

Request for Proposal
Outsourcing Internal Audit Function for SDFC
(IUL)/SDFC/2019/23



Request for Proposal: Outsourcing Internal Audit Function for SDFC

a) General Information

A. Introduction

SME Development Finance Corporation was established as a specialized financial institution to provide financing and ancillary services to MSMEs and entrepreneurial start-ups with the primary purpose of easing access to finance for MSMEs.

SME Development Finance Corporation is seeking to outsource the Internal Audit function to an experienced and well-established firm to formulate plans, develop policies and procedures and to conduct internal audits.

B. Purpose

SDFC would like to engage the services of a qualified team to perform internal audit function of this Corporation

C. Eligibility Criteria

- Registered category A/B Chartered Accountancy Firm/ Individual
- Having a thorough understanding of current IIA Standards, financial reporting standards applicable to financial institutions in Maldives and other applicable laws and regulations of the Maldives
- Experience in the internal auditing of financial institutions will be an added advantage

D. Instruction on Proposal Submission

1. Closing Submission Date: Proposals must be submitted on **28th October 2019** at 14:00hrs
2. Inquiries: Inquiries concerning this RFP should be sent by e-mail to samha.naseem@sdfc.mv
3. Conditions of Proposal responding to the RFP will be the responsibility of the applicant and will not be reimbursed by SDFC
4. Instructions to Prospective Contractors
5. The applicant's proposal should be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following text.

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6. All proposals shall be sealed. Failure to do so may result in premature disclosure of proposal
7. It is the responsibility of the applicant to ensure that the proposal is received by SDFC, by the date and time specified above, late proposals will not be considered.
8. Right to reject. SDFC reserves the right to reject any and all proposals received in the response to this RFP.

9. A contract for the accepted proposals will be drafted based upon the factors described in this RFP
10. Proposals will remain valid after the submission date. During this period the internal auditor is expected to keep available the professional staff proposed for the assignment. The client will make its best effort to complete negotiations within this period. If the client wishes to extend, he validity period of the proposals, the internal auditor who do not agree have the right not to extend the validity of their proposal.
11. Notification of Award. It is expected that a decision selecting the successful Internal Auditors will be made within one (3) week following with the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful Internal Auditors, all applicants submitting proposals in response to this request for proposal will be informed in writing, the name of the successful firm.

E. Responsibilities and scope of work

The Internal Auditor is required to undertake the following:

The Internal Auditors must review SDFC's risk management plans and internal control systems, financial and other policies, procedures, records, accounts and plans and appraise the effectiveness by which SDFC meets its objectives. The Internal Auditors will consider the adequacy of controls necessary in all areas and will seek to confirm that management have taken the necessary steps to achieve these objectives.

This includes:

- Reviewing all internal control procedures, systems and operations and appraising the adequacy of controls including their adequacy and ability to detect and prevent fraud
- Recommending improvements to systems and procedures and reviewing of Key performance indicators (KPI's)
- Advising on appropriate systems of control and other operational matters
- Appraising the extent of compliance with established policies, procedures and plans
- Assessing the accuracy of management information
- Ensuring compliance with the relevant policies, laws and regulations
- Maintaining a continuous review of the income and expenditure
- Ascertaining the integrity and reliability of financial and other information provided to management and stakeholders, including those used in decision making
- Ascertaining that systems of control are laid down and operate to promote the most economic, efficient and effective use of resources and to safeguard assets
- Being involved in the design, implementation and testing of planned controls when major changes are made to various administrative systems but shall not be responsible for the detailed implementation of such systems; and

- Conducting ad hoc and confidential investigations as directed by the Board Audit Committee and/or the Managing Director
- To conduct a performance based internal Audit
- Vetting and providing recommendations for the selection of an inhouse Internal Auditor according to the needs of the organization

Audit Plan: Scope and Coverage

As an aid to managing the internal audit function and to set priorities, a rolling three-year strategic audit plan should be prepared and presented to Board Audit Committee for comment and approval.

The strategic audit plan must:

- be sufficiently comprehensive to identify the auditable areas and activities
- take into consideration an assessment of risk associated with auditable areas and activities, the internal control environment, results of previous audit and materiality
- be prepared having regard to achieving an appropriate balance between regularity and efficiency audits
- provide a schedule of audits to be undertaken with the resources available during the period covered by the plan; and
- allow flexibility to accommodate ad hoc tasks and projects if requested by the Board Audit Committee and the Managing Director
- be costed in accordance with any submitted proposal for service.

Audit Fee

- Negotiable (based on the work plan and requirements of the company) quoted on a quarterly basis

Following documents are to be submitted in Technical Bid & Price Bid:

TECHNICAL BID:

The technical proposal shall provide the following information using the attached standard forms (Annex A)

1. A brief description of the firm's organization and an outline of recent experience on assignments of a similar nature. For each assignment the outline should indicate *inter alia*, the profiles of the staff proposed, duration of the assignment, contract amount, and firm's involvement.
2. A description of the methodology and work plan for performing the assignment
3. The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing

4. CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for firm/entity and degree of responsibility held in various assignments during the last 5 years.
5. Estimates of the total staff input (professional support staff; staff time) need to carry out the assignment, supported by bar chart diagrams showing the time proposed for each professional team member.

The technical proposal shall not include any financial information

Financial Proposal

In preparing financial Proposal, auditors are expected to take in to account the requirements and conditions outlined in the RFP documents. The Financial proposal should follow standard forms (Annex B). It lists all costs associated with the assignment, including remuneration for staff foreign and local, in the field)

The financial proposal should clearly estimate, as a separate amount, the local taxes and other charges imposed under the applicable law, on the auditors.

OPENING OF PRICE BIDS

Each Technical proposal and Financial proposal shall be marked “**ORIGINAL**” or Copy as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original governs.

The Original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “ Technical Proposal,” and the original and all copies of the Financial Proposal in a sealed envelope clearly marked “ **FINANCIAL PROPOSAL**” and warning: “ **DO NOT OPEN WITH THE TECHNICAL PROPOSAL** “ Both envelopes shall be placed into an outer envelope sealed. This outer envelope shall bear the submission address as below:

The envelopes shall be addressed to the following address:

**H.Sakeena Manzil
Medhuziyaraiy Magu, Male’ 20127
Republic of Maldives**

The completed Technical and Financial Proposals must be delivered at the submission address on or before the time and date. Any proposal received after the closing time for submission of proposals shall be returned unopened.

After deadline for submission of proposals, the Technical Proposal shall be opened immediately by the evaluation committee. The financial proposal shall remain sealed

F. Proposal contents

The applicant, in its proposal shall, as a minimum, include the following

- A list and the CV's of the individual members of the proposed Internal Auditors
- Reference for the Team leader, from a previous Client (Optional)
- Previous work completion letters

G. Evaluation of Proposals

- Evaluation Procedure and Criteria: The bid Evaluation Committee will review proposals and make recommendations to the Procurement Committee in SDFC
- The Bid Evaluation Committee may request a meeting with some qualified Applicants prior to final Selection

H. proposal will be reviewed in accordance with the following criteria

- 1. Adequacy of proposed work plan and methodology in responding to the TOR-25 marks**
- 2. Qualification and Competence of the key staff -20 marks**
- 3. Experience in working with financial institutions - 15 marks**
- 4. Cost-25 marks**
- 5. Completion Duration- 15 marks**

Technical Bid Forms

(Annex A)

TECHNICAL PROPOSAL - STANDARD FORMS

- 3A. Technical Proposal submission form.
- 3B. Firm's references.
- 3C. Description of the methodology and work plan for performing the assignment.
- 3D. Team composition and task assignments.
- 3E. Format of curriculum vitae (CV) for proposed professional staff.
- 3F. Time schedule for professional personnel.
- 3G. Activity (work) schedule.

3A. Technical Proposal Submission Form

[Location, Date]

To: [Name and address of Client]

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for [Title of consulting services] in accordance with your Request for Proposal dated [Date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

If negotiations are held during the period of validity of the Proposal, i.e., before [Date] we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

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

We remain,

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Firm:

Address:

3B. Firm's References

Relevant Services Carried Out in the Last Five Years That Best Illustrate Qualifications

Using the format below, provide information on each assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

Assignment Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client:		Nº of Staff:
Address:		Nº of Staff-Months; Duration of Assignment:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current MVR):
Name of Associated Consultants, If Any:		Nº of Months of Professional Staff Provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Firm's Name: _____

3C. Description of the Methodology and Work Plan for Performing the Assignment

3D. TEAM COMPOSITION AND TASK ASSIGNMENTS

1. Technical/Managerial Staff

Name	Position	Task

2. Support Staff

Name	Position	Task

Financial proposal Submission forms

Annex B

Summary of Costs

Costs	MVR	Amount(s)
Subtotal		
Local Taxes		
Total Amount of Financial Proposal		<hr/>