirements, whether the documents have been properly signed, and whether the Proposals are generally in order, among other indicators that may be used at this stage. UNDP reserves the right to reject any Proposal at this stage. |
| Evaluation of Eligibility and Qualification | * 1. Eligibility and Qualification of the Bidder will be evaluated against the Minimum Eligibility/Qualification requirements specified in the Section 4 (Evaluation Criteria).   2. In general terms, vendors that meet the following criteria may be considered qualified:   3. They are not included in the UN Security Council 1267/1989 Committee's list of terrorists and terrorist financiers, and in UNDP’s ineligible vendors’ list;   4. They have a good financial standing and have access to adequate financial resources to perform the contract and all existing commercial commitments,   5. They have the necessary similar experience, technical expertise, production capacity where applicable, quality certifications, quality assurance procedures and other resources applicable to the provision of the services required;   6. They are able to comply fully with UNDP General Terms and Conditions of Contract;   7. They do not have a consistent history of court/arbitral award decisions against the Bidder; and   8. They have a record of timely and satisfactory performance with their clients. |
| Evaluation of Technical and Financial Proposals | * 1. The evaluation team shall review and evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and other RFP documents, applying the evaluation criteria, sub-criteria, and point system specified in the Section 4 (Evaluation Criteria). A Proposal shall be rendered non-responsive at the technical evaluation stage if it fails to achieve the minimum technical score indicated in the BDS. When necessary and if stated in the BDS, UNDP may invite technically responsive bidders for a presentation related to their technical proposals. The conditions for the presentation shall be provided in the bid document where required.   2. In the second stage, only the Financial Proposals of those Bidders who achieve the minimum technical score will be opened for evaluation. The Financial Proposals corresponding to Technical Proposals that were rendered non-responsive shall remain unopened, and, in the case of manual submission, be returned to the Bidder unopened. For emailed Proposals and e-tendering submissions, UNDP will not request for the password of the Financial Proposals of bidders whose Technical Proposal were found not responsive.   3. The evaluation method that applies for this RFP shall be as indicated in the BDS, which may be either of two (2) possible methods, as follows: (a) the lowest priced method which selects the lowest evaluated financial proposal of the technically responsive Bidders; or (b) the combined scoring method which will be based on a combination of the technical and financial score.   4. When the BDS specifies a combined scoring method, the formula for the rating of the Proposals will be as follows:   Rating the Technical Proposal (TP):  **TP Rating** = (Total Score Obtained by the Offer / Max. Obtainable Score for TP) x 100  Rating the Financial Proposal (FP):  **FP Rating** = (Lowest Priced Offer / Price of the Offer Being Reviewed) x 100  Total Combined Score:  **Combined Score =** (TP Rating) x (Weight of TP, e.g. 70%) + (FP Rating) x (Weight of FP, e.g., 30%) |
| Due Diligence | * 1. UNDP reserves the right to undertake a due diligence exercise, also called post qualification, aimed at determining to its satisfaction, the validity of the information provided by the Bidder. Such exercise shall be fully documented and may include, but need not be limited to, all or any combination of the following:      1. Verification of accuracy, correctness and authenticity of information provided by the Bidder;      2. Validation of extent of compliance to the RFP requirements and evaluation criteria based on what has so far been found by the evaluation team;      3. Inquiry and reference checking with Government entities with jurisdiction on the Bidder, or with previous clients, or any other entity that may have done business with the Bidder;      4. Inquiry and reference checking with previous clients on the performance on on-going or contracts completed, including physical inspections of previous works, as necessary;      5. Physical inspection of the Bidder’s offices, branches or other places where business transpires, with or without notice to the Bidder;      6. Other means that UNDP may deem appropriate, at any stage within the selection process, prior to awarding the contract. |
| Clarification of Proposals | * 1. To assist in the examination, evaluation and comparison of Proposals, UNDP may, at its discretion, ask any Bidder for a clarification of its Proposal.   2. UNDP’s request for clarification and the response shall be in writing and no change in the prices or substance of the Proposal shall be sought, offered, or permitted, except to provide clarification, and confirm the correction of any arithmetic errors discovered by UNDP in the evaluation of the Proposals, in accordance with RFP.   3. Any unsolicited clarification submitted by a Bidder in respect to its Proposal, which is not a response to a request by UNDP, shall not be considered during the review and evaluation of the Proposals. |
| Responsiveness of Proposal | * 1. UNDP’s determination of a Proposal’s responsiveness will be based on the contents of the Proposal itself. A substantially responsive Proposal is one that conforms to all the terms, conditions, TOR and other requirements of the RFP without material deviation, reservation, or omission.   2. If a Proposal is not substantially responsive, it shall be rejected by UNDP and may not subsequently be made responsive by the Bidder by correction of the material deviation, reservation, or omission. |
| Nonconformities, Reparable Errors and Omissions | * 1. Provided that a Proposal is substantially responsive, UNDP may waive any non-conformities or omissions in the Proposal that, in the opinion of UNDP, do not constitute a material deviation.   2. UNDP may request the Bidder to submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the Proposal related to documentation requirements. Such omission shall not be related to any aspect of the price of the Proposal. Failure of the Bidder to comply with the request may result in the rejection of its Proposal.   3. For Financial Proposal that has been opened, UNDP shall check and correct arithmetical errors as follows:  1. if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of UNDP there is an obvious misplacement of the decimal point in the unit price; in which case the line item total as quoted shall govern and the unit price shall be corrected; 2. if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and 3. if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail.    1. If the Bidder does not accept the correction of errors made by UNDP, its Proposal shall be rejected. |
| AWARD OF CONTRACT | |
| Right to Accept, Reject, Any or All Proposals | * 1. UNDP reserves the right to accept or reject any Proposal, to render any or all of the Proposals as non-responsive, and to reject all Proposals at any time prior to award of contract, without incurring any liability, or obligation to inform the affected Bidder(s) of the grounds for UNDP’s action. UNDP shall not be obliged to award the contract to the lowest priced offer. |
| Award Criteria | * 1. Prior to expiration of the proposal validity, UNDP shall award the contract to the qualified Bidder based on the award criteria indicated in the BDS. |
| Debriefing | * 1. In the event that a Bidder is unsuccessful, the Bidder may request a debriefing from UNDP. The purpose of the debriefing is to discuss the strengths and weaknesses of the Bidder’s submission, in order to assist the Bidder in improving its future proposals for UNDP procurement opportunities. The content of other proposals and how they compare to the Bidder’s submission shall not be discussed. |
| Right to Vary Requirements at the Time of Award | * 1. At the time of award of Contract, UNDP reserves the right to vary 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. |
| Contract Signature | * 1. Within fifteen (15) days from the date of receipt of the Contract, the successful Bidder shall sign and date the Contract and return it to UNDP. Failure to do so may constitute sufficient grounds for the annulment of the award, and forfeiture of the Proposal Security, if any, and on which event, UNDP may award the Contract to the Second Ranked Bidder or call for new Proposals. |
| Contract Type and General Terms and Conditions | * 1. The types of Contract to be signed and the applicable UNDP Contract General Terms and Conditions, as specified in BDS, can be accessed at <http://www.undp.org/content/undp/en/home/procurement/business/how-we-buy.html> |
| Performance Security | * 1. 40.1 A performance security, if required in BDS, shall be provided in the amount specified in BDS and form available at   <https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PSU_Solicitation_Performance%20Guarantee%20Form.docx&action=default> within fifteen (15) days of the contract signature by both parties. Where a performance security is required, the receipt of the performance security by UNDP shall be a condition for rendering the contract effective. |
| Bank Guarantee for Advanced Payment | * 1. Except when the interests of UNDP so require, it is UNDP’s preference to make no advance payment(s) (i.e., payments without having received any outputs). If an advance payment is allowed as per BDS, and exceeds 20% of the total contract price, or USD 30,000, whichever is less, the Bidder shall submit a Bank Guarantee in the full amount of the advance payment in the form available at <https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PSU_Contract%20Management%20Payment%20and%20Taxes_Advanced%20Payment%20Guarantee%20Form.docx&action=default> |
| Liquidated Damages | * 1. If specified in BDS, UNDP shall apply Liquidated Damages resulting from the Contractor’s delays or breach of its obligations as per the Contract. |
| Payment Provisions | * 1. Payment will be made only upon UNDP's acceptance of the work performed. The terms of payment shall be within thirty (30) days, after receipt of invoice and certification of acceptance of work issued by the proper authority in UNDP with direct supervision of the Contractor. Payment will be effected by bank transfer in the currency of contract. |
| Vendor Protest | * 1. UNDP’s vendor protest procedure provides an opportunity for appeal to those persons or firms not awarded a contract through a competitive procurement process. In the event that a Bidder believes that it was not treated fairly, the following link provides further details regarding UNDP vendor protest procedures: <http://www.undp.org/content/undp/en/home/operations/procurement/business/protest-and-sanctions.html> |
| Other Provisions | * 1. In the event that the Bidder offers a lower price to the host Government (e.g. General Services Administration (GSA) of the federal government of the United States of America) for similar services, UNDP shall be entitled to same lower price. The UNDP General Terms and Conditions shall have precedence.   2. UNDP is entitled to receive the same pricing offered by the same Contractor in contracts with the United Nations and/or its Agencies. The UNDP General Terms and Conditions shall have precedence.   3. The United Nations has established restrictions on employment of (former) UN staff who have been involved in the procurement process as per bulletin ST/SGB/2006/15 <http://www.un.org/en/ga/search/view_doc.asp?symbol=ST/SGB/2006/15&referer> |

# Section 3. Bid Data Sheet

The following data for the services to be procured shall complement, supplement, or amend the provisions in the Request for Proposals. In the case of a conflict between the Instructions to Bidders, the Data Sheet, and other annexes or references attached to the Data Sheet, the provisions in the Data Sheet shall prevail**.**

|  |  |  |  |
| --- | --- | --- | --- |
| **BDS No.** | **Ref. to Section.2** | **Data** | **Specific Instructions / Requirements** |
| 1 | 7 | Language of the Proposal | English |
| 2 |  | Submitting Proposals for Parts or sub-parts of the TOR (partial bids) | Not Allowed |
| 3 | 20 | Alternative Proposals | Shall not be considered |
| 4 | 21 | Pre-proposal conference | Will be Conducted  Time: Kabul Local Time  Date: **September 4, 2019 10:30 AM**  Venue: UNDP Meeting Room, UNOCA Compound, Jalalabad Road, Kabul, Afghanistan  All interested proposers are encouraged to participate in the pre-proposal conference.  The UNDP focal point for the arrangement is:  Procurement Unit  Telephone: +93728999757  E-mail: procurement.af@undp.org  Bidders interested to attend the Pre-Proposal Conference Must Send the Following information to the above-mentioned E-mail address ***Before 12:00 PM on September 3, 2019*** including Participant’s Name, Nationality, National ID (Tazkira) or Passport Number, and Company Name.  The Subject of E-mail Should be:  **RFP Ref. No-UNDP/AFG/RFP/2019/0000004195** |
| 5 | 10 | Proposal Validity Period | 90 days |
| 6 | 14 | Bid Security | Not Required |
| 7 | 41 | Advanced Payment upon signing of contract | Not Allowed |
| 8 | 42 | Liquidated Damages | Will not be imposed |
| 9 | 40 | Performance Security | Not Required |
| 10 | 18 | Currency of Proposal | United States Dollar |
| 11 | 31 | Deadline for submitting requests for clarifications/ questions | **September 9, 2019 Before 2:00 pm Kabul Time** |
| 12 | 31 | Contact Details for submitting clarifications/questions | Focal Person in UNDP:  Address: United Nations Development Programme, UNDP Country Office, UNOCA Complex, Jalalabad Road, Kabul, Afghanistan  E-mail address dedicated for this purpose:  [procurement.af@undp.org](mailto:procurement.af@undp.org)  **Note** : The Subject Line of email should be: **UNDP/AFG/RFP/2019/0000004195** |
| 13 | 18, 19 and 21 | Manner of Disseminating Supplemental Information to the RFP and responses/clarifications to queries | Uploading in the E-tendering system. Once uploaded,  Prospective bidder (i.e. bidder that have accepted the bid  Invitation in the system) will be notified via email that changes have occurred. It is the responsibility of the bidder to view the respective changes and clarifications in the system |
| 14 | 23 | Deadline for Submission | Date and Time: As specified in the E-Tendering system (note that time zone indicated in the system is New York Time zone).    **PLEASE NOTE: -**  1.    Date and time visible on the main screen of event (on e-tendering portal) will be final and prevail over any other closing time indicated elsewhere, in case they are different. Please also note that the bid closing time shown in the PDF file generated by the system is not accurate due to a technical glitch that we will resolve soon. The correct bid closing time is as indicated in the e-tendering portal and system will not accept any bid after that time. It is the responsibility of the bidder to make sure bids are submitted within this deadline. UNDP will not accept any bid that is not submitted directly in the system.    2.    Try to submit your bid a day prior or well before the closing time.  Do not wait until last minute. If you face any issue submitting your bid at the last minute, UNDP may not be able to assist. |
| 14 | 22 | Allowable Manner of Submitting Proposals | e-Tendering |
| 15 | 22 | Proposal Submission Address | <https://etendering.partneragencies.org>  **Business Unit: AFG10 and Event ID 0000004195** |
| 16 | 22 | Electronic submission (email or eTendering) requirements | * Format: PDF files only * File names must be maximum 60 characters long and must not contain any letter or special character other than from Latin alphabet/keyboard. * All files must be free of viruses and not corrupted*.* * **Financial Proposal must be password protected and Password for financial proposal must not be provided to UNDP until requested by UNDP through** [**procurement.af@undp.org**](mailto:procurement.af@undp.org) **email account** * Max. File Size per transmission:No Limit * Mandatory subject of email:UNDP/AFG/RFP/2019/0000004195 |
| 17 | 27  36 | Evaluation Method for the Award of Contract | Combined Scoring Method, using the 70%-30% distribution for technical and financial proposals respectively    The minimum technical score required to pass is 70%. |
| 18 |  | Expected date for commencement of Contract | *November 3, 2019* |
| 19 |  | Maximum expected duration of contract | 1 year from signing date of contract and extendable for two additional years |
| 20 | 35 | UNDP will award the contract to: | One or more Proposers, depending on the following factors:  Based on the results of this solicitation exercise, UNDP intends to enter into non-exclusive Long-term Agreement(s) with the one or several successful Offeror(s) for the provision of indefinite quantity of the specified services in support of UNDP’s operations. In the event of UNDP signing a Long-term Agreement, the following shall apply:  (a)The agreement shall be signed in the currency of Offer;  (b) The agreement shall be valid until for 12 months with a possibility of extensions for an additional 2 (two) years, subject to satisfactory performance and continued requirement for task.  (d) UNDP does not warrant that any quantity of Goods and/or Services will be purchased during the term of this arrangement  (d) The Contractor(s) shall accord the same terms and conditions to any other organization within the United Nations System that wishes to avail of such terms  <http://www.undp.org/content/undp/en/home/procurement/business/how-we-buy.html> |
| 21 | 39 | Type of Contract | Contract for Services and services to be implemented upon issuance of Purchase Order |
| 22 | 39 | UNDP Contract Terms and Conditions that will apply | UNDP General Terms and Conditions for Professional Services  <https://www.undp.org/content/dam/undp/library/corporate/Procurement/english/3.%20UNDP%20GTCs%20for%20Contracts%20(Goods%20and-or%20Services)%20-%20Sept%202017.pdf> |
| 23 |  | Other Information Related to the RFP | UNDP wishes to enter into non‐binding Long Term Agreement(s) (LTA) as a result of this procurement process under the following conditions:  a. The Supplier/Contractor shall provide the types of services, goods and/or deliverables, quoted in this bidding process as and when negotiated by UNDP which shall be reflected in a non‐binding Long Term Agreement.  b. Such Services and/or goods shall be at prices listed the Price Schedule as applicable. The professional fees of the staff shall remain fixed for the duration of the LTA as agreed by the parties.  All requests shall be placed with the first recommended LTA holder. Only in case if the first recommended LTA holder fails to deliver, deny the request or found to be under performing, UNDP will proceed with the second recommended LTA holder.  c. UNDP does not warrant that any quantity of Goods and/or Services will be purchased during the term of this arrangement, which shall be for an initial duration of one (1) year extendable to a total duration of 03 (three) years. |

Section 4. **Evaluation Criteria**

**Preliminary Examination Criteria**

Proposals will be examined to determine whether they are complete and submitted in accordance with RFP requirements as per below criteria on a Yes/No basis:

* Certificate of valid Registration of the business, along with evidence of registration for the past consecutive five (05) years dating back minimum to the year of 2014.
* Minimum Two (02) contracts in the last five (05) years for provision of audits services with successful completion certificates
* Technical and Financial Proposals submitted separately with Financial Proposal being password protected pdf file.
* Proposal/Bid Validity for minimum 90 days from the bid submission deadline
* CVs of Key Personnel

**Minimum Eligibility and Qualification Criteria**

Eligibility and Qualification will be evaluated on Pass/Fail basis.

If the Proposal is submitted as a Joint Venture/Consortium/Association, each member should meet minimum criteria, unless otherwise specified in the criterion.

|  |  |  |
| --- | --- | --- |
| **Subject** | **Criteria** | **Document Submission requirement** |
| **ELIGIBILITY** |  |  |
| **Legal Status** | Vendor is a legally registered entity. | Form B: Bidder Information Form |
| **Eligibility** | Vendor is not suspended, nor debarred, nor otherwise identified as ineligible by any UN Organization or the World Bank Group or any other international Organization in accordance with RFP clause 3. | Form A: Technical Proposal Submission Form |
| **Conflict of Interest** | No conflicts of interest in accordance with RFP clause 4. | Form A: Technical Proposal Submission Form |
| **Bankruptcy** | Not declared bankruptcy, not involved in bankruptcy or receivership proceedings, and there is no judgment or pending legal action against the vendor that could impair its operations in the foreseeable future. | Form A: Technical Proposal Submission Form |
| **QUALIFICATION** |  |  |
| **History of Non-Performing Contracts[[1]](#footnote-1)** | Non-performance of a contract did not occur as a result of contractor default for the last 5 years. | Form D: Qualification Form |
| **Litigation History** | No consistent history of court/arbitral award decisions against the Bidder for the last 5 years. | Form D: Qualification Form |
| **Previous Experience** | Minimum 5 years of relevant experience with proven capacity. | Form D: Qualification Form |
| Adequate Professional experience of 5 years (at least 3 years) in providing audit services to international organizations, international development organizations, especially, UN agencies and UNDP projects & programme.  Corporate specialization and experience in Public Financial Management, accounting and/or auditing, and/or related field.  Knowledge of UNDP’s financial system and financial management standards by the company and the team members.  Having the experience for successful completion of at least Two (02) similar projects within the last five years with one contract value at-least US$ 200,000.  Average annual turnover of US$ 150,000 in the last Three (3) years (2016, 2017, 2018).  A limited amount of sub-contracting, in full disclosure, to augment the capacities of the team is permissible. Any such sub-contracting shall be approved in writing in advance.  *(For JV/Consortium/Association, all Parties cumulatively should meet requirement).* | Form D: Qualification Form |
| List of all previous contracts within the last 5 years period | Form D: Qualification Form |
| **Key Personnel CVs** | CVs of the following Key Personnel are required to be submitted within the technical proposal:   * Task Manager (Audit Manager) – 1 CV * Senior Expert (Audit Team Leader) – 1 CV * Junior Expert (Audit Assistant) - 1 CV | Form D: Qualification Form |

**Technical Evaluation Criteria**

|  |  |  |
| --- | --- | --- |
| **Summary of Technical Proposal Evaluation Forms** | | **Points Obtainable** |
| 1. | Bidder’s qualification, capacity and experience | 400 |
| 2. | Proposed Methodology, Approach and Implementation Plan | 300 |
| 3. | Qualifications and Experience of Key Personnel | 300 |
|  | **Total** | **1000** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Section 1. Bidder’s qualification, capacity and experience** | | | **Points obtainable** |
| 1.1 | Reputation of Organization and Staff Credibility / Reliability / Industry Standing | | **80** |
| 1.2 | General Organizational Capability which is likely to affect implementation: management structure, financial stability and project financing capacity, project management controls, extent to which any work would be subcontracted | | **100** |
| 1.3 | Relevance of: | | **140** |
| 1.3.1 | Specialized knowledge and experience on similar engagements done in the region/country | 70 |  |
| 1.3.2 | Adequate Professional experience of 5 years (at least 3 years) in providing audit services to international organizations, international development organizations, especially, UN agencies and UNDP projects & programme. Corporate specialization and experience in Public Financial Management, accounting and/or auditing, and/or related field. | 60 |
| 1.3.3 | Knowledge of UNDP’s financial system and financial management standards by the company and the team members. | 30 |
| 1.3.4 | A limited amount of sub-contracting, in full disclosure, to augment the capacities of the team is permissible. Any such sub-contracting shall be approved in writing in advance. | 20 |
| 1.4 | Quality assurance procedures and risk mitigation measures | | **50** |
| 1.5 | Organizational Commitment to Sustainability (mandatory weight) | | **30** |
| 1.5.1 | -Organization is compliant with ISO 14001 or ISO 14064 or equivalent | 20 |  |
| 1.5.2 | -Organization is a member of the UN Global Compact | 5 |
| 1.5.3 | -Organization demonstrates significant commitment to sustainability through some other means, for example internal company policy documents on women empowerment, renewable energies or membership of trade institutions promoting such issues | 5 |
| **Total Section 1** | | | **400** |

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| --- | --- | --- |
| **Section 2. Proposed Methodology, Approach and Implementation Plan** | | **Points obtainable** |
| 2.1 | Understanding of the requirement: Have the important aspects of the task been addressed in sufficient detail? Are the different components of the project adequately weighted relative to one another? | 60 |
| 2.2 | Description of the Offeror’s approach and methodology for meeting or exceeding the requirements of the Terms of Reference | 70 |
| 2.3 | Details on how the different service elements shall be organized, controlled and delivered | 40 |
| 2.4 | Description of available performance monitoring, evaluation mechanisms, reporting mechanism and tools; how they shall be adopted and used for a specific requirement | 45 |
| 2.5 | Assessment of the implementation plan proposed including whether the activities are properly sequenced and if these are logical and realistic | 40 |
| 2.6 | Demonstration of ability to plan, integrate and effectively implement sustainability measures in the execution of the contract | 25 |
| 2.7 | Extent to which any work would be distributed within the Joint Venture organs (Joint Venture carries additional risks which may affect project implementation, but properly done it offers a chance to access specialized skills.) | 20 |
| **Total Section** **2** | | **300** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Section 3. Management Structure and Key Personnel** | | | | | | **Points obtainable** |
| 3.1 | Management structure, staff time allocation, team composition and  qualification of other professional staff | | | |  | **90** |
| 3.2 | Qualifications of key personnel proposed | | | |  |  |
| 3.2 a | **Task Manager (Audit Manager) – 1 CV** | | | |  | **80** |
|  | General Qualification | | | | 15 |  |
| Suitability for the Project: | | | | 65 |
| International Experience | | 20 | |  |
| Professional Experience in the area of specialization | | 35 | |  |
| Knowledge of the region | | 10 | |  |
| 3.2 b | **Senior Expert (Audit Team Leader) – 1 CV** | | | |  | **70** |
|  | General Qualification | | | | 10 |  |
| Suitability for the Project: | | | | 60 |
| International Experience | 20 | | |  |
| Professional Experience in the area of specialization | 30 | | |  |
| Knowledge of the region | 10 | | |  |
| 3.2 c | **Junior Expert (Audit Assistant) - 1 CV** | | | |  | **60** |
|  | General Qualification | | | | 10 |  |
| Suitability for the Project: | | | | 50 |
| Overall Experience | | | 15 |  |
| Professional Experience in the area of specialization | | | 25 |  |
| Language Qualifications (Dari and/or Pashto) | | | 10 |  |
| **Total Section 3** | | | | | | **300** |

**Note**: The CV of three categories key professional staff (Task Managers, Senior Experts and Junior Experts) shall be evaluated in detail in accordance with technical proposal evaluation criteria 3.2. The CVs of Task Managers (minimum 1 CV required), Senior Experts (minimum two CVs required) and Junior Experts (minimum three CVs required) shall be evaluated as a group for respective category in accordance with technical proposal evaluation criteria 3.2. The CVs of other professional staff, submitted if any, shall be considered for combined evaluation of the team as part of technical proposal evaluation criteria 3.1 (Management structure, staff time allocation, team composition and qualification of other professional staff). It is not mandatory to identify and include the CVs of all such other professional staffs in the technical proposal which are proposed in the financial proposal. However, the proposer should include CVs of as many of these other key professionals to demonstrate the strength of the proposed team.

# Section 5. Terms of Reference

**Background**

Throughout this document the term "implementing partner" is used to refer to the institution designated to manage the project. Where the project is nationally implemented (NIM), this will refer to a government institution. Where the project is NGO executed, this will refer to an NGO. The term "government coordinating authority" refers to the government institution, which is the official UNDP counterpart.

This Terms of Reference (TOR) is intended to specify the audit services required, the number of the project to be audited, as well as areas to be covered in the audit report and management letter.

This TOR is directed to the audit of UNDP financial statements, which are referred to as Combined Delivery Reports (CDR). Auditors must certify, express an opinion, and quantify the Net Financial Impact (NFI) on each of the following:

* UNDP Statement of Expenses - the Combined Delivery Report (CDR) - for the period 1 January to 31 December of related Fiscal Year (FY).
* Statement of Cash Position reported by the project as at 31 December.
* Statement of Assets and Equipment as at 31 December (since inception of project).

Auditors must also verify the updated action plans for prior year audit recommendations.

Auditors must indicate the risks associated with their findings and provide a categorization by risk:   
High, Medium, or Low.

Auditors must provide the monetary value of the NFI of the qualification if the audit opinion on the CDR is Qualified, Adverse or Disclaimer.

A list of the UNDP Afghanistan’s current projects is given below.

|  |  |
| --- | --- |
| **No.** | **Project** |
| 1 | 00089137 – Law and Order Trust Fund for Afghanistan - Support to Payroll Management (LOTFA-SPM) |
| 2 | 00105476 - Support High Peace Council PRA Strategy (HPC PRA Strategy) |
| 3 | 00088841 - Afghanistan-Sustainable Energy for Rural Development (ASERD) |
| 4 | 00097935 - Livelihood Improvement in Tajik-Afghan Cross-border Areas (LITACA II) |
| 5 | 00076056 - Strengthening the resilience of rural livelihood options for Afghan communities in Panjshir, Balkh, Uruzgan and Herat Provinces to manage climate change-induced disaster risks (CCAP) |
| 6 | 00097936 - Community Based Agriculture and Rural Development - West (CBARD-West) |
| 7 | 00097936 - Community Based Agriculture and Rural Development - East (CBARD-East) |
| 8 | 00094515 - Support Afghanistan Livelihoods and Mobility (SALAM) |
| 9 | 00090448- Local Governance (LoGo) |
| 10 | 00076820 - Establishing integrated models for protected areas and their co-management in Afghanistan (EIMPA) |
| 11 | 000108232 - Anti-Corruption Project |
| 12 | 00091070 - Enhancing Gender Equality & Mainstreaming in Afghanistan |
| **Total** | |

*NOTE: The above table represents the list of current projects and subject to change. Moreover, it does not necessary mean that the listed projects to be included in the annual audit plan as to include a project in audit plan should meet certain criteria. The audit plan is prepared as per UNDP guidelines and risk assessment by UNDP Afghanistan once all project-related financial records/information for the financial year are posted on UNDP ERP System.*

*Revised ToR with more specific information about project to audit will be provided to each audit firm at start of contract.*

## Project Management

The information related to “project background” including project management, description of project, organization chart and list of key personal & contact persons responsible for accounting & financial management for each of above projects, will be provided as Appendix to ToR at start of contract.

## Consultations with concerned parties and institutional arrangement

1. The audit work of the service provider will be directly supervised by the Resident Representative delegated to the Chief Finance Officer (CFO) and Audit & Financial Risk Management Analyst (AFRMA) in Audit & Financial Risk Management Unit (AFRMU), UNDP Country Office. Therefore, any consultations or communication for matters requiring UNDP CO involvement can be through CFO and AFRMA.
2. AFRMU will conduct desk reviews of draft audit report and may perform quality control reviews of the audit documentation of a sample of final audit reports received from the independent auditors. In addition, UNDP CO reserves the right to review the working papers during the audit. The audit firm must ensure that all records related to audit of UNDP projects are available for UNDP CO’s review.
3. The service provider will provide a weekly report to UNDP Country Office and present the report results to the IP, project/programme and management team, as they become available.
4. The service provider is expected to liaise/interact/collaborate/meet with during performing the audit work with UNDP National Government Counterparts, UNDP CO and project staff.
5. Further, upon completion of the draft audit report and management letter, the auditor will be required to meet with the UNDP country office and the government entity coordinating authority to debrief them on its major findings from the audit and its recommendations for future improvements as well as to seek their feedback thereon.
6. While UNDP will provide access to the locations and a room in country office for the service provider needed to perform the audit, any support of personnel, service or logistics will not be provided.

## Description of Financial Reports (UNDP CDR) to be audited

The report to be audited is referred to as the Combined Delivery Report (CDR). This report is prepared by UNDP, using an in-house accounting software package called ATLAS. The CDR serves as the official financial statement that must be certified by the auditors. Project financial statements, if certified, **must** reconcile to the expenses appearing in the CDR and **must** be attached to the audit report. As described in more detail below, the CDR combines expenses from three disbursement sources for a calendar year. Refer to the section below on changes to the CDR since the adoption of the International Public-Sector Accounting Standards (IPSAS) by UNDP effective 1 January 2012. The three disbursement sources include:

*1. Implementing partner (either Government or NGO)*

UNDP procedures require that where funds are advanced to the executing agency, the agency must submit to the UNDP country office, on a quarterly basis, a financial report including: (1) the status of the advance; (2) a list of the disbursements made since the previous financial report; and (3) a request for a new advance. The UNDP country office enters the disbursements in ATLAS through the year as the financial reports are received. These implementing partner disbursements are recorded in the *Government* expenses column in the CDR.

*2. UNDP (country office, headquarters and other country offices)*

Disbursements made by UNDP from its own bank accounts are entered in ATLAS by the UNDP country office. These UNDP disbursements are recorded in the *UNDP* expense column in the CDR. These disbursements may be classified as either *direct payments* or *UNDP support services*. This distinction, while very important for audit purposes, is not apparent from the CDR and can only be provided by the UNDP country office as a supporting schedule. A brief description of each category is provided below.

a) Direct Payments - This is where the implementing partner is responsible for the expenses but requested UNDP to effect payment to the vendor/consultant on its behalf. The implementing partner is accountable for the disbursement and maintains all supporting documentation.

UNDP simply effects payments on the basis of properly authorized requests and gives the implementing partner a copy of the related disbursement voucher as evidence that payment was made.

b) UNDP Support Services - This is where the government and UNDP have agreed that UNDP will provide support services to the project and signed a Letter of Agreement. These support services must be described in the Letter of Agreement (LOA). UNDP is fully responsible and accountable for these expenses and, accordingly, maintains all supporting documentation for the disbursement. These expenses are outside the scope of audit and, therefore, will not be reviewed by the auditors. This scope limitation should not be used as a reason for issuing a qualified audit opinion on the CDR. Where there is no signed Letter of Agreement for UNDP Support Services or a Country Programme Action Plan (CPAP) with the respective clauses of the LOA for UNDP Support Services, the audit should also cover the UNDP expenses under CO support.

*3. UN agencies*

The UN agency reports its expenses to UNDP and to the government. The UNDP country office enters the expenses in ATLAS. These UN agency expenses are recorded in the UN agencies expense column in the CDR. Note: Any expenses under this column are outside the auditors’ scope of audit. UN entities are audited under their own audit arrangement, following the ‘Single Audit’ principle and are not covered by UNDP’s audit regime.

At the end of the year, after receiving the fourth quarter financial report from the implementing partner and the year-end expense report from the UN agency, UNDP prepares the CDR and submits it to the implementing partner for signature. UNDP will provide the auditor with the signed CDR together with the following supporting documentation.

1. The quarterly financial reports submitted by the implementing partner.

2. A list of the direct payments processed by UNDP at the request of the implementing partner.

3. A list of the disbursement made by UNDP as part of support services provided to the implementing partner.

4. The UN agency expenses statement for the year.

5. Relevant financial reports that show the expenses of Global Fund sub-recipients for the year which need to be reconciled to the CDR expenses.

6. Letter of Agreement for UNDP support services signed between UNDP and the Government (or CPAP with relevant clauses regarding UNDP support services).

7. Relevant financial reports that show expenses of UNDP CO support, if there is no Letter of Agreement.

**Note:** With the adoption of the International Public Sector Accounting Standards (IPSAS) by UNDP effective 1 January 2012, the CDR is now prepared in two sections; the first section containing the total expense information as explained above (by Implementing Partner, UNDP and UN Agencies) and the second section showing the following information:

* Outstanding NEX advances
* Un-depreciated Fixed Assets
* Inventory
* Prepayments
* Commitments

In addition to the verification of the total project expense reflected in the CDR, the auditors will now be responsible for validating certain areas of the information appearing in the Funds Control section of the CDR as shown above.

Outstanding NEX advances – If there is an amount appearing under this category, the auditors should reconcile it to the cash at hand at the project level. In principle, this amount should represent the balance of any advances transferred to the implementing partner minus the total expenses reported in the quarterly financial reports submitted by the implementing partner to UNDP.

Un-depreciated Fixed Assets – There could be cases where fixed assets that belong to or are used by the project are under UNDP’s control (i.e. in situations where UNDP is providing support services to the project and there is no signed Letter of Agreement, as an example). If there is an amount appearing on the CDR under this category, the auditors should investigate and determine that these assets are project related or not and, if project related, should perform the same audit procedures to validate the assets as those undertaken for the certification of the Statement of Assets and Equipment. Please refer to the Programme and Operations Policies and Procedures (POPP) section on “Administrative Services/Asset Management/Property Plan and Equipment/Furniture and Equipment Acquisition and Maintenance” for information regarding the custody/control/ownership of assets.

Inventory – Similar to the case of Un-Depreciated Fixed Assets, there may be situations where certain items of inventory that were acquired for the project are temporarily under UNDP’s control/custody. If there is an amount under this category, the auditors should determine the nature of the inventory and whether or not it is intended for the project. If it is determined that the inventory is project related, then the same audit procedures fort the certification of the Statement of Assets and Equipment should be applied. Please refer to the aforementioned section of the POPP on asset management as well as the section on “Financial Resources/Inventory Management” for additional guidance as necessary.

Prepayments – The auditors should validate any amount appearing under this category, i.e. determine what it represents and if it is in any way project related.

Commitments – Any amounts appearing under this category would be provided for informational purposes only and, therefore, the auditors would not be required to undertake any audit procedures related to the verification or validation of same.

## Audit Services Required

The scope of the audit services required should be sufficiently clear to properly define what is expected of the auditor but not in any way that restricts the audit procedures or techniques the auditor may wish to use to form an opinion. It should specify at least the following:

* A definition of the entity or the portion of an entity that is subject to audit. This will normally be the project office whether located within a government department or in a separate location.
* That the audit will be carried out in accordance with either ISA[[2]](#footnote-2) or INTOSAI[[3]](#footnote-3) auditing standards.
* That the audit period is 1 January to 31 December of FY.
* That the scope of the audit is limited to the implementing partner expenses, which are defined as including: (1) all disbursements listed in the quarterly financial reports submitted by the implementing partner; and (2) the direct payments processed by UNDP at the request of the implementing partner.
* That the auditor is required to verify the mathematical accuracy of the CDR by ensuring that the expenses described in the supporting documentation (the quarterly financial reports, the list of direct payments processed by UNDP at the request of the government) are reconciled to the expenses, by disbursing source, in the CDR.
* That the auditor is required to state in the audit report the amount of expenses excluded from the scope of the audit because they were made by UNDP as part of direct support services and the amount of total expenses excluded because they were made by a UN agency. This scope limitation is not a valid reason for the auditors to issue a qualified audit opinion on the CDR.
* That the auditor is required to state in the audit report if the audit was not in conformity with any of the above and indicate the alternative standards or procedures followed.
* That the auditor is required to express an opinion as to the overall financial situation of the project for the period 1 January to 31 December of FY and will certify:

1. The Statement of Expenses (**CDR**) for the period from 1 January to 31 December of FY;

2. The Statement of Cash Position (cash and bank balances of the project) reported by the project as at 31 December of FY; and

3. The Statement of Assets and Equipment held by the project as at 31 December of FY.

* That the auditor is required to, as applicable, report in monetary value, the net financial impact of any modified audit opinion (modified opinions can be qualified, adverse, or disclaimer) on the Statement of Expenses (CDR) where applicable. This should also include prior year non-resolved NFI.
* Duration for conducting and completing the audits is given below. The dates for commencement and submission of audit report will be communicated to audit firm in advance prior to ordering audit service and the same will be updated on revised ToR for specific Financial Year audit.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Category | Deadlines for Report Submission | | |
| Field Work | DRAFT Reports | FINAL Reports |
| 1 | A | One week | Within one week after field work completion | Within two weeks after Draft Report |
| 2 | B | Two weeks | Within one week after field work completion | Within two weeks after Draft Report |
| 3 | C | Three weeks | Within one week after field work completion | Within two weeks after Draft Report |
| 4 | D | Four weeks | Within one week after field work completion | Within two weeks after Draft Report |

***Note:*** *Audit opinions must be one of the following: (a) unmodified, (b) qualified, (c) adverse, or (d) disclaimer. If the audit opinion is other than “unmodified”, the audit report* ***must*** *describe both the nature and amount of the possible effects on the financial statements.*

*The report should also make a reference to the section of the management letter with regard to the related audit observation number and the action taken or planned to be taken to address and conclusively correct the issues underlying the qualification. A definition of audit opinions is provided in Annex 4.*

*Successful Audit firm will be required to provide to client an audit plan along with audit team composition for review and consent*

## The Audit Report and Management Letter

It is hereby clearly indicated that the expected contents of the audit report and management letter and the topics/areas to be covered by the auditors.

Audit Report – **VERY IMPORTANT**

The audit report should clearly indicate the auditor’s opinion (Refer to Annex 3 for a sample Audit Report). This would include at least the following:

* That it is a special purpose and confidential report
* The audit standards that were applied (ISAs, or national standards that comply with one of the ISAs in all material respects)
* The period covered by the audit opinion
* The amount of expenses audited
* The amount of the net financial impact of the modified audit opinion on the CDR, if modified
* The reason(s) resulting in the issuance of a modified audit opinion, qualified, adverse or disclaimer of opinion (the reason(s) must be also included in the management letter as an audit observation(s))
* The scope limitation (description and value) for those transactions that are the responsibility of UNDP (as part of direct CO support services to NIM) or a UN agency. Important to note: Such scope limitation should not be reason for a qualified audit opinion as such transactions would be, in general, excluded from the audit scope
* Whether the UNDP CDR - for the period from 1 January to 31 December of FY is adequately and fairly presented and whether the disbursements are made in accordance with the purpose for which funds have been allocated to the project.

1. A Financial Audit to express an opinion on the project’s financial statements that includes:

* Expression of an opinion on whether the statement of expenses presents fairly the expense incurred by the project over a specified period in accordance with UNDP accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of the Government or UNDP; and (iv) supported by properly approved vouchers and other supporting documents. The CDR is the mandatory and official statement of expenses to be certified. Other forms of statement of expenses that may be prepared by a project office are not accepted.
* Whether the result of the prior year’s audits resulting in modified audit opinions on the CDR had conclusive actions to properly address an audit qualification in the previous year audit and the related NFI. If there is a lack of conclusive actions, the auditors must take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.

|  |
| --- |
| **Note:** Consequently, a previous year modified opinion that has not been properly resolved may cause the auditors to issue a modified opinion in their current year audit report. If proper attention is not paid to this aspect, the risk could be a significant accumulation of unresolved modified opinions from previous years. |

* Expression of an opinion on the value and existence of the project’s statement of assets and equipment as at a given date. This statement must include all assets and equipment available as at 31 December of FY, and not only those purchased in a given period. Where a project does not have any assets or equipment, it will not be necessary to express such an opinion; however, this should be disclosed in the audit report.
* Express an opinion on the value and existence of the cash held by the project as at a given date, i.e. 31 December of FY. The Audit Firm is required to express and opinion on the Statement of Cash Position where a dedicated bank account for the project has been established and/or the project holds petty cash. Where the project does not hold any cash, this should be disclosed in the audit report.

The Financial Audit will be conducted in accordance with International Standards on Auditing (ISA).

1. An audit to assess and express an opinion on the project’s internal controls and systems.

The deliverable will be an audit report similar to a long form management letter that covers the internal control weaknesses identified and the audit recommendations to address them.

The management letter should be attached to the audit report and cover the following topics/issues:

* A general review of a project’s progress and timeliness in relation to progress milestones and the planned completion date, both of which should be stated in the project document or Annual Work Plan (AWP). This is not intended to address whether there has been compliance with specific covenants relating to specific performance criteria or outputs. However, general compliance with broad covenants such as implementing the project with economy and efficiency might be commented upon but not with the legal force of an audit opinion.
* An assessment of a project's internal control system with equal emphasis on: (i) the effectiveness of the system in providing the project management with useful and timely information for the proper management of the project; and (ii) the general effectiveness of the internal control system in protecting the assets and resources of the project.
* A description of any specific internal control weaknesses noted in the financial management of the project and the audit procedures followed to address or compensate for the weaknesses. Recommendations to resolve/eliminate the internal control weaknesses noted should be included.

The audit of internal controls and systems will be conducted in accordance with the International Standards on Auditing (ISA).

The management letter should also include the following:

* Audit observations/recommendations (guidelines in Annex 9)
* The categorization of audit observations by risk severity: High, Medium, or Low. Definitions of these categories are given in Annex 6.
* Management comments/response to audit observations and recommendations (project management and/or UNDP, as applicable).
* Indication of observations that affect the audit opinion (when qualified, adverse or disclaimer of opinion is given).

More detailed guidance for the above general categories is provided below.

*Review of project progress*

As part of the general review of project progress, specific steps could include the following:

* Review annual and quarterly work plans, quarterly and annual financial reports, and requests for direct payments and assess in terms of their timeliness and their compliance with the project document or the AWP, and the UNDP Programme Operations Policies and Procedures (POPP) on Results Management.
* Review the annual project report prepared by the implementing partner and assess in terms of compliance with UNDP guidelines and whether the implementing partner met its responsibilities for monitoring described in the project document or AWP.
* Review whether the decisions and/or recommendations of the above activities have been followed through by the implementing partner.
* Review the pace of project progress and comment on the causes for delays.
* Comment on whether implementation services of the UN Agency were provided in line with the project document or AWP.

*Assessment of internal control*

The auditor is required to conduct a general assessment of internal controls according to established internal control standards. An example of established internal control standards and further information is available on the INTOSAI site [www.intosai.org](http://www.intosai.org) *(Guidelines for Internal Control Standards)*. The INTOSAI standards are intended for use by government managers as a framework to establish effective internal control structures.

In addition to the above general assessment, additional specific steps should include the following:

* Review the expenses made by the implementing partner and assess whether they are in accordance with the project document, AWP and budgets; and are in compliance with the UNDP POPP on Results and Accountability.
* Review the process for procurement/contracting activities and assess whether it was transparent and competitive.
* Review the use, control and disposal of non-expendable equipment and assess whether it is in compliance with UNDP POPP on Results and Accountability; and also, whether the equipment procured met the identified needs and whether its use was in line with intended purposes.
* Review the process for recruiting project personnel and consultants and assess whether it was transparent and competitive.
* Review the implementing partner accounting records and assess their adequacy for maintaining accurate and complete records of receipts and disbursements of cash; and for supporting the preparation of the quarterly financial report.
* Review the records of requests for direct payments and ensure that they were signed by authorized government officials.

*Recommendations for improvement*

Recommendations should be directed to a specific entity so there is no confusion regarding who is responsible for implementation. The response of the entity should be included in the management letter, immediately following the recommendation.

Also, the auditor may wish to comment on “good practices” (if any) that were developed by the implementing partner that should be shared with other project personnel.

*Available Facilities and Right of Access*

For almost all the projects, records are maintained at their Kabul based headquarters. Further details related to record maintenance will be provided in fact sheets of each individual project as Annex to Terms of Reference (ToR) at start of contract.

Auditor will have full and complete access at any time to all relevant records and documents (including books of account, legal agreements, minutes of committee meetings, bank records, invoices and contracts etc.) and all employees of the entity. The auditor will also have the right of access to banks, consultants, contractors and other persons or firms engaged by the project management.

## Approach and Methodology

While the contractor will be expected to propose the most appropriate methodology to meet the target and objectives, the following principles should be considered and reflected in the proposal.

The contractor is expected to submit a proposed business plan in English on how it intends to deliver the services outlined in the TOR together with an overall budget. The proposal should include at minimum the following information:

* **Service Provider’s qualification, capacity and experience:** Information on the Contractor/agency offering services outlining its expertise, previous experience in providing similar services, and institutional and financial capacity, track record of previous contracts along with successful completion certificates, company’s legal status, etc.
* **Proposed Methodology, Approach and Implementation Plan:** The service provider must demonstrate how it envisions undertaking the proposed activities. It should also present a plan outlining how it intends to ensure oversight, management, accountability (quality assurance), sequence activities (detailed work-plan). Work-plan should take into consideration time needed for review of documents, travel to main offices/field offices, report writing and any exchanges If possible, provide a guide or expectations in terms of the approach and methodology and leave room for the bidders to propose a more detailed methodology in line with the prescribed scope and objectives.
* **Management Structure and Key Personnel:** Demonstrate capacity and know-how of proposed team to simultaneously manage and implement the works being contracted in the social, political, and security environment of Afghanistan. Detailed CVs of the key personnel should be included.

## Governance and Accountability

The Contractor shall designate a focal point (preferably the Team Leader) for communication related to submission of deliverables. The designated Contractor focal point shall be responsible for communication with UNDP regarding submission of draft reports, receipt and incorporation of comments/suggestions from UNDP and IDLG, and submission of final version of the reports/deliverables. The designated Contractor focal point shall also be responsible to coordinate with UNDP regarding organization of review meetings for the reports/deliverables.

**Required facilities to be provided by the Contractor:**

The Contractor must ensure accessibility to the locations of the organizations/institutions.

All computers, communications, security clearance etc. to be provided by the contractor/service provider.

Logistics, travel/transportation, stationary, and security measures must be provided by the contractor/service provider.

The Contractor will be responsible for ensuring all aspects of implementation, including premises, facilities, logistics, security, professional indemnity insurance, materials and services.

**Facilities to be provided by UNDP**

UNDP will be responsible to review contractor’s requests for information and support on a timely basis. Designated UNDP focal point(s) will be available to provide guidance to the contractor during the work. UNDP and/or his designated staff shall be responsible for monitoring of contractor’s performance and quality assurance, as well as the comments/feedback on the reports.

## Expected duration of the contract/assignment

A Long-Term Agreement shall be issued initially for one year effective the date of signature with possibility of extension for 2 (two) additional years; please refer to the below section.

Completion and finalization of each assessment shall be based on the timeframe mentioned under Section E above based on the respective category. The selected firm shall be able to conduct 3-4 audits of projects simultaneously if required.

## Duty Station

While all the mentioned projects are based in Kabul, Afghanistan, the contractor may need to visit respective project implementation locations to collect necessary information.

## Price and Schedule of Payments

Initially for one-year period effective the date of signature with possibility of extension for 2 (two) additional years; based on below conditions:

* Based on the results of this solicitation exercise, UNDP intends to enter into non-exclusive and non-binding Long-term Agreement(s) with the one or several successful Offeror(s) for the provision of indefinite quantity of the specified services in support of UNDP’s operations. In the event of UNDP signing a Long-term Agreement, the following shall apply:

1. The agreement shall be signed in the currency of Offer;
2. The agreement shall be valid until for 12 months with a possibility of extensions for an additional 2 (two) years, subject to satisfactory performance and continued requirement for task.
3. UNDP does not warrant that any quantity of Goods and/or Services will be purchased during the term of this arrangement
4. The Contractor(s) shall accord the same terms and conditions to any other organization within the United Nations System that wishes to avail of such terms
5. Upon issuing of the LTA a Contract for Services shall be issued for each specific requirement for the contractor to proceed with the work as and when required by UNDP.

### ANNEX 1: AUDIT SERVICES REQUIRED

The scope of audit services shall be in accordance with International Standards on Auditing (ISA) and cover the overall management of the project’s implementation, monitoring and supervision. The audit work should include the review of work plans, progress reports, project resources, project budgets, project expenses, project delivery, recruitment, operational and financial closing of projects (if applicable) and disposal or transfer of assets. To this effect, the scope of the audit shall cover the following areas as they are performed at the level of the project:

*Human resources*

The audit work shall cover the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel and include performance appraisal, attendance control, calculation of salaries and entitlements, payroll preparation and payment, and management of personnel records.

*Finance*

The audit work shall cover the adequacy of the accounting and financial operations and reporting systems. These include budget control, cash management, certification and approving authority, receipt of funds, and disbursement of funds, recording of all financial transactions in expense reports, records maintenance and control.

*Procurement*

The audit work shall cover the competitiveness, transparency and effectiveness of the procurement activities of the project in order to ensure that the equipment and services purchased meet the requirement of either the government (or NGO) or UNDP and include the following:

* As applicable, delegations of authorities, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders
* Receiving and inspection procedures to determine the conformity of equipment with the agreed specifications and, when applicable, the use of independent experts to inspect the delivery of highly technical and expensive equipment
* Evaluation of the procedures established to mitigate the risk of purchasing equipment that do not meet specifications or is later proven to be defective
* Management and control over the variation orders

The audit work in the area of procurement shall also cover the use of consulting firms and the adequacy of procedures to obtain fully qualified and experienced personnel and assessment of their work before final payment is made.

*Asset Management*

The audit work shall cover equipment (typically vehicles and office equipment) purchased for use of the project. The procedures for receipt, storage, and disposal shall also be reviewed.

*Cash Management*

The audit work shall cover all cash funds held by the project and review procedures for safeguarding of cash.

*General Administration*

The audit work shall cover travel activities, vehicle management, shipping services, office premises and lease management, office communications and IT systems, and records maintenance.

**Note***:* The above scope shall cover those transactions performed at the level of the project to include direct payments made by the UNDP country office at the request of the project.

*Scope Limitation*

Transactions/actions that are performed by the UNDP office at the request and on behalf of the project (i.e. UNDP direct support services to NIM) where there is a signed Letter of Agreement (LOA) are **not** to be included in the audit scope**.**

**Important note:** Such scope limitation should not be a reason for issuing a modified audit opinion by the auditors. Please refer to Section D.

### ANNEX 2: QUALIFICATIONS OF AN AUDITOR

The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of the entity.

The auditor should be experienced in applying either ISA or INTOSAI audit standards, whichever is applicable for the audit. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA or INTOSAI standards, including experience in auditing the accounts of entities comparable in size and complexity to the entity being audited.

Curriculum vitae (CVs) should be provided to the client by the principal of the firm of auditors who would be responsible for signing the opinion, together with the CVs of managers, supervisors and key personnel proposed as part of the audit team (this is required for successful contractor). It would be appropriate to indicate required/minimum professional qualifications necessary for the senior auditors/principals responsible for the audit. CVs should include details on audits carried out by the applicable staff, including on-going assignments indicating capability and capacity to undertake the audit.

Further details of the minimum number of auditors and their qualifications required is given below in the table; (Key Personnel)

|  |  |  |
| --- | --- | --- |
| **Description** | **Professional / Academic Education** | **Professional Experience** |
| Experience of the Firm | NA | Minimum 5 years of experience in the relevant field(s) with proven capacity;  Adequate Professional experience (at least 3 years) in providing audit services to international organizations, international development organizations, especially, UN agencies and UNDP projects & programme.  Corporate specialization and experience in Public Financial Management, accounting and/or auditing, and/or related field.  Knowledge of UNDP’s financial system and financial management standards by the company and the team members.  A limited amount of sub-contracting, in full disclosure, to augment the capacities of the team is permissible. Any such sub-contracting shall be approved in writing in advance. |
| Task Manager  (Audit Manager) | Chartered Accountant (CA), Chartered Certified Accountant (CCA) or Certified Public Accountant (CPA) completed | At a minimum of 7 years’ relevant auditing experience. |
| Senior Expert  (Audit Team Leader) | Chartered Accountant (CA), Certified Chartered Accountant (CCA) or Certified Public Accountant (CPA) completed or ongoing, with a minimum of Master’s degree completed. | At a minimum of 5 years’ relevant auditing experience |
| Junior Expert  (Audit Assistant) | Minimum Chartered Accounting Technician (CAT) qualified or a Bachelor’s degree in accounting, finance, etc.;  CA, CCA or CPA completed or ongoing would be an asset. | At a minimum of 3 years’ relevant auditing experience |

### ANNEX 3: SAMPLE AUDIT REPORT

**Independent Auditor's report to**:

***The National Project Director and***

***The Resident Representative***

**I. Sample Independent Auditor’s Report on Statement of Expenses (UNDP CDR)**

REPORT OF THE INDEPENDENT AUDITORS TO UNDP [insert project name] (Refer to ISA 700)

We have audited the accompanying Statement of Expenses (“the statement”) of the project [insert project and project number(s)], [insert official title of project] for the period [insert period covered].

**Opinion**

**Clean Opinion**: Option 1: (Unmodified)

In our opinion, the attached statement of expenses presents fairly, in all material respects, the expense of [insert amount in US$] incurred by the project [insert official title of project] for the period [insert period covered] in accordance with agreed upon accounting policies [if needed add - and the note to the statement] and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures; and (iv) supported by properly approved vouchers and other supporting documents.

**Modified Opinions** (Refer to ISA 705)

Option 2: (Qualified opinion)

In our opinion, except for the effects of the matter described in the Basis for opinion section of our report, the attached statement of expenses presents fairly in all material respects the expenses of [insert amount in US$] incurred by the project [insert official title of project] for the period [insert period covered] in accordance with agreed upon accounting policies [if needed add: and the note to the statement] and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures; and (iv) supported by properly approved vouchers and other supporting documents.

Option 3: (Adverse opinion)

In our opinion, based on the significance of the matter discussed in the Basis for opinion section of our report, the statement of expenses do not present fairly the expenses of [insert amount in US$] incurred by the project [insert official title of project] for the period from [insert period covered].

Option 4: (Disclaimer of opinion)

We do not express an opinion on the accompanying statement of expenses. Because of the significance of the matter described in the Basis for opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement of expenses of [insert amount in US$] incurred by the project [insert official title of project] and audited by us for the period from [insert period covered].

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor’s responsibilities for the audit of the statement of expenses section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*[Add here a description of the basis for the qualified, adverse or disclaimer opinion]*

**Management responsibilities**

Management is responsible for the preparation and fair presentation of the statement for <name/title> project and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

**Auditor’s responsibilities**

Our objectives are to obtain reasonable assurance about whether the statement of expenses is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the statement of expenses, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization’s internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Emphasis of Matter** *[if applicable (Refer to ISA 706)]*

We draw attention to Note [X] to the accompanying statement of expenses which describes the uncertainty related to the (insert the issue). Our opinion is not qualified in respect of this matter.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Auditor's Name and Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of the auditor’s report

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Auditor’s address

**II.** **Sample Independent Auditor’s Opinion on Statement of Assets and Equipment** (Refer to ISA 700)

We have audited the accompanying statement of assets and equipment (“the statement”) of the project number [insert project and project number(s)], [insert official title of project] as at [insert date].

**Opinion**

**Clean Opinion:** Option 1: (Unmodified)

In our opinion, the accompanying statement of assets and equipment presents fairly, in all material respects, the assets and equipment status of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement].

**Modified Opinions** (Refer to ISA 705)

Option 2: (Qualified opinion)

In our opinion, except for the effects of the matter described in the Basis for opinion section of our report, the accompanying statement of assets and equipment presents fairly, in all material respects, the balance of inventory of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement].

Option 3: (Adverse opinion)

In our opinion, because of the significance of the matter discussed in the Basis for opinion section of our report, the accompanying statement of assets and equipment does not present fairly the assets status of the project [insert official title of the project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement.

Option 4: (Disclaimer of opinion)

We do not express an opinion on the accompanying statement assets and equipment. Because of the significance of the matter described in the Basis for opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement of assets and equipment amounting to [insert amount in US$] as at xxxx [insert date].

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor’s responsibilities for the audit of the statement of assets and equipment. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*[Add here a description of the basis for the qualified, adverse or disclaimer opinion]*

**Management responsibilities**

Management is responsible for the preparation of the statement of assets and equipment of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of assets and equipment that is free from material misstatement, whether due to fraud or error.

**Auditor’s responsibilities for the audit**

Our objectives are to obtain reasonable assurance about whether the statement of assets and equipment is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the statement of assets and equipment, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization’s internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Emphasis of Matter*** *[if applicable (Refer to ISA 706)]*

We draw attention to Note [X] to the accompanying statement of expenses which describes the uncertainty related to the (insert the issue). Our opinion is not qualified in respect of this matter.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Auditor's Name and Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of the auditor’s report

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Auditor’s address

**III. Sample Independent Auditor’s Report on Statement of Cash Position** (Statement of Cash Position is required only if there is separate bank account for each of the projects and/or petty cash) (Refer to ISA 700)

We have audited the accompanying statement of cash position (“the statement”) of the project number [insert project and project number(s)], [insert official title of project] as at XXX.

**Opinion**

**Clean Opinion:** Option 1: (Unmodified)

In our opinion, the accompanying statement of cash position presents fairly, in all material respects, the cash and bank balance of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement.

**Modified Opinions** *(Refer to ISA 705)]*

Option 2: (Qualified opinion)

In our opinion, except for the effects of the matter described in the Basis for opinion section of our report, the accompanying statement of cash position presents fairly, in all material respects, the cash and bank balance of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement.

Option 3: (Adverse opinion)

In our opinion, because of the significance of the matter discussed in the Basis for opinion section of our report, the accompanying statement of cash position does not present fairly the cash and bank balance of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement.

*Option 4: (Disclaimer of opinion)*

We do not express an opinion on the accompanying statement of cash position. Because of the significance of the matter described in the Basis for opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement of cash position amounting to [insert amount in US$] as at xxxx [insert date].

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor’s responsibilities for the audit of the statement of cash position section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*[Add here a description of the basis for the qualified, adverse or disclaimer opinion]*

**Management responsibilities**

Management is responsible for the preparation of the statement of cash position of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of cash position that is free from material misstatement, whether due to fraud or error.

**Auditor’s responsibilities**

Our objectives are to obtain reasonable assurance about whether the statement of cash position is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the statement of cash position, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization’s internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Emphasis of Matter*** *[if applicable (Refer to ISA 706)]*

We draw attention to Note X to the statement of cash position which describes the uncertainty related to the (insert the issue). Our opinion is not qualified in respect of this matter.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Auditor's Name and Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of the auditor’s report

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Auditor’s address

Date of issuance: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

AUDITOR'S NAME (Please print): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

AUDITOR’S SIGNATURE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

STAMP AND SEAL OF AUDIT FIRM: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

AUDIT FIRM ADDRESS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

AUDIT FIRM TEL. NO. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Note:** Audit opinions must be one of the following: (a) unmodified, (b) qualified, (c) adverse, or (d) disclaimer. If the audit opinion is other than “unmodified” the audit report must describe both the nature and amount of the possible effects on the UNDP financial statement (CDR) (Amount of qualification)**.** A definition of audit opinions is provided in Annex 4.

### ANNEX 4: DEFINITION OF AUDIT OPINIONS

**Unmodified (Clean) Opinion (ISA[[4]](#footnote-4) 700)**

An unmodified opinion should be expressed when the auditor concludes that the financial statements give a true and fair view (or are presented fairly, in all material respects) in accordance with the applicable financial reporting framework.

An unmodified opinion indicates implicitly that any changes in accounting policies or in the method of their application, and the effects thereof, have been properly determined and disclosed in the financial statements.

**Emphasis of Matter (ISA 706)**

If the auditor considers it necessary to draw users’ attention to a matter presented or disclosed in the financial statements that, in the auditor’s judgment, is of such importance that it is fundamental to users’ understanding of the financial statements, the auditor shall include an Emphasis of Matter paragraph in the auditor’s report provided the auditor has obtained sufficient appropriate audit evidence that the matter is not materially misstated in the financial statements. Such a paragraph shall refer only to information presented or disclosed in the financial statements.

An emphasis of matter is not considered a modified opinion.

**Qualified Opinion (ISA 705)**

The auditor expresses a qualified opinion when:

1. The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or
2. The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.

**Disclaimer of opinion (ISA 705)**

The auditor disclaims an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.

The auditor shall disclaim an opinion when, in extremely rare circumstances involving multiple uncertainties, the auditor concludes that, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

**Adverse Opinion (ISA 705)**

The auditor shall expresses an adverse opinion when, having obtained sufficient appropriate audit evidence, s/he concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

### Annex 5: International Standards on Auditing (ISA) 450 and 710

**Guidance on Reporting Prior Year Modified opinion not properly corrected or resolved**

Following the International Standards on Auditing (ISA) 450 and ISA 710 that came into effect on December 2010 there is a requirement regarding a previous year modified audit opinion[[5]](#footnote-5) This audit standard requires that auditors, when expressing an opinion on this year’s statements, to take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.

Consequently, a previous year modified opinion that has not been properly resolved may cause the auditors to issue a modified opinion in their current year audit report. If proper attention is not paid to this aspect, the risk could be a significant accumulation of unresolved modified opinions from previous years that would lead the UN BoA to issue a modified audit opinion on UNDP financial statements.

### ANNEX 6: Priority of Audit Observations and Recommendations

|  |  |
| --- | --- |
| **High** | Prompt action is required to ensure that UNDP is not exposed to high risks, i.e. failure to take action could result in major negative consequences and issues. |
| **Medium** | Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP. |
| **Low** | Action is desirable and should result in enhanced control or better value for money. |

### ANNEX 7 TEMPLATE FOR AUDITORS TO REVIEW AND SIGN THE UPDATED ACTION PLANS FOR PRIOR YEAR AUDIT OBSERVATIONS AND RECOMMENDATIONS

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Award no.:** | |  | **Output No.:** | |  | **Opinion Type:** | |  | | | | |
| **Obs**  **No** | **Observation** | **Recommendation** | **Audit Area** | **Risk**  **Severity** | **Proj/CO**  **Mngt Comments** | **Action(s)**  **Planned** | **Target**  **Impl. Date** | **Action**  **Unit** | **Person**  **Responsible for Action** | **Updated**  **Status** | **Actual**  **Impl. Date** | **Description of**  **Status Update** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Award no.:** | |  | **Output No.:** | |  | **Opinion Type:** | |  | | | | |
| **Obs**  **No** | **Observation** | **Recommendation** | **Audit Area** | **Risk**  **Severity** | **Proj/CO**  **Mngt Comments** | **Action(s)**  **Planned** | **Target**  **Impl. Date** | **Action**  **Unit** | **Person**  **Responsible for Action** | **Updated**  **Status** | **Actual**  **Impl. Date** | **Description of**  **Status Update** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Award no.:** | |  | **Output No.:** | |  | **Opinion Type:** | |  | | | | |
| **Obs**  **No** | **Observation** | **Recommendation** | **Audit Area** | **Risk**  **Severity** | **Proj/CO**  **Mngt Comments** | **Action(s)**  **Planned** | **Target**  **Impl. Date** | **Action**  **Unit** | **Person**  **Responsible for Action** | **Updated**  **Status** | **Actual**  **Impl. Date** | **Description of**  **Status Update** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Implementing Partner (IP)*** | | | | ***UNDP Country Office*** | | | | | ***Government Auditors/Audit Firm*** | | | |
| Signature of IP Official: | | | | Signature of UNDP Official:\_ | | | | | Signature of Audit firm Official: | | | |
| Name and title (print): | | | | Name and title (print): | | | | | Name and title (print): | | | |
| Date: | | | | Date: | | | | | Date: | | | |
|  | | | |  | | | | | Stamp and Seal of audit firm: \_\_\_\_\_\_\_\_\_\_\_\_\_ | | | |

**Note**: The values for the “Updated Status” could be: Implemented, In Progress, Not Implemented, N/A or Withdrawn. “N/A” means not applicable and would be used if there is an overall change in a project’s working environment that makes last year’s audit observation no longer applicable. For example, the project has been closed. Another example for using “N/A” is a project that had its own bank account and last year’ audit recommendation called for the need to perform monthly bank reconciliation. However the following year, the auditor notes that the bank account has been closed. “Withdrawn” would be used if there is an overall change in a project’s working environment that makes last year’s audit observation and recommendation no longer valid. ”Withdrawn” is very rarely used.

### ANNEX 8: TEMPLATE FOR AUDIT DATA AND OBSERVATIONS

The information in the four tables below should be completed by the auditors and signed. The CO can obtain the electronic version of the word document and copy and paste the information in CARDS for each project/project audit report.

**Table 1 - Template for auditors to report on the audit of the UNDP CDR**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **UNDP Combined Delivery Report (CDR)**  as at 31 December of FY | | | |  | | | |
| **1** | **Project No.** | **Output No.** | **Amount audited and certified (US$)** | **Audit opinion** (unqualified, qualified, adverse, disclaimer) | **Total amount of qualification of audit opinion** (if qualified, adverse or disclaimer of opinion) | **Reason(s) for qualification** of audit opinion and breakdown of **NFM amount** (US | **Observation(s) that had impact on qualification** of audit opinion (list observation number(s) and page of audit report/management letter) |
|  |  |  |  |  |  |  |  |

**Table 2 - Template for auditors to report on the audit of the statement of cash position**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Statement of Cash Position** | | | |  | |
| **Project No.** | **Output No.** | **Value of Cash Position Statement**  as at 31 December  of FY (US$) | **Audit Opinion - Statement of Cash Position** | | **Total amount of qualification** *-* Statement of Cash Position (US$) |
|  |  |  |  | |  |

**Table 3 – Template for auditors to report on the audit of the statement of assets and equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Statement of assets and equipment** | | | |  | |
| **Project No.** | **Output No.** | **Value of assets and**  **equipment**  as at 31 December  of FY (cumulative from project start date) (US$) | **Audit Opinion - Statement of Assets and**  **Equipment** | | **Total amount of qualification** on the Statement of assets and equipment (US$) |
|  |  |  |  | |  |

**Table 4 - Template for auditors to report on current year audit observations and recommendations**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Project**  **No.** | **Output**  **No.** | **Observ.**  **No** | **Audit Observation** | **Recommendation** | **Audit Area** | **Risk Severity** | **Project/CO**  **Mngmt. Comments** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

Name and position of Auditor:

Signature of Auditor:

Date:

Name and stamp of Audit Firm:

### ANNEX 9: GUIDANCE OF FORMULATING AUDIT OBSERVATIONS AND RECOMMENDATIONS

The purpose of this note is to provide guidance on formulating audit observations and recommendations that are effective.

Effective audit observations should consist of four (4) common elements:

* 1. Condition
  2. Criteria
  3. Effect, potential impact or Risk
  4. Recommendation

Items 1 to 3 must be part of what constitutes an audit observation. Below are helpful tips on each of these areas.

CONDITION

The "Condition" refers to a conclusion, problem, or opportunity noted during the audit review. It directly addresses a control objective or some other standard of performance. Sample condition statements include:

* ”The appropriate individual did not authorize this document."
* "The account has not been reconciled for three months."
* "The process can be streamlined to save six hours per day."

When documenting the condition, it is important to include the necessary level of detail in the description of the problem. Someone who has not participated in the audit, but has some basic understanding of the subject matter or function, should be able to comprehend any condition statement.

CRITERIA

This element describes the standard being used as the benchmark for evaluation. In other words, it depicts the ideal condition. The criteria may reference a specific policy, procedure, or government regulation. At other times, the criteria may simply be a matter of common sense or prudent business practice. For example, a criteria statement might state that "Per policy #1234, all loans greater than $100,000 must be approved by the board of directors;" or "Payroll processing responsibilities should be segregated to control the authorization of master file changes."

EFFECT, POTENTIAL IMPACT OR RISK

The effect statement describes the particular risk that could exist (the potential impact or risk) or that has already existed (the effect) as a result of the condition or problem. Basically, it answers the question, "so what?" Effect statements often discuss the potential for loss, noncompliance, or customer dissatisfaction created by the problem.

Management is likely to zero in on the information provided in this aspect of the audit observation, as it allows them to see how the condition will negatively impact their activities. As a result, the effect statement often serves as the catalyst for a positive change.

One note of caution is in order - the risk suggested by the effect statement should not be overblown or exaggerated. While auditors are responsible for pointing out risks associated with control breakdowns, the effect statement should remain reasonable, plausible and should not be worded as if the world were coming to an end. If auditees are to take the audit observation seriously and respect what an auditor has to say, an auditor talks about risk in realistic, not exaggerated, terms.

*Risk Levels*

In addition to explaining the and giving details about the “Effect, potential impact or risk” in the text of an audit observation, UNDP requires that the auditor also identifies the risk level in the audit report by using one of the following 3 pre-established risk levels:

|  |  |
| --- | --- |
| **High** | Prompt action is required to ensure that UNDP is not exposed to high risks, i.e. failure to take action could result in major negative consequences and issues. |
| **Medium** | Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP. |
| **Low** | Action is desirable and should result in enhanced control or better value for money. |

RECOMMENDATION

This aspect suggests how the situation might be remedied. An effective recommendation directly relates to and targets the cause. It isn't enough to state in general terms that management should fix the problem; the recommendation statement should also explain how remediation is to be achieved.

A good recommendation maintains the proper balance between the risk presented and the cost to control it. Before making a recommendation, the auditor should consider the following questions:

Does the recommendation solve the problem and eliminate or reduce the risk?

* Can the recommendation be implemented within the current environment?
* Is the recommendation cost-effective?
* Will the recommendation act as a temporary bandage or a permanent solution?

Examples of effective recommendations include monthly or quarterly physical inventories of all assets and equipment with reconciliation to appropriate records.

ADDITIONAL TIPS

Whenever possible, similar findings should be combined into one form so that the case for implementing the recommendation is strengthened.

Playing devil's advocate can be an extremely helpful exercise. After completing the audit observation and recommendation, auditors should place themselves in the auditees' shoes and challenge/question the validity of the issue. If the issue cannot stand up to this exercise, it probably should not be included in the audit report.

### ANNEX 10: GUIDANCE ON AUDIT MATERIALITY (ISA 320, 450)

**ISA 320**

ISA 320 deals with the auditor’s responsibility to apply the concept of materiality in planning and performing an audit of financial statements.

Financial reporting frameworks often discuss the concept of materiality in the context of the preparation and presentation of financial statements. Although financial reporting frameworks may discuss materiality in different terms, they generally explain that:

* Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
* Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
* Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

For purposes of the ISAs, performance materiality means the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial

statements as a whole. If applicable, performance materiality also refers to the amount or amounts set by the auditor at less than the materiality level or levels for particular classes of transactions, account balances or disclosures.

When establishing the overall audit strategy, the auditor shall determine materiality for the financial statements as a whole. If, in the specific circumstances of the entity, there is one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements, the auditor shall also determine the materiality level or levels to be applied to those particular classes of transactions, account balances or disclosures.

The auditor shall determine performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.

The auditor shall revise materiality for the financial statements as a whole (and, if applicable, the materiality level or levels for particular classes of transactions, account balances or disclosures) in the event of becoming aware of information during the audit that would have caused the auditor to have determined a different amount (or amounts) initially.

If the auditor concludes that a lower materiality for the financial statements as a whole (and, if applicable, materiality level or levels for particular classes of transactions, account balances or disclosures) than that initially determined is appropriate, the auditor shall determine whether it is necessary to revise performance materiality, and whether the nature, timing and extent of the further audit procedures remain appropriate.

**ISA 450**

ISA 450 deals with the auditor’s responsibility to evaluate the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements.

Each individual misstatement is considered to evaluate its effect on the relevant classes of transactions, account balances or disclosures, including whether the materiality level for that particular class of transactions, account balance or disclosure, if any, has been exceeded.

The circumstances related to some misstatements may cause the auditor to evaluate them as material, individually or when considered together with other misstatements accumulated during the audit, even if they are lower than materiality for the financial statements as a whole. Circumstances that may affect the evaluation include the extent to which the misstatement:

* Affects compliance with regulatory requirements;
* Relates to the incorrect selection or application of an accounting policy that has an immaterial effect on the current period’s financial statements but is likely to have a material effect on future periods’ financial statements;
* Is an omission of information not specifically required by the applicable financial reporting framework but which, in the judgment of the auditor, is important to the users’ understanding of the financial position, financial performance of the entity.

The cumulative effect of immaterial uncorrected misstatements related to prior periods may have a material effect on the current period’s financial statements. There are different acceptable approaches to the auditor’s evaluation of such uncorrected misstatements on the current period’s financial statements. Using

the same evaluation approach provides consistency from period to period.

# Section 6: Returnable Bidding Forms / Checklist

This form serves as a checklist for preparation of your Proposal. Please complete the Returnable Bidding Forms in accordance with the instructions in the forms and return them as part of your Proposal submission. No alteration to format of forms shall be permitted and no substitution shall be accepted.

Before submitting your Proposal, please ensure compliance with the Proposal Submission instructions of the BDS 22.

**Technical Proposal Envelope:**

|  |  |
| --- | --- |
| **Have you duly completed all the Returnable Bidding Forms?** |  |
| * Form A: Technical Proposal Submission Form |  |
| * Form B: Bidder Information Form |  |
| * Form C: Joint Venture/Consortium/ Association Information Form |  |
| * Form D: Qualification Form |  |
| * Form E: Format of Technical Proposal |  |
| **Have you provided the required documents to establish compliance with the evaluation criteria in Section 4?** |  |

**Financial Proposal Envelope**

**(Must be submitted in a separate sealed envelope/password protected email)**

|  |  |
| --- | --- |
| * Form F: Financial Proposal Submission Form |  |
| * Form G: Financial Proposal Form |  |

## **Form A:** Technical Proposal Submission Form

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Bidder: | [Insert Name of Bidder] | Date: | Select date |
| RFP reference: | UNDP/AFG/RFP/2019/0000004195 | | |

We, the undersigned, offer to provide the services for [Insert Title of services] in accordance with your Request for Proposal No. [Insert RFP Reference Number] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal and our Financial Proposal sealed under a separate envelope.

We hereby declare that our firm, its affiliates or subsidiaries or employees, including any JV/Consortium /Association members or subcontractors or suppliers for any part of the contract:

1. is not under procurement prohibition by the United Nations, including but not limited to prohibitions derived from the Compendium of United Nations Security Council Sanctions Lists;
2. have not been suspended, debarred, sanctioned or otherwise identified as ineligible by any UN Organization or the World Bank Group or any other international Organization;
3. have no conflict of interest in accordance with Instruction to Bidders Clause 4;
4. do not employ, or anticipate employing, any person(s) who is, or has been a UN staff member within the last year, if said UN staff member has or had prior professional dealings with our firm in his/her capacity as UN staff member within the last three years of service with the UN (in accordance with UN post-employment restrictions published in ST/SGB/2006/15);
5. have not declared bankruptcy, are not involved in bankruptcy or receivership proceedings, and there is no judgment or pending legal action against them that could impair their operations in the foreseeable future;
6. undertake not to engage in proscribed practices, including but not limited to corruption, fraud, coercion, collusion, obstruction, or any other unethical practice, with the UN or any other party, and to conduct business in a manner that averts any financial, operational, reputational or other undue risk to the UN and we embrace the principles of the United Nations Supplier Code of Conduct and adhere to the principles of the United Nations Global Compact.

We declare that all the information and statements made in this Proposal are true and we accept that any misinterpretation or misrepresentation contained in this Proposal may lead to our disqualification and/or sanctioning by the UNDP.

We offer to provide services in conformity with the Bidding documents, including the UNDP General Conditions of Contract and in accordance with the Terms of Reference

Our Proposal shall be valid and remain binding upon us for the period of time specified in the Bid Data Sheet.

We understand and recognize that you are not bound to accept any Proposal you receive.

I, the undersigned, certify that I am duly authorized by [Insert Name of Bidder] to sign this Proposal and bind it should UNDP accept this Proposal.

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[*Stamp with official stamp of the Bidder*]

## **Form B:** BidderInformation Form

|  |  |
| --- | --- |
| **Legal name of Bidder** | [Complete] |
| **Legal address** | [Complete] |
| **Year of registration** | [Complete] |
| **Bidder’s Authorized Representative Information** | Name and Title: [Complete]  Telephone numbers: [Complete]  Email: [Complete] |
| **Are you a UNGM registered vendor?** | Yes  No If yes, [insert UGNM vendor number] |
| **Are you a UNDP vendor?** | Yes  No If yes, [insert UNDP vendor number] |
| **Countries of operation** | [Complete] |
| **No. of full-time employees** | [Complete] |
| **Quality Assurance Certification (e.g. ISO 9000 or Equivalent) (***If yes, provide a Copy of the valid Certificate):* | [Complete] |
| **Does your Company hold any accreditation such as ISO 14001 related to the environment?** *(If yes, provide a Copy of the valid Certificate):* | [Complete] |
| **Does your Company have a written Statement of its Environmental Policy?** *(If yes, provide a Copy)* | [Complete] |
| **Contact person UNDP may contact for requests for clarification during Proposal evaluation** | Name and Title: [Complete]  Telephone numbers: [Complete]  Email: [Complete] |
| **Please attach the following documents:** | * Company Profile, which should not exceed fifteen (15) pages, including printed brochures and product catalogues relevant to the goods/services being procured * Certificate of Incorporation/ Business Registration * Tax Registration/Payment Certificate issued by the Internal Revenue Authority evidencing that the Bidder is updated with its tax payment obligations, or Certificate of Tax exemption, if any such privilege is enjoyed by the Bidder * Trade name registration papers, if applicable * Local Government permit to locate and operate in assignment location, if applicable * Official Letter of Appointment as local representative, if Bidder is submitting a Bid in behalf of an entity located outside the country * Power of Attorney |

## **Form C:** Joint Venture/Consortium/Association Information Form

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Bidder: | [Insert Name of Bidder] | Date: | Select date |
| RFP reference: | UNDP/AFG/RFP/2019/0000004195 | | |

To be completed and returned with your Proposal if the Proposal is submitted as a Joint Venture/Consortium/Association.

|  |  |  |
| --- | --- | --- |
| **No** | **Name of Partner and contact information** *(address, telephone numbers, fax numbers, e-mail address)* | **Proposed proportion of responsibilities (in %) and type of services to be performed** |
| 1 | [Complete] | [Complete] |
| 2 | [Complete] | [Complete] |
| 3 | [Complete] | [Complete] |

|  |  |
| --- | --- |
| **Name of leading partner**  (with authority to bind the JV, Consortium, Association during the RFP process and, in the event a Contract is awarded, during contract execution) | [Complete] |

We have attached a copy of the below document signed by every partner, which details the likely legal structure of and the confirmation of joint and severable liability of the members of the said joint venture:

Letter of intent to form a joint venture ***OR***  JV/Consortium/Association agreement

We hereby confirm that if the contract is awarded, all parties of the Joint Venture/Consortium/Association shall be jointly and severally liable to UNDP for the fulfillment of the provisions of the Contract.

|  |  |
| --- | --- |
| Name of partner: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Name of partner: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
| Name of partner: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Name of partner: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

## **Form D:** QualificationForm

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Bidder: | [Insert Name of Bidder] | Date: | Select date |
| RFP reference: | UNDP/AFG/RFP/2019/0000004195 | | |

If JV/Consortium/Association, to be completed by each partner.

**Historical Contract Non-Performance**

|  |  |  |  |
| --- | --- | --- | --- |
| Contract non-performance did not occur for the last 5 years | | | |
| Contract(s) not performed for the last 5 years | | | |
| **Year** | **Non- performed portion of contract** | **Contract Identification** | **Total Contract Amount** (current value in US$) |
|  |  | Name of Client:  Address of Client:  Reason(s) for non-performance: |  |

**Litigation History** (including pending litigation)

|  |  |  |  |
| --- | --- | --- | --- |
| No litigation history for the last 5 years | | | |
| Litigation History as indicated below | | | |
| **Year of dispute** | **Amount in dispute** (in US$) | **Contract Identification** | **Total Contract Amount** (current value in US$) |
|  |  | Name of Client:  Address of Client:  Matter in dispute:  Party who initiated the dispute:  Status of dispute:  Party awarded if resolved: |  |

**Previous Relevant Experience**

Please list only previous similar assignments successfully completed in the last 5 years.

List only those assignments for which the Bidder was legally contracted or sub-contracted by the Client as a company or was one of the Consortium/JV partners. Assignments completed by the Bidder’s individual experts working privately or through other firms cannot be claimed as the relevant experience of the Bidder, or that of the Bidder’s partners or sub-consultants, but can be claimed by the Experts themselves in their CVs. The Bidder should be prepared to substantiate the claimed experience by presenting copies of relevant documents and references if so requested by UNDP.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Project name & Country of Assignment** | **Client & Reference Contact Details** | **Contract Value** | **Period of activity and status** | **Types of activities undertaken** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

*Bidders may also attach their own Project Data Sheets with more details for assignments above.*

  Attached are the Statements of Satisfactory Performance from the Top 3 (three) Clients or more.

**Financial Standing**

|  |  |
| --- | --- |
| **Annual Turnover for the last 3 years** | Year       USD  Year       USD  Year       USD |
| **Latest Credit Rating (if any), indicate the source** |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial information**  (in US$ equivalent) | **Historic information for the last 3 years** | | |
|  | Year 1 | Year 2 | Year 3 |
|  | *Information from Balance Sheet* | | |
| Total Assets (TA) |  |  |  |
| Total Liabilities (TL) |  |  |  |
| Current Assets (CA) |  |  |  |
| Current Liabilities (CL) |  |  |  |
|  | *Information from Income Statement* | | |
| Total / Gross Revenue (TR) |  |  |  |
| Profits Before Taxes (PBT) |  |  |  |
| Net Profit |  |  |  |
| Current Ratio |  |  |  |

 Attached are copies of the audited financial statements (balance sheets, including all related notes, and income statements) for the years required above complying with the following condition:

* 1. Must reflect the financial situation of the Bidder or party to a JV, and not sister or parent companies;
  2. Historic financial statements must be audited by a certified public accountant;
  3. Historic financial statements must correspond to accounting periods already completed and audited. No statements for partial periods shall be accepted.

## **Form E:** Format ofTechnical Proposal

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Bidder: | [Insert Name of Bidder] | Date: | Select date |
| RFP reference: | UNDP/AFG/RFP/2019/0000004195 | | |

The Bidder’s proposal should be organized to follow this format of Technical Proposal. Where the bidder is presented with a requirement or asked to use a specific approach, the bidder must not only state its acceptance, but also describe how it intends to comply with the requirements. Where a descriptive response is requested, failure to provide the same will be viewed as non-responsive.

**SECTION 1: Bidder’s qualification, capacity and expertise**

|  |  |
| --- | --- |
| 1.1 | Reputation of Organization and Staff Credibility / Reliability / Industry Standing |
| 1.2 | General Organizational Capability which is likely to affect implementation: management structure, financial stability and project financing capacity, project management controls, extent to which any work would be subcontracted |
| 1.3 | Relevance of specialized knowledge and experience on similar engagements done in the region/country |
| 1.4 | Quality assurance procedures and risk mitigation measures |
| 1.5 | Organizational Commitment to Sustainability (mandatory weight)  -Organization is compliant with ISO 14001 or ISO 14064 or equivalent – 20 points  -Organization is a member of the UN Global Compact -5 points  -Organization demonstrates significant commitment to sustainability through some other means- 5 points, for example internal company policy documents on women empowerment, renewable energies or membership of trade institutions promoting such issues |

**SECTION 2: Proposed Methodology, Approach and Implementation Plan**

This section should demonstrate the bidder’s responsiveness to the TOR by identifying the specific components proposed, addressing the requirements, providing a detailed description of the essential performance characteristics proposed and demonstrating how the proposed approach and methodology meets or exceeds the requirements. All important aspects should be addressed in sufficient detail and different components of the project should be adequately weighted relative to one another.

|  |  |
| --- | --- |
| 2.1 | Understanding of the requirement: Have the important aspects of the task been addressed in sufficient detail? Are the different components of the project adequately weighted relative to one another? |
| 2.2 | Description of the Offeror’s approach and methodology for meeting or exceeding the requirements of the Terms of Reference |
| 2.3 | Details on how the different service elements shall be organized, controlled and delivered |
| 2.4 | Description of available performance monitoring, evaluation mechanisms, reporting mechanism and tools; how they shall be adopted and used for a specific requirement |
| 2.5 | Assessment of the implementation plan proposed including whether the activities are properly sequenced and if these are logical and realistic |
| 2.6 | Demonstration of ability to plan, integrate and effectively implement sustainability measures in the execution of the contract |
| 27 | Extent to which any work would be distributed within the Joint Venture organs (Joint Venture carries additional risks which may affect project implementation, but properly done it offers a chance to access specialized skills.) |

**SECTION 2A: Bidder’s Comments and Suggestions on the Terms of Reference**

Provide comments and suggestions on the Terms of Reference, or additional services that will be rendered beyond the requirements of the TOR, if any.

**SECTION 3: Management Structure and Key Personnel**

* 1. Describe the overall management approach toward planning and implementing the project. Include an organization chart for the management of the project describing the relationship of key positions and designations. Provide a spreadsheet to show the activities of each personnel and the time allocated for his/her involvement.
  2. Provide CVs for key personnel that will be provided to support the implementation of this project using the format below. CVs should demonstrate qualifications in areas relevant to the Scope of Services.

**Format for CV of Proposed Key Personnel**

|  |  |
| --- | --- |
| Name of Personnel | [Insert] |
| Position for this assignment | [Insert] |
| Nationality | [Insert] |
| Language proficiency | [Insert] |
| Education/ Qualifications | *[Summarize college/university and other specialized education of personnel member, giving names of schools, dates attended, and degrees/qualifications obtained.]* |
| [Insert] |
| Professional certifications | *[Provide details of professional certifications relevant to the scope of services]* |
| * Name of institution: [Insert] * Date of certification: [Insert] |
| Employment Record/ Experience | *[List all positions held by personnel (starting with present position, list in reverse order), giving dates, names of employing organization, title of position held and location of employment. For experience in last five years, detail the type of activities performed, degree of responsibilities, location of assignments and any other information or professional experience considered pertinent for this assignment.]* |
| [Insert] |
| References | *[Provide names, addresses, phone and email contact information for two (2) references]* |
| Reference 1:  [Insert]  Reference 2:  [Insert] |

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe my qualifications, my experiences, and other relevant information about myself.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Personnel Date (Day/Month/Year)

## **Form F:** Financial Proposal Submission Form

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Bidder: | [Insert Name of Bidder] | Date: | Select date |
| RFP reference: | UNDP/AFG/RFP/2019/0000004195 | | |

We, the undersigned, offer to provide the services for [Insert Title of services] in accordance with your Request for Proposal No. [Insert RFP Reference Number] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal and our Financial Proposal sealed under a separate envelope.

Our attached Financial Proposal is for the sum of [Insert amount in words and figures].

Our Proposal shall be valid and remain binding upon us for the period of time specified in the Bid Data Sheet.

We understand you are not bound to accept any Proposal you receive.

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[*Stamp with official stamp of the Bidder*]

## **Form G:** Financial ProposalForm

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Bidder: | [Insert Name of Bidder] | Date: | Select date |
| RFP reference: | UNDP/AFG/RFP/2019/0000004195 | | |

The Bidder is required to prepare the Financial Proposal following the below format and submit it in an envelope separate from the Technical Proposal as indicated in the Instruction to Bidders. Any Financial information provided in the Technical Proposal shall lead to Bidder’s disqualification.

The Financial Proposal should align with the requirements in the Terms of Reference and the Bidder’s Technical Proposal.

**Currency of the proposal:** [Insert Currency]

**Table 1: Summary of Overall Prices**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Project Category** | **Estimated number of projects** | **Audit Fee / Project (USD)** | **Total Audit Fee**  **(USD)** | |
| 1 | Category A: Audits of Expenditures USD 1 million or less  Audit duration: 4 weeks. | 4 |  |  | |
| 2 | Category B: Audits of Expenditures from USD 1 million to 5 million  Audit duration: 5 weeks | 6 |  |  | |
| 3 | Category C: Audits of Expenditures from USD 5 million to 50 million  Audit duration: 6 weeks | 1 |  |  | |
| 4 | Category D: Audits of Expenditures above USD 50 million  Audit duration: 7 weeks | 1 |  |  | |
| **Grand Total Cost USD:** | | | | |  | |

**Table 2: Breakdown of Professional Fees & Reimbursable Costs:**

**(Category A)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category A:** Audits of Expenditures USD 1 million or less  Audit duration: 4 weeks | **Total Fee USD** | **Total Reimbursable expenses  USD** | **QTY of Projects** | **Grand Total Cost for Category A USD** |
| *A* | *B* | *C* | *D=(A+B)\*C* |
|  |  | 4 | 0 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. **Fee (Category A)** | | | | | |
| **Sn.** | **Staff category** | **No of staff** | **Remuneration per working day (USD)** | **Total period of engagement (working days)** | **Total cost (USD** |
| *A* | *B* | *C* | *D=A x B x C* |
| **Key professional staff** | | | | | |
| 1.1 | Task Manager (Audit Manager) | 1 |  |  |  |
| 1.2 | Senior expert (Audit Team Leader) | 1 |  |  |  |
| 1.3 | Junior Expert (Audit Assistant | 1 |  |  |  |
| **Other professional staff** | | | | | |
| 1.4 |  |  |  |  |  |
| 1.5 |  |  |  |  |  |
| 1.6 |  |  |  |  |  |
| **Support Staff** | | | | | |
| 1.7 |  |  |  |  |  |
| 1.8 |  |  |  |  |  |
| **Total Fees** | | | | |  |
| **Discount on above** | | | | |  |
| **Fee after discount** | | | | |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. **Reimbursable Expenses (Category A)** | | | | | |
| **Sn.** | **Item** | **Unit** | **Quantity** | **Unit Price (USD)** | **Total Cost (USD)** |
| *A* | *B* | *C= A x B* |
| 2.1 | Communication Cost |  |  |  |  |
| 2.2 | Drafting, reproduction of reports |  |  |  |  |
| 2.3 | Security |  |  |  |  |
| 2.4 |  |  |  |  |  |
| 2.5 |  |  |  |  |  |
| **Total reimbursable cost** | | | | |  |

You may add or remove column (s), if required.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

**(Category B)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category B:** Audits of Expenditures from USD 1 million to 5 million  Audit duration: 5 weeks | **Tatal Fee USD** | **Total Reimbursable expenses  USD** | **QTY of Projects** | **Grand Total Cost for Category A USD** |
| *A* | *B* | *C* | *D=(A+B)\*C* |
|  |  | 6 | 0 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. **Fee (Category B)** | | | | | |
| **Sn.** | **Staff category** | **No of staff** | **Remuneration per working day (USD)** | **Total period of engagement (working days)** | **Total cost (USD** |
| *A* | *B* | *C* | *D=A x B x C* |
| **Key professional staff** | | | | | |
| 1.1 | Task Manager (Audit Manager) | 1 |  |  |  |
| 1.2 | Senior expert (Audit Team Leader) | 1 |  |  |  |
| 1.3 | Junior Expert (Audit Assistant | 1 |  |  |  |
| **Other professional staff** | | | | | |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Support Staff** | | | | | |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Fees** | | | | |  |
| **Discount on above** | | | | |  |
| **Fee after discount** | | | | |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. **Reimbursable Expenses (Category B)** | | | | | |
| **Sn.** | **Item** | **Unit** | **Quantity** | **Unit Price (USD)** | **Total Cost (USD)** |
| *A* | *B* | *C= A x B* |
| 2.1 | Communication Cost |  |  |  |  |
| 2.2 | Drafting, reproduction of reports |  |  |  |  |
| 2.3 | Security |  |  |  |  |
| 2.4 |  |  |  |  |  |
| 2.5 |  |  |  |  |  |
| **Total reimbursable cost** | | | | |  |

You may add or remove column (s), if required.

**(Category C)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category C:** Audits of Expenditures from USD 5 million to 50 million  Audit duration: 6 weeks | **Tatal Fee USD** | **Total Reimbursable expenses  USD** | **QTY of Projects** | **Grand Total Cost for Category A USD** |
| *A* | *B* | *C* | *D=(A+B)\*C* |
|  |  | 1 | 0 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. **Fee (Category C)** | | | | | |
| **Sn.** | **Staff category** | **No of staff** | **Remuneration per working day (USD)** | **Total period of engagement (working days)** | **Total cost (USD** |
| *A* | *B* | *C* | *D=A x B x C* |
| **Key professional staff** | | | | | |
| 1.1 | Task Manager (Audit Manager) | 1 |  |  |  |
| 1.2 | Senior expert (Audit Team Leader) | 1 |  |  |  |
| 1.3 | Junior Expert (Audit Assistant | 1 |  |  |  |
| **Other professional staff** | | | | | |
| 1.4 |  |  |  |  |  |
| 1.5 |  |  |  |  |  |
| 1.6 |  |  |  |  |  |
| **Support Staff** | | | | | |
| 1.7 |  |  |  |  |  |
| 1.8 |  |  |  |  |  |
| **Total Fees** | | | | |  |
| **Discount on above** | | | | |  |
| **Fee after discount** | | | | |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. **Reimbursable Expenses (Category C)** | | | | | |
| **Sn.** | **Item** | **Unit** | **Quantity** | **Unit Price (USD)** | **Total Cost (USD)** |
| *A* | *B* | *C= A x B* |
| 2.1 | Communication Cost |  |  |  |  |
| 2.2 | Drafting, reproduction of reports |  |  |  |  |
| 2.3 | Security |  |  |  |  |
| 2.4 |  |  |  |  |  |
| 2.5 |  |  |  |  |  |
| **Total reimbursable cost** | | | | |  |

You may add or remove column (s), if required.

**(Category D)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category D:** Audits of Expenditures above USD 50 million  Audit duration: 7 weeks | **Tatal Fee USD** | **Total Reimbursable expenses  USD** | **QTY of Projects** | **Grand Total Cost for Category A USD** |
| *A* | *B* | *C* | *D=(A+B)\*C* |
|  |  | 1 | 0 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. **Fee (Category D)** | | | | | |
| **Sn.** | **Staff category** | **No of staff** | **Remuneration per working day (USD)** | **Total period of engagement (working days)** | **Total cost (USD** |
| *A* | *B* | *C* | *D=A x B x C* |
| **Key professional staff** | | | | | |
| 1.1 | Task Manager (Audit Manager) | 1 |  |  |  |
| 1.2 | Senior expert (Audit Team Leader) | 1 |  |  |  |
| 1.3 | Junior Expert (Audit Assistant | 1 |  |  |  |
| **Other professional staff** | | | | | |
| 1.4 |  |  |  |  |  |
| 1.5 |  |  |  |  |  |
| 1.6 |  |  |  |  |  |
| **Support Staff** | | | | | |
| 1.7 |  |  |  |  |  |
| 1.8 |  |  |  |  |  |
| **Total Fees** | | | | |  |
| **Discount on above** | | | | |  |
| **Fee after discount** | | | | |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1. **Reimbursable Expenses (Category D)** | | | | | | | |
| **Sn.** | **Item** | **Unit** | **Quantity** | **Unit Price (USD)** | **Total Cost (USD)** | |
| *A* | *B* | *C= A x B* | |
| 2.1 | Communication Cost |  |  |  |  | |
| 2.2 | Drafting, reproduction of reports |  |  |  |  | |
| 2.3 | Security |  |  |  |  | |
| 2.4 |  |  |  |  |  | |
| 2.5 |  |  |  |  |  | |
| **Total reimbursable cost** | | | | | |  | |

You may add or remove column (s), if required.

1. Non-performance, as decided by UNDP, shall include all contracts where (a) non-performance was not challenged by the contractor, including through referral to the dispute resolution mechanism under the respective contract, and (b) contracts that were so challenged but fully settled against the contractor. Non-performance shall not include contracts where Employers decision was overruled by the dispute resolution mechanism. Non-performance must be based on all information on fully settled disputes or litigation, i.e. dispute or litigation that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the Bidder have been exhausted. [↑](#footnote-ref-1)
2. . International Standards on Auditing (ISA) published by the International Auditing and Assurance Standards Board of the International Federation of Accountants [↑](#footnote-ref-2)
3. International Organization of Supreme Audit Institutions [↑](#footnote-ref-3)
4. ISA = International Standards on Auditing [↑](#footnote-ref-4)
5. A “modified” audit opinion means either a qualified opinion, a disclaimer of opinion or an adverse opinion. [↑](#footnote-ref-5)