



**Request for Proposal for Internal Audit Services of
MFMC, MFMC CAPITAL & OTHER SUBSIDIARIES OF MFMC,
AGRO NATIONAL CORPORATION**

Announcement no. MFMC/I/2020/10

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1. Introduction and Objective

1.1. Introduction

Maldives Fund Management Corporation Limited (MFMC) is a 100% State-Owned Enterprise working towards facilitating capital market solutions for the development of the private sector of the Maldives. MFMC was established with the aim of fulfilling national development goals through increasing private sector investment. The corporation is expected to contribute the development of the private sector and will work closely with the Ministry of Economic Development and other relevant authorities to carry out their operations. MFMC also holds majority share of MFMC Capital, a subsidiary company of MFMC that will hold shares under a fund structure in the future.

Agro National Corporation (AgroNat) was formed as a subsidiary company of MFMC and is a State-Owned Enterprise with the overall mandate to assist in developing the agricultural sector. The Corporation will work towards enforcing objectives such as enabling an efficient supply-chain for agriculture, providing technical expertise and training to farmers, expanding the role of women in farming, and facilitating access to quality fertilizers across islands. The company will also aim to achieve economic targets relating to food security, import substitution, creation of jobs and improving the trade balance.

MFMC is seeking to outsource the Internal Audit function of MFMC, MFMC Capital and other subsidiaries of MFMC, and AgroNat to an experienced and well-established firm to formulate an audit plan, review internal policies and procedures, and conduct rolling internal audits for 3 years on an annual basis.

MFMC will review the scope yearly to accommodate any new subsidiaries that are formed for the operations. Fees for additional subsidiary audits shall be provided in the Financial Proposal.

1.2. Objective

The objective of this assignment is to ensure the establishment of proper control, governance, and risk management process within MFMC, MFMC Capital and other subsidiaries of MFMC, and AgroNat. The objective findings and recommendations for corrective measures are to assist MFMC, MFMC Capital and other subsidiaries of MFMC, and AgroNat in ensuring the authenticity of its financial records and efficiency of the operations of the corporation.

Therefore, MFMC would like to engage the services of a qualified team to perform the Internal Audit of these corporations.

2. Responsibilities and Scope of Work

The scope of the Internal Audit engagement includes the review of MFMC, MFMC Capital and other subsidiaries of MFMC, and AgroNat's existing risk management policies, operating policies, and reviewing the internal control systems of the operations of the corporations. The scope will be revised yearly to ensure that all of the subsidiary companies of MFMC are included in the audits.

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The Internal Auditors will verify the adequacy of these controls in line with the internal operation procedures, applicable standards, policies, and the relevant laws and regulations.

The Internal Auditors are expected to conduct a three-year rolling audit of all the areas of the corporations, including:

2.1. MFMC:

- a. Investment Management
- b. Operations and General Administration
- c. Accounting and Finance
- d. Audit, Risk & Compliance
- e. Information Technology
- f. Human Resources Management

2.2. MFMC Capital and other subsidiaries of MFMC

- a. Compliance

2.3. AgroNat:

- a. Logistics, Operations and General Administration
- b. Product Development
- c. Marketing and Sales
- d. Accounting and Finance
- e. Inventory Management
- f. Audit & Compliance
- g. Information Technology
- h. Human Resources Management

The Internal Auditors are expected to conduct the audit as follows:

- a. Review operating procedures and guidelines and identify gaps on areas to be improved.
- b. Review adequacy of internal controls.
- c. Periodically audit business operations.
- d. Respond to matters that emerge from appropriate referring bodies (i.e. Board of Directors, MD and other senior management).
- e. Assist the Board with establishing an ethics policy, whistleblowing policy or others which is recommended by them.
- f. Periodically review and recommend updates in all areas covered in the audit.
- g. Coordinate audit operations with activities of the External Auditor – the Auditor General.
- h. Ensure follow-up mechanisms are implemented to determine if audit recommendations are implemented within appropriate and agreed timetable.
- i. Draft and implement annual work plan for internal audits with a fixed plan of activities, while allowing appropriate investigation time for matters that emerge over the year. The audit plan must:
 - i. Be sufficiently comprehensive to identify the auditable areas and activities

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

3. Deliverables

1. Inception Report: Providing the internal audit methodology to be followed, a timeline of the engagement, and professional CV of the team members
2. Strategic Audit Plan (as detailed above)
3. Internal Audit Report draft (to be confirmed by management upon delivery)
4. Final Audit Report

4. Duration of engagement

The Internal Audit engagement will be carried out annually on a rolling basis for three years under this RFP. The fieldwork for this audit shall commence after signing the contract upon completion of each year. The duration of each fieldwork should be limited to less than two months, including fieldwork and presentation of the final report.

5. Audit Fee

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

6. Eligibility Criteria

The Internal Auditors must fit the following criteria to be eligible for this project:

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

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4. Minimum 5 (five) years of experience in Internal Auditing, including application of the consistent Internal Audit Methodology, auditing, Risk and Compliance analysis, Internal Controls and Governance in the financial industry.
5. Proficiency in both Dhivehi and English, with adequate writing and presentation skills that are required to effectively communicate issues to the Compliance Division.
6. The bidder should NOT be an employee of MFMC, MFMC Capital or other subsidiaries of MFMC, or AgroNat, or any related institutions (i.e. Ministry of Development) during the last 3 (three) years.

7. Proposal Contents and Submission of Proposals

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

The Proposal shall be submitted as per the instructions below:

- A. The following documents must be submitted to bid for this project:
 - 1. Technical Proposal (ONE ORIGINAL AND ONE COPY):** The technical proposal shall provide the following information using the attached standard forms (Annex A)
 - a. A brief description of the firm's organization
 - b. 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.
 - c. A description of the methodology and work plan for performing the assignment
 - d. The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing
 - e. 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.
 - f. 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.
 - g. The technical proposal shall not include any financial information
 - 2. Financial Proposal (ONE ORIGINAL AND ONE COPY):** The financial proposal should include the total price in MVR/USD and payment schedule. The total price should clearly estimate, as a separate amount, the local taxes and other charges imposed under the applicable law, on the auditors.
The Financial Proposal should include additional fees for the audit of any new subsidiary companies of MFMC that may be formed within the audit period.

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The Financial proposal should follow standard forms (Annex B). Its 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.

- B. Both the technical and financial proposals should be appropriately labelled as **“ORIGINAL”** or **“COPY”** as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original governs.
- C. 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”**.
- D. Both envelopes shall be placed into an outer sealed envelope labelled as **“REQUEST FOR PROPOSAL: OUTSOURCING INTERNAL AUDIT SERVICES FOR MFMC, MFMC CAPITAL AND OTHER SUBSIDIARIES OF MFMC, AND AGRONAT”**. This outer envelope shall also bear the submission address as below:

The envelopes shall be addressed to the following address:
9A, H.Orchid
Ameer Ahmed Magu, Male’ 20095
Republic of Maldives
- E. The deadline for submission of proposal is **13:00 hrs THURSDAY, 1 OCTOBER 2020**.
- F. The completed Technical and Financial Proposals must be delivered at the submission address on or before **13:00 hrs THURSDAY, 1 OCTOBER 2020**. Any proposal received after the closing time for submission of proposals shall be returned unopened.
- G. After deadline for submission of proposals, the Technical Proposal shall be opened immediately by the evaluation committee. The financial proposal shall remain sealed.
- H. Any inquiries regarding the submission of proposals must be sent to info@mfmc.mv
- I. All proposals shall be sealed. Failure to do so may result in premature disclosure of proposal.
- J. It is the responsibility of the applicant to ensure that the proposal is received by MFMC, by the date and time specified above, late proposals will not be considered.
- K. MFMC reserves the right to reject any, and all proposals received in the response to this RFP.
- L. A contract for the accepted proposals will be drafted based upon the factors described in this RFP

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- M. 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.
- N. Notification of Award. It is expected that a decision selecting the successful Internal Auditors will be made within one (1) 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.

8. Opening and Evaluation of Proposals

- A. The management will review proposals and shortlist suitable candidates. The management may request a meeting with some qualified applicants prior to final selection. All applicants submitting proposals in response to this request for proposal will be informed in writing, the name of the successful firm.
- B. Evaluation Procedure and Criteria: The bid Evaluation Committee will review proposals and make recommendations to the Procurement Committee in MFMC
- C. The Bid Evaluation Committee may request a meeting with some qualified Applicants prior to final Selection
- D. The following Selection Criteria will be applied during the evaluation of the proposals and attention should be paid while preparing the proposals:

Selection Criteria	Weightage (%)
Adequacy of proposed work plan, timeline, and methodology	20
Qualification and technical competency of members of the Internal Audit team	20
Experience in working similar projects with financial institutions	15
Financial fees for the assignment	35
Completion Duration	10

ANNEXURES

Annex A

TECHNICAL PROPOSAL

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

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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:

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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

A detailed description of the methodology and work plan to be followed in completing the project, including relevant timelines.

3D. TEAM COMPOSITION AND TASK ASSIGNMENTS

1. Technical/Managerial Staff

Name	Position	Task

2. Support Staff

Name	Position	Task

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Annex B

FINANCIAL PROPOSAL

Financial proposal Submission form

Summary of Costs

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