

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِيْمِ



Ministry of Agriculture and Animal Welfare
Male', Republic of Maldives



Ministry of Agriculture and Animal Welfare

Expression of Interest

for

Consultancy Service for Internal Audit of Maldives Agribusiness Programme

Ref No: MAP/CS/2024/11

Submission date: 23rd June 2024

Foreword

This document has been prepared by Project Implementation Unit of Ministry of Agriculture and Animal Welfare and is based on the 1st edition of the IFAD-issued standard procurement document for expression of interest available at www.ifad.org/project-procurement. This bidding document is to be used for the procurement of services using Quality Cost Based Selection in projects financed by IFAD.

IFAD does not guarantee the completeness, accuracy or translation, if applicable, or any other aspect in connection with the content of this document.

Instructions to Consultants¹

Reference Number: MAP/CS/2024/11

02nd June 2024

Consultancy Service for Internal Audit of Maldives Agribusiness Programme

1. The Government of Maldives has received financing from the International Fund for Agricultural Development (“the Fund” or “IFAD”) towards the cost of Maldives Agribusiness Programme (“the client” or “procuring entity”), and intends to apply part of the proceeds for the recruitment of consulting services, for which this REOI is issued.

The use of any IFAD financing shall be subject to IFAD's approval, pursuant to the terms and conditions of the financing agreement, as well as IFAD's rules, policies and procedures. IFAD and its officials, agents and employees shall be held harmless from and against all suits, proceedings, claims, demands, losses and liability of any kind or nature brought by any party in connection with Maldives Agribusiness Programme.

2. The client now invites expressions of interest (EOIs) from legally constituted consulting firms (not individual consultants) ("consultants") to provide Consultancy Service for Internal Audit of Maldives Agribusiness Programme. More details on these consulting services are provided in the preliminary terms of reference (PTOR) attached as **Annex 1**. The consultant may sub-contract selected activities provided that said services do will not exceed 20% of the total consultancy work.
 3. Before preparing its EOIs, the consultant is advised to review the preliminary terms of reference attached as **Annex 1**, which describe the assignment and **Annex 2** that details the evaluation of the technical qualifications.
 4. The consultant shall not have any actual, potential or reasonably perceived conflict of interest. A consultant with an actual, potential or reasonably perceived conflict of interest shall be disqualified unless otherwise explicitly approved by the Fund. A consultant including their respective personnel and affiliates are considered to have a conflict of interest if they a) have a relationship that provides them with undue or undisclosed information about or influence over the selection process and the execution of the contract, b) participate in more than one EOI under this procurement action, c) have a business or family relationship with a member of the client's board of directors or its personnel, the Fund or its personnel, or any other individual that was, has been or might reasonably be directly or indirectly involved in any part of (i) the preparation of this expression of interest, (ii) the selection process for this procurement, or (iii) execution of the contract. The consultant has an ongoing obligation to disclose any situation of actual, potential or reasonably

¹ This document refers to legally constituted consulting firms as “consultant”.

perceived conflict of interest during preparation of the EOI, the selection process or the contract execution. Failure to properly disclose any of said situations may lead to appropriate actions, including the disqualification of the consultant, the termination of the contract and any other as appropriate under the IFAD Policy on Preventing Fraud and Corruption in its Projects and Operations².

5. All consultants are required to comply with the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (hereinafter, "IFAD's Anticorruption Policy") in competing for, or in executing, the contract.

 - a. If determined that a consultant or any of its personnel or agents, or its sub-consultants, sub-contractors, service providers, suppliers, sub-suppliers and/or any of their personnel or agents, has, directly or indirectly, engaged in any of the prohibited practices defined in IFAD's Anticorruption Policy or integrity violations such as sexual harassment, exploitation and abuse as established in IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse³ in competing for, or in executing, the contract, the EOI may be rejected or the contract may be terminated by the client.
 - b. In accordance with IFAD's Anticorruption Policy, the Fund has the right to sanction firms and individuals, including by declaring them ineligible, either indefinitely or for a stated period of time, to participate in any IFAD-financed and/or IFAD-managed activity or operation. The Fund also has the right to recognize debarments issued by other international financial institutions in accordance with its Anticorruption Policy.
 - c. Consultants and any of their personnel and agents, and their sub-consultants, sub-contractors, service providers, suppliers, sub-suppliers and any of their personnel and agents are required to fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to this selection process or the execution of the contract and to have such accounts, premises, records and documents audited and/or inspected by auditors and/or investigators appointed by the Fund.
 - d. Consultants have the ongoing obligation to disclose in their EOI and later in writing as may become relevant: (i) any administrative sanctions, criminal convictions or temporary suspensions of themselves or any of their key personnel or agents for fraud and corruption, and (ii) any commissions or fees paid or to be paid to agents or other parties in connection with this selection process or the execution of the contract. As a minimum, consultants must disclose the name and contact details of the agent or other party and the reason, amount and currency of the commission or fee paid or to be paid.

² The policy is accessible at www.ifad.org/anticorruption_policy.

³ The policy is accessible at <https://www.ifad.org/en/document-detail/asset/40738506>.

Failure to comply with these disclosure obligations may lead to rejection of the EOI or termination of the contract.

- e. Consultants are required to keep all records and documents, including electronic records, relating to this selection process available for a minimum of three (3) years after notification of completion of the process or, in case the consultant is awarded the contract, execution of the contract.
 - 6. The Fund requires that all beneficiaries of IFAD funding or funds administered by IFAD, including the client, any consultants, implementing partners, service providers and suppliers, observe the highest standards of integrity during the procurement and execution of such contracts, and commit to combat money laundering and terrorism financing consistent with IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy.⁴
 - 7. **Procedure:** the selection process will be conducted using Quality Cost Based Selection as laid out in the IFAD Procurement Handbook that can be accessed via the IFAD website at www.ifad.org/project-procurement. The client will evaluate the EOIs using the criteria provided in **Annex 2**. The shortlisted consultant(s) will be provided with the detailed TORs and asked to submit a detailed technical and financial offer. The evaluation will include a review and verification of qualifications and past performance, including a reference check, prior to the contract award.
 - 8. Consultants may associate with other firms to enhance their qualifications but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.
 - 9. Any request for clarification on this **REOI** should be sent via e-mail to the address below no later than **06th June 2024, 10:00hrs**. The client will provide responses to all clarification requests by **11th June 2024, 15:00hrs**.
 - 10. Submission Procedure: please submit your expression of interest using the forms provided for this purpose. Your EOI should comprise one (1) original copy of each EOI form annexed to this document. EOIs shall be submitted to the address below no later than **23rd June 2024, 11:00hrs**.

Maldives Agribusiness Programme
Project Implementation Unit
Ministry of Agriculture and Animal Welfare
Attn: Shazin Mukhthar Rushdhy / Procurement
5th Floor, M. Hazaarumaage, Fareedhee Magu,
Male', Republic of Maldives
Tel: +960 3033410
Fax: +960 3326558
E-mail: shazin.mukhthar@agriculture.gov.mv

⁴ The policy is accessible at <https://www.ifad.org/en/document-detail/asset/41942012>.

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Yours sincerely,

Conrad

Shafana Rasheed

Project Director

Project Implementation Unit, Ministry of Agriculture and Animal Welfare

Form EOI-1

EOI Submission Form

[Location, date]

[Authorized official]

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We, the undersigned, declare that:

1. We are expressing our interest in providing the consulting services for the above-mentioned assignment and have no reservations to the REOI, the instructions to the consultants and any addenda thereto.
 2. Our expression of interest is open for acceptance for a period of ninety (90) days.
 3. Our firm, its associates, including any subcontractors or suppliers for any part of the contract, have not been declared ineligible by the Fund and have not been subject to sanctions or debarments under the laws or official regulations of the client's country or not been subject to a debarment recognized under the Agreement for Mutual Enforcement of Debarment Decisions (the "Cross-Debarment Agreement")⁵, beyond those declared in paragraph 9 of this EOI submission form.
 4. We acknowledge and accept the IFAD Revised Policy on Preventing Fraud and Corruption in its Activities and Operations. We certify that neither our firm nor any person acting for us or on our behalf has engaged in any prohibited practices as provided in ITC Clause 6. Further, we acknowledge and understand our obligation to report to anticorruption@ifad.org any allegation of prohibited practice that comes to our attention during the selection process or the contract execution.
 5. No attempt has been made or will be made by us to induce any other consultant to submit or not to submit an EOI for the purpose of restricting competition.
 6. We acknowledge and accept the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. We certify that neither our firm nor any person acting for us or on our behalf has engaged in any sexual

⁵ The Cross-Debarment Agreement was entered into by the World Bank Group, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank and the European Bank for Reconstruction and Development, additional information may be located at: <http://crossdebarment.org/>.

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harassment, sexual exploitation or abuse. Further, we acknowledge and understand our obligation to report to ethicsoffice@ifad.org any allegation of sexual harassment, sexual exploitation and abuse that comes to our attention during the selection process or the contract execution.

7. The following commissions, gratuities, or fees have been paid or are to be paid with respect to the selection process: *[Insert complete name of each recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity.]*

Name of Recipient	Address	Reason	Amount	Currency

(If none has been paid or is to be paid, indicate "none.")

8. We declare that neither our consulting firm nor any of its directors, partners, proprietors, key personnel, agents, sub-consultants, sub-contractors, consortium and joint venture partners have any actual, potential or perceived conflict of interest as defined in ITC Clause 5 regarding this selection process or the execution of the contract. *[insert if needed: "other than the following:" and provide a detailed account of the actual, potential or perceived conflict]*. We understand that we have an ongoing disclosure obligation on such actual, potential or perceived conflicts of interest and shall promptly inform the client and the Fund, should any such actual, potential or perceived conflicts of interest arise at any stage of the procurement process or contract execution.
 9. The following criminal convictions, administrative sanctions (including debarments) and/or temporary suspensions have been imposed on our consulting firm and/or any of its directors, partners, proprietors, key personnel, agents, sub-consultants, sub-contractors, consortium and joint venture partners:

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Nature of the measure (i.e., criminal conviction, administrative sanction or temporary suspension)	Imposed by	Name of party convicted, sanctioned or suspended (and relationship to the consultant)	Grounds for the measure (i.e., fraud in procurement or corruption in contract execution)	Date and time (duration) of measure

If no criminal convictions, administrative sanctions or temporary suspensions have been imposed, indicate "none".

10. We acknowledge and understand that we shall promptly inform the client about any material change regarding the information provided in this EOI submission form.
 11. We further understand that the failure to properly disclose any of information in connection with this EOI submission form may lead to appropriate actions, including our disqualification as consultant, the termination of the contract and any other as appropriate under the IFAD Policy on Preventing Fraud and Corruption in its Projects and Operations.
 12. We understand that you are not bound to accept any EOI that you may receive.

[Authorized signatory]

[Name and title of signatory]

[Name and address of firm]

Form EOI-2

Organization of the Consultant

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[Provide a brief description of the background and organization of your firm/entity and of each associated firm for this assignment. Include the organization chart of your firm/entity. The EOI must demonstrate that the consultant has the organizational capability and to carry out the assignment. The qualifications document shall further demonstrate that the consultant has the capacity to field and provide experienced replacement personnel on short notice. Key staff CVs are not required at the shortlisting stage.]

Name of the firm	
Date of establishment	
Country of registration	
Full address of the firm	
Focal point: name, position, contact information (telephone, email):	<p>Name:</p> <p>Tel:</p> <p>Email:</p>
Number of branches in the country	
Country(ies) of operations with number of branches in each country	
Number of full-time employees	
Number of part-time employees	
Field(s)of expertise of the firm	
Number of professional staff with experience related directly to the assignment	

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<p>Subsidiary and associated companies <i>(wherever applicable):</i> (details in the following format to be provided for all associates) –</p> <ul style="list-style-type: none"> (i) Name of the company (ii) Nature of business (iii) Address of the company (iv) Website of the company (v) Brief description of company (maximum of 120 words) 	
<p>Any other information that the consultant would like to add:</p>	

Maximum 10 pages

Form EOI-3

Experience of the Consultant

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[Using the format below, provide information on each relevant assignment for which your firm, and each associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under the preliminary terms of reference included in this EOI. The EOI must demonstrate that the consultant has a proven track record of successful experience in executing projects similar in substance, complexity, value, duration, and volume of services sought in this procurement.]

Maximum 20 pages

Assignment name:	Approx. value of the contract (in MVR):
Country: Location within country:	Duration of assignment (months):
Name of client:	Total No. of staff-months of the assignment:
Address, and contact details (including email address(es)):	Approx. value of the services provided by your firm under the contract (in MVR):
Start date (month/year): Completion date (month/year):	No. of professional staff-months provided by associated consultants:
Name of associated consultants, if any:	Name of proposed senior professional staff of your firm involved and functions performed (indicate most significant profiles such as project director/coordinator, team leader):
Narrative description of project:	

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Description of actual services provided by your staff within the assignment:

Name of Firm: _____

ANNEX 1

PRELIMINARY TERMS OF REFERENCE

Consultancy Service for Internal Audit of Maldives Agribusiness Programme

1. Background on project

The Government of the Republic of Maldives through the Ministry of Agriculture and Animal Welfare (MoAAW) is implementing Maldives Agribusiness Programme (MAP) financed by the International Fund for Agricultural Development (IFAD). The project will be managed by the Project Implementation Unit (PIU) set up within the MoAAW. The project will be implemented in accordance with the Project Implementation Manual (PIM), and the Project's Financial Management Manual all of which are consistent with the IFAD's guidelines and procedures on procurement and financial management.

The goal of the Programme is to sustainably increase the incomes, food security and nutrition status of small farmers households. The development objective of the Programme is the strengthened enabling environment for sustainable and climate-resilient agriculture which shall be achieved through reformed policies, strengthened institutions and services, enhanced agricultural technologies, and better access to financing and markets for small farmer households, with an over-arching goal of gender transformation.

The finance will be managed and accounted in a separate bank accounts held in Maldives Monetary Authority (MMA). The PIU would be carrying out the final accounting of the project.

2. Overall objectives

The objective of the Internal Audit is to assess:

- 2.1. Reliability of Financial Management System, financial data and report at all tiers of operation;
 - 2.2. Adequacy and effectiveness of the accounting, financial and operational controls;
 - 2.3. Internal Control Systems: completeness, written instructions, effective implementation and frequency of review and updating;
 - 2.4. Level of compliance with the established policies, plans and procedures

- 2.5. Interim Unaudited Financial Report (IUFR): completeness, timeliness, occurrence, measurement, recording, regularity including eligibility and propriety; and
 - 2.6. Assets: Completeness, existence, recording, safeguard and utilization for the purpose intended.

3. Objectives of the assignment

The objective of the internal audit engagement is to provide independent, objective assurance and consulting activity designed to add value and improve the project's operations. It is intended to help the project accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, controls, and governance processes.

The objective is achieved by examining, evaluating, and reporting on the adequacy of the project's control environment via a number of individual audit assignments each year. Based on this work, advice and recommendations will be made where necessary, as to how procedures can be improved to manage the risks faced in achieving project objectives.

- 3.1. Internal audit shall be an independent and objective activity for providing assurance and consulting services designed to add value and improve the activity of the project.
 - 3.2. Internal audit shall assist the project in the achievement of its goal by applying a systematic and disciplined approach to evaluate and improve effectiveness of risk management- both procurement and financial aspects, control and management process.
 - 3.3. Internal audit shall be performed in accordance with the International Standards for Internal Auditing, the Code of Ethics of internal auditor and in compliance with the following principles:
 - 3.3.1.Independence and objectivity;
 - 3.3.2.Competence and due care;
 - 3.3.3.Integrity and confidentiality

4. Scope of work

The internal audit will be carried out in accordance with International Standards for the Professional Practice of Internal Auditing issued by IIA and will include such tests and controls as the auditor considers necessary under the circumstances to ensure the transparency accountability of the financial management system.

- 4.1. In conducting the audit, special attention should be given to verify:

- 4.1.1. That, all project funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to transparency, economy and efficiency and only for the purposes for which the financing was provided.
 - 4.1.2. That, goods & services financed have been procured in accordance with relevant financing agreements and as per the IFAD's guidelines for procurement of goods, works & services, and the Public Financial Regulations (PFR) of the Maldives.
 - 4.1.3. That, all expenditures incurred is as per the approved work plan and procurement plan.
 - 4.1.4. That, the Financial Statements (quarterly & annual) submitted by PIU reflect the actual, true & fair expenditures incurred.
 - 4.1.5. That, all necessary supporting documents such as records, vouchers, bids, bidding documents, etc. and books of accounts have been kept in respect of all project procurements & expenditures.
 - 4.1.6. That, clear linkages exist between the books of accounts / IUFRs maintained by PIU and the reports submitted to the IFAD / GOM.
 - 4.1.7. That, the assets sanctioned and created under the Project have been actually created, that proper record in the form of an Asset Register showing details of cost, identification location and custodian is maintained and that the Physical Verification of the asset is being carried out and they have been put to use for the purpose for which they were created. Auditors shall verify a sample of assets procured and created under the project including assets provided to community groups.
 - 4.1.8. That, the IUFRs give a true and fair view of the financial situation of the project for the quarter under audit and of the sources and expenditures for that quarter.

4.2. The audit will be carried out on a regular basis and the auditor will conduct interim reviews semi-annually ending 30th June and 31st December.

4.3. The interim review would focus on:

 - 4.3.1. Operation of the financial management system and internal controls;
 - 4.3.2. Physical verification of selected assets acquired & created
 - 4.3.3. Monthly / Quarterly/ Annual reports prepared from the financial records.

4.4. The auditor is required to audit all IUFRs used as a basis for the submission of withdrawal applications to IFAD for reimbursement of project expenditures. These expenditures should be carefully examined for the project eligibility with relevant financing agreements, and with reference to the Project Appraisal Document (PAD), Procurement Plan approved by the IFAD and Project Cost Tables approved by IFAD. Where ineligible

expenditures are identified as having been included in withdrawal applications and reimbursed by IFAD, these should be separately noted and listed by the auditor.

- 4.5. Whether the reimbursement claims submitted during the year for withdrawals from the IFAD Credit (made on the basis of IUFRs), together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.
 - 4.6. Audit Report: The audit report should inter alia include:
 - 4.6.1. Comments & observations on the accounting records, systems and controls that were examined during the course of audit;
 - 4.6.2. Identify specific deficiencies and areas of weakness in systems & controls and make recommendations for their improvement;
 - 4.6.3. Report on the degree of compliance of each of the financial covenants on the financing agreements and give comments, if any, on internal and external matters affecting such compliance;
 - 4.6.4. Communicate matters that have emerged during the audit which might have a significant impact on the implementation of the Project; and
 - 4.6.5. Comments on the procurement related observations by the Internal Auditors;
 - 4.6.6. Comments on the ineligible expenditures identified, if any, and what measures the PIU has taken to refund them to IFAD;
 - 4.6.7. Communicate to the Project Director's (PD) attention any other matter that the auditor considers pertinent.

5. Reports and schedule of deliverables

Reporting by the consultant shall be done as per details given hereunder:

- 5.1. Draft Report: The Auditor will provide a draft report to the PIU within 30 days of the end of audit period, highlighting findings during the interim audit, to enable the project management to take timely action. The auditors should submit a draft copy of their report to the PIU before finalization.
 - 5.2. Final semi-annually Report (3 copies): The auditors should submit the final copy of their report to the PIU within 7 days after receiving comments from the PIU.
 - 5.3. The auditor should submit soft copies of the audit report in pdf format to the PIU.
 - 5.4. The auditor shall complete the assignment as per the time schedule to be mentioned in the agreement. A penalty clause will be included in the agreement to safeguard PIU interest.

5.5. The semi-annual review will be carried out based on the Annual Audit Plan. The auditor in consultation with the PIU will prepare an annual audit plan. The auditor will also make Compliance Review at PIU.

6. Consultant's qualifications and experience

Key expert 1: Partner / Audit manager

Qualifications and skills

Qualified Chartered Accountant

Specific professional experience

Minimum 5 years' experience as a Partner / Manager with expertise in the area of Internal Audit planning and reporting.

Key expert 2: Audit Team Leader

Qualifications and skills

Qualified Chartered Accountant

Specific professional experience

Minimum 3 years' experience in Internal Audit with the ability to lead a Team.

Team Member

Any cost for Team Members shall be included in the consultant's financial offer as needed.

Only the CVs for key experts should be submitted with the proposal.

7. Location and period of execution

The Auditors will be appointed for the audit period starting from January 2024 to September 2025.

8. Project coordination

The Consultant will be supervised by the Project Director and all the communication regarding the Consultancy will be carried between, Project Director, Financial Management Specialist and the Consultant.

9. Services and facilities to be provided by client

- 9.1. The auditor will be given access to all legal documents, financial management manual, operations manual, government orders/ circulars, IFAD Procurement Guidelines, Monthly Financial Statements, Project Financial Statements, IUFRs and any other information associated with the project and as deemed necessary by the auditor.
 - 9.2. The auditors will also be given access to all the assets selected for physical verification by the auditors.
 - 9.3. No services other than those specifically mentioned in this TOR shall be extended to the auditor. The auditors shall make their own conveyance arrangements.
 - 9.4. No expenditure on traveling/ boarding/ lodging expenses will be borne by the PIU separately and the consultant shall include such costs in his proposal.

10. Services and facilities to be provided by the consultant

- 10.1. The Consultant shall carry out all the Services using own material, labour and equipment. And the logistics of labour, equipment and tools shall be arranged by the Consultant.
 - 10.2. The Consultant shall ensure that their personnel always carry themselves in good behavior and maintain a cordial friendly atmosphere with other personnel including employees of MoAAW, MAP and other organizations.
 - 10.3. The Consultant shall provide professional, objective, and impartial advice, at all times holding the client's interest's paramount, strictly avoiding conflicts with other assignments or its own corporate interests, and acting without any consideration for future work. The Consultant has an obligation to disclose to the client any situation of actual or potential conflict that impacts its capacity to serve the best interest of the client.

ANNEX 2

SHORTLISTING CRITERIA

Criteria	Points
Registered Firm	Max 30
<i>Certificate of Registration</i>	10
<i>Audit Licence</i>	20
General Experience	Max 30
<i>Experience in Conducting Audit</i>	30
Specific Experience	Max 40
<i>Experience in Conducting Internal Audit for Government Organization</i>	20
<i>Experience in Conducting Internal Audit for Donor Funded Project</i>	20
Minimum 70 points required to qualify for Request for Proposal	100