



REQUEST FOR PROPOSAL (RFP)

AUDIT SERVICES

Ref: RFP/2018-01



Section 1 – Letter of invitation

January 26, 2018

Dear Sir/Madam,

The Economy and Environment Partnership for Southeast Asia (EEPSEA) kindly invites you to submit your proposal for provision of **Annual Audit services**. This Request for Proposal (RFP) includes the following sections:

- Section 1 – This letter of invitation
- Section 2 – Terms of reference
- Section 3 – Proposal forms

Please be guided by section 2 and the forms attached in **section 3**, in preparing your proposal. Proposal may be submitted on or before **Friday, February 2, 2018** to the following email address:

Email address for proposal submission:

hoa.tran@eepseapartners.org

Please kindly ensure that the attachments are signed and in the .pdf format, and free from any virus or corrupted files. Please kindly find the checklist in **section 3** for more information on submission.

The proposal should be in English, valid for 90 days from the deadline and the currency to be used is Vietnam dong (Price must be inclusive VAT and other applicable indirect taxes).

We will acknowledge receipt of the proposals within 3 working days from the submission deadline. In case you do not receive acknowledgement, please contact us within 5 working days after submission deadline.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of EEPSEA requirements.

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

Contact person for enquiries (written inquiries only): Ms. Tran Khanh Hoa, hoa.tran@eepseapartners.org

Thank you and we look forward to receiving your proposal.

Sincerely yours,

Pham Khanh Nam
Director

Section 2 – Terms of reference

I. Background information

EEPSEA wishes to engage the services of an audit firm for the purpose of auditing the Environment for Development (EfD) Initiative in **Vietnam** as stipulated in the agreement “Environment for Development Initiative in **Vietnam** 2017-2020” between the EEPSEA and the Environment for Development Initiative Secretariat based at the Department of Economics, University of Gothenburg. The audit shall be carried out in accordance with international audit standards issued by the International Federation of Accountants (IFAC). The audit shall be carried out by an external, independent and qualified auditor (Certified Public Accountant / Authorised Public Accountant).

II. Objectives and Scope of the Audit

Audit the financial report for the period 1 January 2017 to 31 December 2017 and submit it to the Swedish International Development Cooperation Agency (Sida) via the EfD Secretariat. Express an audit opinion according to the International Standards on Auditing ISA 800/805 on whether the financial report of EEPSEA is in accordance with University of Economics Ho Chi Minh City (UEH) accounting records and *Sida’s Instructions for Financial Reporting*.

III. Additional Objective – review in line with the International Standard on Related Services (ISRS) 4400

Add the additional areas to be reviewed by the auditor. For example, a review on whether previously identified weaknesses have been remedied or an examination of internal control. Note that if the budget includes salary costs to be charged to the project then an ISRS 4400 order must be conducted and include an examination of whether these costs have been systematically reported in a way that allows for monitoring. Consult the controller when necessary regarding the areas that may be relevant. The areas below are examples of what may be relevant:

- The auditor will examine whether the salary costs charged to the project are regularly posted throughout the year in a systematized manner and whether the wage costs can be verified by sufficient evidence.
- The auditor shall check that the financial report includes a comparison between the actual results and the budget approved by Sida for the costs of activities for the relevant period.
- The auditor shall examine whether the reported costs have sufficient documentary evidence based on substantiality and risk.
- The auditor shall review whether EEPSEA has followed the applicable rules on procurement in relation to EEPSEA’s rules and Sida’s procurement guidelines (Appendix B).
- The auditor will report on whether the EEPSEA implemented the recommendations from the previous audit.
- In cases where EEPSEA channelled contributions to other organizations, the auditor shall examine whether EEPSEA has followed Sida's audit rule on subsequent links in the chain and have satisfactory procedures for acting on received audit reports from its partners.

IV. Reporting

The audit report shall state the following measures:

- 1) The report shall contain details regarding the audit methodology used and the scope of the audit.
- 2) The report shall certify that ISA 800/805 standards were followed or specify how the standard used is related to ISA 800/805.
- 3) The report shall state if the financial report is in accordance with the audit and Sida's *Instructions for Financial Reporting*.
- 4) The auditor shall examine, assess and report on compliance according to the terms and conditions of the agreement and applicable laws and regulations regarding accounting and taxes.
- 5) The auditor shall examine, on a test basis, that there is supporting documentation related to reported expenditure.
- 6) The size of the test shall be based on the auditor's risk analysis and this should be stated in the report.
- 7) In the case of missing supporting documentation, the auditor shall report the identified amount. Alternatively, the auditor shall clearly state that they did not find evidence of missing supporting documentation.
- 8) The auditor shall examine and clearly state in the report if EEPSEA has agreements with the organisations to which it channels parts of the funds and whether EEPSEA has followed Sida's audit requirements and acted on received audit reports from these organisations. Alternatively, the auditor shall clearly state that funds have not been channelled to other organisations.
- 9) The report shall contain an assurance that the audit was performed by a qualified auditor.
- 10) The report shall contain the responsible auditor's signature, name and job title, and the name of the audit firm.
- 11) The report from the auditor shall contain the findings made during the audit process. It shall state which measures have been taken as a result of previous audits and whether these have been adequate to deal with reported shortcomings. If there were no shortcomings reported from previous audits this should be stated.
- 12) The auditor shall make recommendations to address any weaknesses identified. The recommendations should be presented in order of importance, from the most important at the top.
- 13) The auditor shall ensure that the findings based on the review in accordance with ISRS 4400 is produced regarding the points outlined in section III.
- 14) A Statement on the Audit signed by the Director of EEPSEA shall be provided to the auditors for inclusion in the audit report (see attached template).
- 15) The audit firm shall be provided the table containing the amounts of funding sent and the dates of transfers. For any further information please contact the Project Administrator at the EfD Secretariat, University of Gothenburg, Sweden via elizabeth.gebresilassie@gu.se or potsan.goh@gu.se. This table shall be **actively used in the audit report**, so that exchange rates, bank fees, etc., can be tracked from the transfers made by the University of Gothenburg.
- 16) **The report shall not exceed 10 pages**, be written in English and be presented to EEPSEA in one (1) copy and one digital copy, within two weeks after the last visit.
- 17) The report shall be submitted electronically to the EfD Secretariat as soon as it has been received from the auditor and no later than 31 March 2018.
- 18) If there are exceptions or recommendations from this audit or previous audits, a management response must accompany the audit report and be emailed to the EfD Secretariat by 31 March 2018.

V. Tentative timeline:

The tentative timeline is as follows:

- Send the proposal to EEPSEA by February 2, 2018
- EEPSEA will notify the selected auditor by February 7, 2018

- Appointment confirmed, and contract process is completed by February 12, 2018
- Conduct audit work between February 26, 2018 and March 4, 2018
- Draft audit report submitted to EEPSEA by March 22, 2018
- Final report to be sent to EEPSEA by March 26, 2018

VI. EEPSEA Activities and expenditure overview

In 2017, EEPSEA operated using the carry-over funding from the agreement with World Fish in 2016 and new funding from Sida (through agreement with EfD Initiative at University of Gothenburg in Sweden) to develop the institutional bodies, carry out research projects, academic seminars, policy interaction and communication activities.

Main expenditures: payroll, travels (air ticket), hotel and conference expenditures, research service contracts, data collection from field trips related cost (payment to interviewers, interviewees, travels, accommodation ...)

Expenditure incurred during the period: 2.044.776.525 VND

Audit report template letter

The template below is expected to facilitate the drafting of a report which addresses the minimum audit requirements.

[Agency Name and address]

We, [Company Name] established in [City], [Country], represented by the signature of this audit report by [Auditor's name], hereby certify that:

- We have conducted an audit relating to the Financial Report of Economy and Environment Partnership for Southeast Asia at University of Economics Ho Chi Minh City hereinafter referred to as EEPSEA, to which this audit report is attached, and which is to be presented to the Environment for Development Initiative Secretariat (EFD Secretariat) at the Department of Economics, University of Gothenburg, Sweden, under the contract "Environment for Development Initiative in Vietnam 2017-2020" for the period 1 January 2017 to 31 December 2017.
- We confirm that our audit was carried out in accordance with the International Standards of Auditing, ISA 800 and ISA 315. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures on the abovementioned financial report. ISA 315 is used as a basis for the risk assessment. Our audit was also carried out in accordance with the relevant terms of the agreement and the attached terms of reference provided by the EFD Secretariat.
- We confirm that our audit reviewed additional areas in line with the International Standard on Related Services (ISRS) 4400. Our findings are outlined on page X of our report.
- The abovementioned financial report was examined and all tests of the supporting documentation and accounting records deemed necessary were carried out in order to obtain reasonable assurance that, in our opinion, based on our audit:
 - The financial report has been prepared in accordance with the project accounts and Sida's requirements for financial reporting;
 - The financial report has been prepared in compliance with the relevant financial terms and conditions of the abovementioned agreement and applicable laws and regulations regarding accounting and taxes;
 - Supporting documentation exists for the audited sample of costs. The sample is based on our risk assessment;
 - There was missing supporting documentation for [XX] amount
OR There was no evidence of any missing supporting documentation.
 - Agreements have been signed with the organizations to which EEPSEA channels parts of the funds and the audit requirements have been fulfilled. The terms of reference for the annual audit of received funds has been forwarded to receiving organizations. Satisfactory routines are in place to act on received audit reports from these organizations
OR There were no funds channeled to other organizations.
- Reporting has been conducted in accordance with ISRS 4400 and the results can be seen on page [X] and below.

Exceptions, recommendations and response

In our audit we have identified the following exceptions which affect our statements above:

Exception	Recommendations
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Measures taken in response to previous audits:

Recommendation from audit of 2016 funds	Measures taken during 2017 and recommendations for 2018

The response and measures taken as a result of this audit will be described by EEPSEA separately in their management response to the EfD Secretariat.

Our company is qualified to deliver this audit certificate in full compliance with the terms of the contract.

[Date Month Year]

[Signature]

[Auditor's name]

[Auditor's job title]

[Company name]

Template – Statement on the Audit from EfD Centre

To be printed on EEPSEA's letterhead

[Auditor name]

[Auditor's Company name]

[Address]

Date: DD MM 2018

Re: Statement on the Audit – Environment for Development Initiative

This statement is provided in connection with your firm's audit of the Sida project EfD 61050043 for the reporting period beginning 2017-01-01 and ending 2017-12-31. I am aware that the auditors' mission was to perform the audit in accordance with International Standards on Auditing (ISA), generally accepted auditing standards in Vietnam and according to Sida's Terms of Reference for the Annual Audit. The scope of the audit is to make an accurate statement about the financial component of the EEPSEA at UEH which reports to the Environment for Development Initiative Secretariat at the Department of Economics, University of Gothenburg, Sweden regarding projects financed via the EfD Secretariat.

I acknowledge that management has the ultimate responsibility for the statements being prepared in accordance with the umbrella contract with the EfD Secretariat, and that EEPSEA has established and maintains a sound internal control structure adapted for financial reporting required to Sida and other donors.

I also confirm, to the best of my knowledge, the following:

- There have not been any irregularities regarding the project managers or senior employees in the accounting and internal control systems, or any other person who could have affected the reports substantially. Nor am I aware of other staff having been involved in irregularities which may materially affect the report.
- I have provided access to all accounting documents including supporting documentation, contracts and agreements.
- All business transactions are recorded in the accounts that form the basis for the financial reports. The reports contain no material misstatements, no omission of material facts, and no change of accounting occurred during the period beyond what is stated in the reports.
- I confirm that all transactions between EEPSEA and related parties occurred on market terms.
- The centre followed the host institution's regulations for procurement.
- EEPSEA has fulfilled all terms that may have affected the reports significantly if they had not been fulfilled.
- Apart from what is presented in the reports, there have been no incidents after the reporting period that require modification or disclosure in the reports.
- If we have channeled funds to other organisations, we have signed agreements with these organisations which contain all the requirements Sida prescribes.
- Our own financial contributions have been accounted for in accordance with the principal agreement with the EfD Secretariat.
- Unutilized funds have been accounted for in the reports to EfD Secretariat.

Sincerely

[Name]

[Job title], EfD in Vietnam, [Agency name]

Section 3 – Proposal Forms

FORM FOR SUBMITTING SERVICE PROVIDER’S TECHNICAL PROPOSAL

(This Form must be submitted only using the Service Provider’s Official Letterhead/Stationery¹)

[insert: Location].

[insert: Date]

To: Environment and Economy Partnership for Southeast Asia

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to EEPSEA in conformity with the requirements defined in the RFP dated *[specify date]* , and all of its attachments.

A. Qualifications of the Service Provider

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of EEPSEA by indicating among others the following with appropriate supporting documents:

- a) Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;
- b) Business Licenses – Registration Papers, Tax Payment Certification, etc.
- c) Track Record – list of clients for similar services as those required by EEPSEA, indicating description of contract scope, contract duration, contract value, contact references

Client	Contract value	Duration of activity	Services/goods provided	References contact (name, phone, email)

- d) Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc. (if any)

B. Proposed Methodology for the Completion of Services

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

Propose work-plan.

C. Qualifications of Key Personnel

The Service Provider must provide:

¹ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;
- b) CVs demonstrating qualifications

We agree to abide by this Proposal for 90 days from the date of proposal submission deadline.

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

[Designation]

[Date]

FORM FOR SUBMITTING SERVICE PROVIDER’S FINANCIAL PROPOSAL

(This Form must be submitted only using the Service Provider’s Official Letterhead/Stationery²)

The Proposer is required to prepare the Financial Proposal in an email separate from the rest of the RFP as indicated in the Instruction to Proposers.

The Financial Proposal must provide a detailed cost breakdown. Provide separate figures for each functional grouping or category.

Any estimates for cost-reimbursable items should be listed separately.

The format shown on the following pages is suggested for use as a guide in preparing the Financial Proposal. The format includes specific expenditures, which may or may not be required or applicable but are indicated to serve as examples.

A. Cost Breakdown per Deliverable*

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

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

Description of Activity	Remuneration per Unit of Time	Total Period of Engagement	No. of Personnel	Total Rate
I. Personnel Services				
1. Services from Home Office				
a. Expertise 1				
b. Expertise 2				
2. Services from Field Offices				
a. Expertise 1				
b. Expertise 2				
II. Out of Pocket Expenses				
1. Travel Costs				
2. Daily Allowance				
3. Communications				
4. Reproduction				
5. Equipment Lease				
6. Others				
III. Other Related Costs				
Applicable taxes				

² Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

We agree to abide by this Proposal for 90 days from the date of proposal submission deadline.

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

[Designation]

[Date]

CHECK LIST OF DOCUMENTS SUBMITTED BY BIDDERS

Note:

- Bidders are required to review carefully this checklist before submitting proposal to ensure complete submission.
- Technical and Financial Proposals are to be submitted in separate emails by **2 February 2018**.
- Maximum email size: 07 MB/email. Bidders can split proposal into several emails if the file size is large. Email subject: RFP/2018-01 for Annual Audit Service (Email ... of ... emails)
- Proposal should indicate clearly the name of tender.

Item	Documents	To be completed by bidders		
		Doc submitted Y/N	Number of pages	Remarks
1	Fully filled Technical proposal (pls. refer to template in Section 3) with copies/scan of supporting documents			
2	Dully signed Financial proposal (pls. Refer to template in Section 3)			
3	This duly filled, checked, certified submission checklist to be attached to the submission			
4	Send email (without attachment) to admin@eepseapartners.org notifying that you already submitted proposal and the number of email submitted. Notification emails should be sent to above email address by submission deadline or right after you submit proposals.			

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