



MINISTRY OF FINANCE
REPUBLIC OF MALDIVES

TERMS OF REFERENCE
Project Management Audit
[PC/13/2022/C-01]



I. Background

The Government of Maldives (GoM) has received grants and concessional loans from the Climate Investment Fund, Asian Development Bank, World Bank and other multilateral banks to rehabilitate and build waste and energy infrastructure in the Maldives.

The “Preparing Outer Islands for Sustainable Energy Development (POISED) Project” administered by the Asian Development Bank is designed to install energy management and control systems; energy storage; and improvements in distribution networks, in order to significantly reduce the need for diesel to generate electricity. This project also includes installing equipment for solar diesel hybrid grids in about 160 islands.

The recently launched ‘Accelerating Renewable Energy Integration and Sustainable Energy’ (ARISE) project administered by the World Bank builds on the efforts of the existing World Bank-funded program ‘Accelerating Sustainable Private Investments in Renewable Energy’ (ASPIRE) initiative to bring in private investments for increasing renewable energy capacity in the Maldives. Both ASPIRE and ARISE are designed to address the climate-related challenges and vulnerabilities that the Maldives is exposed to as an island nation while moving to renewable energy generation sources.

In addition to ASPIRE and ARISE, the World Bank is also supporting GoM to implement Maldives Clean Environment Project (MCEP). The primary objective MCEP is to establish an integrated solid waste management system in Zone 4 & 5 comprising of 43 islands from Meemu, Faafu, Dhaalu, Thaa and Laamu Atolls. The project also assists in providing necessary support to fully operationalize the R. Vandhoo Regional Waste Management Facility built under the Maldives Environment Management Project (MEMP) funded by the World Bank.



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As these are flagship projects implemented with donor support to achieve national strategic objectives, implementation of these projects require continuous improvements to better understand the key challenges and opportunities to improve the implementation and achieve key milestones in a timely and cost-efficient manner.

The GoM is seeking services of a competent management audit firm to conduct an assessment of the POISED, ASPIRE/ARISE and MCEP project to achieve the audit objectives stated below.

II. Objective of the Audit

The objective of the project management audit is provided below:

- To make an assessment on whether the Project Management Units of the Ministry of Environment, Climate Change and Technology are run efficiently and effectively, and is capable of managing the projects undertaken by the Ministry.
- To assess whether the objectives of the projects are being met.
- To review the performance of the projects, including performance of the project management unit and the consultants hired for the project.
- To review whether the project assets are managed according to the relevant finance regulations and whether the assets created have been maintained adequately.
- To review whether funds have been disbursed on a timely basis.
- To review whether the receipts from the project are utilized for the intended purpose, and whether project expenses are incurred for the intended purpose.
- To assess whether the Key Performance Indicators set for the project, if any, are being met.

III. Scope of Work

The Internal Auditor shall be responsible for undertaking the following tasks:

1. To review whether the project funds have been disbursed according to the project budget.
2. The accuracy and completeness of the project accounts
3. Review the completeness, accuracy and validity of the books of accounts, accounting records/registers and other relevant documentation for the project to enable separate tracking of expenditures related to the project.
4. Whether the project expenditures and record keeping are made in accordance with the GOM's financial rules where relevant.



5. Whether financial reporting of the activities of the project are made in accordance with the requirements
6. Make an assessment on whether funds have been disbursed on a timely basis and reached the intended recipients and transactional controls and propriety have been maintained and used effectively and efficiently for the intended purposes under the given circumstances.
7. Evaluate the performance and capacity review of the Project Management Unit and the project management staff in managing the projects, including all the consultants working for the projects.
8. To review the existing operational process established by the Project Management Unit, including governance, internal controls, and reporting
9. To review and assess whether the Policies, SOPs, Operation manuals, Operational Plan of the projects are adhered and the operational activities of the project, including identification of any internal control weaknesses in the existing processes and procedures.
10. Conduct physical on-site verification of assets and their intended use, services rendered as described in the payment documents or contracts and verify whether any payments were made before actual receipts of goods and services and beyond contract clauses. Furthermore, review whether there is proper repairs and maintenance planning of the assets procured under the projects.
11. To assess whether the adequate inventories required for the repairs and maintenance of the project assets are maintained, and whether there is wastage, cost escalation in such expenditures.

IV. Deliverables

Project Management Audit Report for following projects from the Project Inception until 31st December 2021.

- Maldives Clean Environment Project (MCEP)
- Preparing Outer Islands for Sustainable Energy Development (POISED) Project
- Accelerating Sustainable Private Investment in Renewable Energy Project (ASPIRE)/ Accelerating Renewable Energy Integration and Sustainable Energy (ARISE)

V. Required Expertise and Qualifications

Required Expertise of the Internal Auditor

The individual is expected to have knowledge and experience in the field of Auditing in as follows



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The core requirement of each Internal Auditor:

- The individuals of the proposed team must have a minimum of 5 years of relevant experience in the above-mentioned field
- The individuals of the proposed team must have membership of a professional body having membership of the International Federation of Accounting (IFAC)
- Previous work experience with similar assignments within the government will be an added advantage.
- Fluent in spoken and written English

The individuals are expected to provide references of related work undertaken recently as supporting documents.

VI. Reporting Obligations

The Internal Auditor shall coordinate the audit with the Resource Mobilization Department of the Ministry of Finance, and submit the draft report, including the working papers for approval.

VII. Selection Criteria

| # | Description | Weightage % (pro rata) |
|---|------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 1 | Price | 40% |
| 2 | Duration of Work Completion and Handover Final and Approved Audit Report | 40% |
| 3 | Experience and Qualification of the Firm / Auditors (A minimum of 5 years of relevant experience in the above mentioned fields) | 5% |
| 4 | Qualification of the Firm / Auditors (License and certificate copies received from the field of work) | 5% |
| 5 | A member of a professional body having membership of the International Federation of Accounting (IFAC) | 10% |



VIII. Documents needed to be submitted with the proposal.

- a) Price Proposal including GST.
- b) Duration of the project.
- c) Registry copy of the Company or Partnership or Business Entity.
- d) GST registry copy of the Company or Partnership or Business Entity.
- e) Experience letters issued to the firm or to the individuals in the team from Government Agencies or companies or from private sectors.
- f) Copies academic qualifications and license received in the relevant field.
- g) Financial Statement of 2020 submitted to MIRA – for Companies and Partnership.
- h) Expenditure report or Bank Statement of past 6 months – for Sole proprietorship.

The Firm should proposed a Team for the mentioned project, including project manager. Reference letters, certificate copies of academic performance and license received in the relavant field for the selected team should be included with the proposal.

NOTE: Documents mentioned at (VIII) must be submitted with the Proposal. If any documents are missing, the Bid Sumbimtted will be DISQUALIFIED.



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