



## Term of Reference

### Provision of External Audit Service for Road Development Corporation

#### Hiring External Auditor for Road Development Corporation for financial years 2021 and 2022

#### Background

Road Development Corporation Ltd. (RDC) is a 100% state-owned enterprise formed by a presidential decree during June 2019. The corporation was formed with the mandate of promoting the construction of rigid and flexible development of roads in the Maldives.

#### Scope and Objective of the Work

- The audit shall be carried out in accordance with the International Standards on Auditing (ISA) as issued by the International Federation of Accountants (IFAC)
- Express an independent, professional opinion on whether the annual financial statements of the Corporation are presented fairly, in all material respects, the financial position, financial performance and cash flows in accordance with the IFRS.
- The Auditor is required to submit a Management Letter at the completion of the audit, specifying important issues with proposed remedies that in the auditor's judgement need attention of the Board and Management.
- The auditor shall be appointed to act as the external auditor of the Corporation for a period of 02 years.
- The audit shall comply with the regulation on the audit and accountability of SOE's issued by the Auditor General Office

#### Eligibility

- The Auditor must be a licensed audit firm registered with the Institute of Chartered Accountants of the Maldives (CA Maldives) and should not be under any enforcement action;
- The Audit firm must be registered as Public Interest Entity (PIE) Auditor at CA Maldives;
- The Auditor must have concluded 3 external audit assignments (External Audit assignments of government agencies, State Own Enterprises and International organizations will be considered for evaluation purpose)
- The auditor must be completely independent from all aspects of management or financial interests of the Authority;
- The auditor must demonstrate that it employs adequate staff with appropriate professional qualifications and suitable experience in accounting and auditing the accounts of entities comparable in size and complexity to the Authority;

#### Deliverables

- Audited financial statements of the year 2021 and 2022 to the Board and management of RDC.
- Management letter to the company.
- Any other report as per *Regulation on the Audit and Accountability of State-owned Enterprises 2021/R-152* to the respective authorities.



## Evaluation of Proposals

Road Development Corporation (RDC) will use a combined scoring method, in which the financial proposal will be weighted at 40% and technical proposal at 60%. Bidders who achieve 70% and higher out of 60% in the technical evaluation will be qualified for the Financial Evaluation stage. Any bidder who does not achieve minimum 70% in technical evaluation, those bids will not be considered for further evaluation.

The weightage given to evaluation criteria are:

#	Criteria for Technical Evaluation	Weightage (%) for the total score	
A	Financial Proposal		40%
B	Technical Proposal		60%
	1. Proposed Workplan and Methodology	10	
	2. Proposed Audit field work team. <i>Team Should consist of at least 3 members (Engagement partner, Engagement Manager and Audit Field worker)</i>	15	
	3. Firms experience in conducting External Audit.	35	
	<b>Total</b>		100%

### A. Financial Proposal (40%)

The objective of this stage is to evaluate and compare the proposed bid prices of the bidders. In calculating the score under this criterion, the party quoting the lowest Price will get the maximum points allocated under this criterion and the points for the remaining bidders will be distributed on a pro-rata in descending order.

The formula thus used for the computation of the score is as follows:

$$\text{Price Score} = \frac{\text{Lowest proposed total price from among the bids received}}{\text{Particular-Bidder's proposed total price}} \times \text{Total Marks}$$



## B. Technical Proposal (60%)

#	Evaluation Categories	Marks
1	Proposed Workplan and Methodology	
	a) Work plan and timeline	5
	b) Methodology	5
2	Audit Team	
	a) Engagement partner (Membership of an IFAC body)	6
	b) Engagement manager (Membership of an IFAC body)	6
	c) Audit Field worker (Diploma or higher qualification)	3
3	Firm's experience in conducting External Audit.	35

## C. Firms experience will be calculated as follows.

No. Audit Assignments Concluded	Score
3	3.5
4	8
5	12.5
6	17
7	21.5
8	26
9	30.5
10	35

## Submission of proposal

The bidder must include the following minimum information in the proposal:

1. Quotation Submission Form (this form) completed & signed
2. Qualification and experience for audit engagement team (Curriculum Vitae (CV) shall include details of audits carried out by the concerned staff, including ongoing assignment along with true copies of academic certificates and copies of supporting documents).
3. Supporting Documents to prove the past experience (*Offers will be accepted without Experience Documents. However, no mark will be allocated in absence of Experience Letters*).
4. Valid audit license issued by CA Maldives.
5. Public Interest Entity (PIE) Auditor Registration.
6. Detailed Methodology
7. Work-plan and timeline for undertaking and completing the audit assignment and the deliverables.
8. Detailed chart of the team members
9. Business Profile (*Company Profile issued by the Ministry of Economic Development*)
10. Copy of Business Registration Certificate
11. Copy of GST Registration Certificate (*where applicable*)
12. Vendor Registration Form (for parties who have not registered as vendors with RDC)