

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



MINISTRY OF NATIONAL PLANNING, HOUSING AND INFRASTRUCTURE
MALE', REPUBLIC OF MALDIVES

Integrated National Public Ferry Network Project (INPFN)

TERMS OF REFERENCE
Financial Audit
((IUL)471-CDS3/471/2023/120)

I. BACKGROUND

Government of Maldives (GOM) has committed to developing an efficient, reliable, convenient and sustainable national public ferry system to ensure all Maldivian citizens are connected to the country's economic infrastructure and social services which is reflected in the Strategic Action Plan 2019-2023. The Government aims to operationalize an efficient public ferry service in all administrative areas by 2023 through the **Integrated National Public Ferry Network Project (INPFN)**. This would be the very backbone of the long-term strategic planning framework, National Spatial Plan, designed to achieve regional development in the Maldives through a balanced distribution of resources ensuring inclusive, integrated, smart and resilient development. The National Public Ferry Network will also contribute in achieving Sustainable Development Goals through its broad range of socio-economic impacts. The envisioned national public ferry system will be an integrated service comprised of high-speed passenger ferry service and scheduled cargo ferry services.

The public ferry system will link maritime transport with land and air transport for a seamless transfer of passenger and cargo movement across the country. The system will also include support infrastructure such as ferry terminals and access infrastructure built to modern architectural standards, universal accessibility design and high customer comfort and convenience.

The project is planned to be rolled out across 6 zones of the Maldives in three phases;

- 2021-2022- Phase 1- Zone 1 (Haa Alif, Haa Dhaalu, Shaviyani Atoll)
- 2022-2023 Phase 2- Zone 2 (Noonu, Raa, Baa, Lhaviyani Atoll) and Zone 4 (meemu, Faafu, Dhaalu, Thaa, Laamu Atoll)
- 2023- Phase 3- Zone 3 (Kaafu, Alif Alif, Alif Dhaalu, Vaavu Atoll), Zone 5 (Gaafu Alifu, Gaafu Dhaalu Atoll) and Zone 6 (Gnaviyani, Seenu Atoll)

To implement this project Ministry of National Planning, Housing, and Infrastructure (Employer), on behalf of the Government and Maldives Transport and Contracting Company PLC (Operator) entered into agreement for Design, Build and Operate Agreement to operate high speed ferry services for the whole Maldives.

II. SCHEDULE OF CRITICAL DATES

Activity	Action Date
Advertised date	18 th April 2023
Bid queries submission timeline	24 th April 2023 at 11:00
Bid clarification deadline	26 th April 2023 at 12:00
Proposal Submission deadline	27 th April 2023 at 10:00

III. SUBMISSION REQUIREMENTS

The following related documents shall be submitted for the bid to be considered sufficiently responsive. Applicants should submit their proposals containing the following documents and applicable Technical Proposal – Standard Forms and Financial Proposal – under ANNEX A.

a. Technical Proposal – Standard Forms

1. Proposal submission form (signed by the owner of the entity or person with power of attorney to sign) – (Tech. Form 1)
2. Approach, Methodology and Work Plan – (Tech. Form 2)
3. A summary of the work plan must be presented in the Work Schedule (Tech. Form 3) showing in the form of a Gantt Chart the timing proposed for each activity.
4. Reference letters demonstrating experiences listed in this TOR (required experiences and other experiences relevant to this TOR must be specified clearly or highlighted) – (Tech. Form 4)
5. Completed Letter of Commitment (signed by the Team Leader) – (Tech. Form 5)
6. Copy of Business registration certificate. (company/ partnerships)
7. Copy of Audit License issued by Institute of Chartered Accountants of the Maldives
8. Copy of GST Registration certificate issued by Maldives Inland Revenue Authority – if registered
9. Tax payer registration Certificate / Notification Copy - if registered
10. Tax clearance report from Maldives Inland Revenue Authority (date not more than 30 days)
11. Submit a Power of Attorney if the bid is submitted on behalf of the owner of the entity, authorizing the signatory for entering into contract

b. Financial Proposal

1. Proposal Submission Form - FIN form 1 (signed by the owner of the entity or person with power of attorney to sign)

Note 01: If bidder fails to submit any of the above listed document, their proposal may not be considered for further evaluation.

Note 02: Foreign parties are not allowed to bid for this tender individually or as a joint venture with a Maldivian business entity.

IV. OBJECTIVE

The objective of the audit is to enable the auditor to express a professional opinion on the financial statement mainly Profit and Loss Account of the **INPFN** of the funds received and expenditures. The financial audit shall be for the year 2022. The audit shall also determine whether the Project Implementation Functions/Departments at Maldives Transport and Contracting Company PLC (MTCC) in Male' and Project Operations at Zone 1 (Haa Alif, Haa Dhaalu, Shaviyani Atoll) and Zone 2 (Lhaviyani Atoll in 2022) has made adequate arrangements to ensure that the proceeds (financing assistance and operational subsidy) from the Government of Maldives are used for the purpose of the money received with attention and considerations of economy and efficiency without regard to political or other non-economic influences or considerations.

The books of account of the Project will provide the basis for preparation of the financial audit to reflect the financial transactions.

V. SCOPE OF WORK

The audit will be carried out in accordance with the International Auditing and Assurance standards (ISA) and will include such tests and controls as the auditor considers necessary under the circumstances. In costing the audit, special attention should be paid to the following.

- All funds have been recorded (including procurements of good and services) in accordance with the conditions of the relevant agreements.
- All necessary supporting documents, records and accounts have been kept in respect of all project ventures including expenditures reported via financial monitoring reports.
- Clear linkages should exist between the books of account and reports presented to the Employer.
- Procedures and controls exist in the project to conduct physical verification of the fixed assets and inventories exits, which will be tested as may be deemed necessary under the assurance standards by the auditor.
- The project accounts have been prepared in accordance with accepted accounting principles as adopted by the Operator and gives a true and fair view of the financial situation of the project at the year end and of recourses and expenditure for the year ended on that date.

VI. FINANCIAL STATEMENTS

The project financial statement shall include the following:

- Profit and Loss for the year ending 31 December 2022 (with the Summary of Funds received from the Government through financial assistance and project operational subsidy)
- A statement of significant accounting policies.
- Explanatory notes to the financial statements if any.

VII. AUDITORS OPINION

Besides a primary opinion on the project financial statements, the annual audit report of the project shall include separate paragraph commenting on the accuracy and propriety of expenditure withdrawn under each expenditure category. The auditor should submit the two copies of the audit accounts and audit reports.

VIII. MANAGEMENT LETTER

In addition to the other areas, the auditor will also comment on:

- Observations the accounting records, systems and controls that were examined during the course of the audit.
- Identify deficiencies and areas weakness in system, internal audit and other controls and make recommendation for their improvement. Also recommend specific areas that may require performance audit to substantiate economy and efficiency in operations.
- Report on the degree of the compliance of the financial covenants on the financing and service agreements.
- Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project.
- Comment on the implementation of recommendations from previous management letter if any, including any issues which remain to be addressed and any issues which recurred.
- Bring to attention any other matters that the auditor considers relevant.

IX. GENERAL

The auditor should be given access to all legal documents, correspondences and any other information associated with the project and deemed necessary by the auditor. Confirmation should also be obtained of amounts disbursed and outstanding. It is highly desirable that the auditor become familiar with related guidelines and requirements of FIDIC contracts and procurement process of public limited companies.

X. DELIVERABLE

The assignment is to be delivered as specified below:

Details	Date of Submission
Financial Audit 2022	Within 50 calendar days from contact signing

XI. QUALIFICATIONS AND EXPERIENCE

The Ministry of National Planning, Housing, and Infrastructure is seeking an experienced audit firm with the following criteria:

1. Minimum 2 (two) years of experience on conducting similar assignments.
2. Auditor shall have performed at least 2 (two) similar assignments related to public limited company or government projects.
3. Shall be a Public Interest Entity Auditor Registered at Institute of Chartered Accountants of the Maldives

XII. EVALUATION CRITERIA

The auditing firm will be selected based on the following criteria:

Selection Criteria	Weightage %	Evaluation Documents
Experience of firm, conducting audits similar assignment related to public limited company or government projects.	30%	Letters of experience submitted
Proposed financial value: <i>The proposal with the Lowest Financial Quote (Fq) will get the maximum Financial Score (Sf) of 100 points. The Financial Scores (Sf) of the other financial offer will be computed according to the following formula: $Sf = 100 \times Fq / F$, in which Sf is the financial score, Fq is the Lowest Financial Quote received and F is the price of the proposal under consideration.</i>	70%	

XIII. ADDITIONAL INFORMATION

- Maldives Transport and Contracting Company PLC (MTCC) has overall responsibility for the management of the contract and contractual reporting obligations.
- Documents and data provided by the MTCC and MNPHI for the purpose of this assessment which is not of public nature shall be considered confidential and should not be disclosed to any other party.
- All outputs and materials produced as part of this TOR shall be handed over to the MTCC or MNPHI at the end of the contract and will become the sole property of Ministry of National Planning, Housing, and Infrastructure (MNPHI)
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XIV. PRICES

1. All prices must be quoted in MVR (Maldivian Rufiyaa).
2. There will be no price variation after signing of the contract.
3. Prices must be quoted inclusive of all applicable taxes

XV. VALIDITY OF THE BID

The Bid shall be valid for a minimum period of 60 days from the date of closing this tender.

XVI. 13. SUBMISSION

Bid Information Session	On 24th April 2023 at 11:00am in Ministry of National Planning, Housing and Infrastructure.
For More Clarification	Mail to bid-secretariats@planning.gov.mv before 26 th April 2023, 12:00pm
Bid Submission	On or before (27th April 2023 at 10:00am) hours Local Time
Bid Opening	(27th April 2023 at 10:00am) hours local time. Proposals will be opened in the presence of the proponents' representatives who choose to be present at the address below at the time of proposal opening.

Bid Submission Instruction	Proposals must be delivered in sealed envelopes titled. “Do not Open Before (27th April 2023 at 10:00am) hours – Financial Audit of Integrated National Public Ferry Network Project” and the submitting party’s name and address. Electronic submission is not permitted. Late proposals will be rejected.
Submission Address	Ministry of National Planning, Housing and Infrastructure, Ameenee Magu, Maafannu Male’, 20392, Republic of Maldives. Email: bid-secretariats@planning.gov.mv Website: www.planning.gov.mv Project name: Integrated National Public Ferry Network Project

ANNEX A

Tech. Form 1 - Proposal submission form

[Date]

To: Procurement Section
Ministry of National Planning, Housing, and Infrastructure,

Dear Madam/Sir:

We, the undersigned, would like to express our interest for the '**Financial Audit of Integrated National Public Ferry Network Project**' in accordance with your Request for Proposal Ref: *[Ref number]* Dated *[date]*, we hereby submitting our Proposal, which includes all required documents as per Request for Proposal.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

If negotiations are held during the period of validity of the Proposal, we undertake to negotiate on the basis of the proposed fees. The Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We undertake, if our Proposal is accepted, to initiate the services and fulfil the terms and conditions related this contract.

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

Yours sincerely,

[Signature]

[Name]

[Title of the representative]:

[official stamp]

Tech Form 2 – Approach, Methodology and Work Plan

[Technical approach, methodology and work plan are key components of this Proposal. the Proponent is suggested to submit Proposal with the following areas clearly described:

a) Methodology for each activity,

b) Work Plan

a) Technical Approach and Methodology

[In this chapter the Proponent should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.]

b) Work Plan

[In this chapter the Proponent should highlight the main activities and sub-activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan.]

Tech Form 5: Letter of Commitment (Team Leader)

[Date]

To: Procurement Section
Ministry of National Planning, Housing, and Infrastructure,
Ref no: _____

Dear Sir/Madam,

I am writing to confirm my availability to provide services as the **Team Leader** to “**Financial Audit of Integrated National Public Ferry Network Project**”- for the Ministry of National Planning, Housing, and Infrastructure.

I undertake, if this proposal is accepted, to complete and deliver the whole of the services assigned to me in the scope of services.

I undertake, if this proposal is accepted upon receipt of the Ministry of National Planning, Housing, and Infrastructure’s notice, to commence performance of the services with due expedition and without delay.

Yours sincerely,

Name:

ID card No:

Mobile No:

Date:

Signatory:

FIN FORM 1 – Financial Proposal Submission Form

[Date]

To: Procurement Section
Ministry of National Planning, Housing, and Infrastructure,

Dear Madam/Sir:

We, the undersigned, offer to provide services for “**Financial Audit of Integrated National Public Ferry Network Project**” in accordance with your Request for Proposal dated *[Date]* and our Technical Proposal. Our attached Financial Proposal is for the sum of *[Insert amount(s) in words and figures in MVR]*. This amount is inclusive of all local taxes.

Our Financial Proposal shall be binding upon we subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal.

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

Yours sincerely,

[Authorized Signature]

[Name]

[Title of the representative]:

[official stamp]