



Request for Proposals (RFP)

RFP Number:	RFP – 428
Description:	Services of CA Firm for Internal Audit
Release Date:	July 11, 2024
Deadline for Questions:	July 16, 2024
Due Date:	July 25, 2024
Contracting Entity:	Trust for Democratic Education and Accountability (TDEA)
Place of Performance:	Islamabad

The Trust for Democratic Education and Accountability (TDEA) calls for technical and financial proposals to outsource its internal audit function to an ICAP QCR rated firm falling in Category A, B, or C as notified by the State Bank of Pakistan, and having its registered office in Islamabad/Rawalpindi.

Contents of the RFP:

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SECTION 1: INSTRUCTIONS TO BIDDERS

1. Introduction

The Trust for Democratic Education and Accountability (TDEA) was established in October 2008, registered under the Trust Act 1882. TDEA strives to strengthen public accountability by enhancing the capabilities of individuals to work for civil liberties, improved governance, democracy, and peace in Pakistan.

2. Purpose and Objective

The purpose of this RFP is to disseminate information to prospective bidders so that the internal audit assignment is to provide independent, objective assurance and advisory services designed to assist TDEA management in achieving its stated objectives. The Firm, through this assignment, would help the TDEA to accomplish its objectives by bringing a systematic, disciplined approach to evaluate the efficiency and effectiveness of the TDEA's system of internal controls.

3. Services and Prices

This will be a fixed price contract for CA Firm's services.

4. Assignments Duration

The bidder is requested to provide proposed levels of effort to complete this Internal Audit between July, 2024 and June, 2025.



5. Proposal Information

Technical proposals are required to be in English language and not more than 10 pages of A-4 size each for the scope of work provided in Section – 2 of this RFP including evaluation methodology, implementation plan, previous relevant experience, and brief profiles of proposed team.

Financial proposal must include consultant fee, travel, accommodation, food, and stationery, etc. In addition, detailed budget under separate head for each activity is also required. Annexures can be attached to support the assertions made in the proposals.

6. Queries and Clarifications

Queries and clarifications by the bidders may be submitted in writing no later than the aforementioned date i.e. July 16, 2024, which may be addressed to: procurement@tdea.pk Responses to queries/clarifications will be sent through emails only. Queries will not be entertained over the telephone/cellphone.

7. Deadline & Protocol for Submission of Bids

All bids must be “received” by post or by hand no later than **1700 hours PST on July 25, 2024.**

The bidders shall seal the proposal in one outer and two inner envelopes. Two inner envelopes shall indicate the name and address of the bidder as well as the type of proposal. First inner sealed envelope shall contain **technical proposal** while the second inner sealed envelope shall include the **financial proposal** thereof. The outer envelope should clearly state: “RFP -428” and should be addressed to:

**Procurement Unit
TDEA-FAFEN**

House No. 40, Orchard Scheme, Orchard Road (off Murree Road), Margalla Town, Islamabad

Applications submitted after due date or applications incomplete in any respect will not be considered for evaluation. RFPs submitted through telegraphic transmission, surface email or fax applications will not be accepted. Bidders are encouraged to submit proposals well before the deadline.

8. Validity Period

An offer must remain valid for 45 calendar days after the offer deadline.

(End of Section – 1)



SECTION 2: DESCRIPTION/SPECIFICATIONS/SCOPE OF WORK

a. Profile of TDEA – Trust for democratic education and accountability

The Trust for Democratic Education and Accountability ("Trust") was established in October 2008 under the Trust Act, 1882. The beneficiaries of the trust are general public of all ages, gender, race, ethnicity, creed and religions in Pakistan.

TDEA's profile and its policies and procedures along with audited financial statements (2008 to 2023) are available on website at the following links;

<https://tdea.pk/>

<https://tdea.pk/policies-procedures/>

<https://tdea.pk/audit-reports/>

The Trustees of Trust consult the General Council comprising representatives of all FAFEN member organizations on programmatic matters. The registered office of the Trust is situated at House No. 40, Orchard Scheme, Orchard Road (off Murree Road), Margalla Town, Islamabad.

b. The objectives of Trust are as follows:

- to educate people of all ages, gender, race, ethnicity, creed and religion about their democratic rights and responsibilities;
- to engage people and civil society groups in carrying out democratic accountabilities such as election observation, oversight of legislatures, government oversight and any other such activities as may be decided by the Board;
- to undertake research and bring out periodic print and online publication in areas it deems fit in order to inform its work and for education of public; and
- to build capacity of civil society organizations and their networks working for the advancement of democratic awareness, education and participation of general public.

c. Scope, Duties & Responsibilities of the Firm

1. Scope of Work

The scope of internal audit assignment is to provide independent, objective assurance and advisory services designed to assist TDEA management in achieving its stated objectives. The Firm, through this assignment, would help the TDEA to accomplish its objectives by bringing a systematic, disciplined approach to evaluate the efficiency and effectiveness of the TDEA's system of internal controls.

The Firm would determine whether the TDEA's system of internal controls, risk management and governance processes, as designed and represented by the Management, are adequate and functioning in a manner which ensures:

- Risks are appropriately identified and managed;
- Financial, managerial, and operating information is accurate, reliable, and timely;
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected;
- Programs, plans, and objectives are achieved;
- Quality and continuous improvement are fostered in the TDEA's control processes; and
- Significant legislative or regulatory issues impacting the TDEA are recognized and addressed appropriately.

2. Audit Planning & Methodology

The Firm is required to develop and perform at minimum, but not limited to, the following:



i. Internal Audit Plan & Resource Planning: The Firm is required to prepare an Internal Audit Plan based on critical high risks areas identified in Enterprise-wide Risk Management (ERM) and past audits, other assignments and feedback received from the Management. The Firm would also be required to prepare resource planning providing details of the engagement team with respective to number of years of experience, designation, time allocation of each resource to the assignment etc.

ii. Audit Methodology & Approach: The Firm will follow Risk Based Internal Auditing (RBIA) methodology that requires audit to be strategically and operationally linked to the business risk and assurance frameworks. A risk-based audit involves a review of all controls in the business activity to mitigate key risks identified during the ERM and includes evaluation and testing. The scope and depth of work must be sufficiently broad to enable the Firm's team to draw conclusions on the business activity achieving its objectives, and that controls are effective.

3. Audit Planning & Execution:

3.1. Internal Audit Planning: The Firm is required to perform adequate planning for internal audit prior to the commencement of fieldwork. The Firm is expected to understand the work processes and internal control procedures of the area being audited and prepare a flow chart of the same. Detailed planning for individual audits should be linked with the approved Internal Audit Plan.

3.2. Execution: The Firm is required to manage the field work of internal audit assignment. At the time of initiation of the audit, the Firm will circulate initial information to the auditee department detailing, at least, the following:

3.3. Sampling: The Firm is required to define sample size of the area being audited keeping in consideration time and cost of 100% verification of all transactions. When testing controls, the extent of testing may be decided by:

- The significance of risk addressed by the control;
- Assessment of the control environment;
- The importance of the control addressing the risk;
- The degree to which control is cumulative; and
- The risk that observation of controls and answers to inquiries may not accurately represent the proper and continued operations of the controls. The extent of validation of the controls will vary depending on the type of control planned to be validated i.e. manual or automated

3.4. Audit Programs: The Firm will prepare written audit programs of all audit areas. The audit program will list the specific procedures to be done in each audit area. The audit procedures listed in the program will be derived from a review of the internal control system, ERM, and other planning or system documentation. Audit program steps will be cross-referenced, where appropriate, to the applicable working paper where the steps are performed. Each step should be initialled by the auditor(s) who actually performed the audit procedure and reviewed by the reviewer.

3.5. Fieldwork & File Maintenance: During the field work, the Firm should draft all the audit findings keeping in view the following:

- The scope and objectives of the audit;
- The timing and anticipated duration of the audit;
- Anticipated reporting dates;
- Audit team;
- Proposed date of audit planning meeting; and
- List of initial information required.
- The significance of risk addressed by the control;
- Assessment of the control environment;
- The importance of the control addressing the risk;
- The degree to which control is cumulative; and



- The risk that observation of controls and answers to inquiries may not accurately represent the proper and continued operations of the controls.

The extent of validation of the controls will vary depending on the type of control planned to be validated i.e. manual or automated.

- Revisions to the audit program be made where necessary, based on the actual information obtained during the field work.

- Name of the area being audited;
- Audit Period;
- Issue Title;
- Issue Description;
- Root Cause;
- Risk Impact;
- Issue Rating;
- Management Comments;
- Deadline;
- Responsibility; and
- Audit Comments.

3.6. Finalization of the Assignment & Reports: The Firm will schedule and conduct a close-out meeting with the TDEA to finalize the report and assign a rating to the report with respect to the satisfaction level of controls implemented in the respective audit area. The final report will be issued to the Audit Committee / Board of Trustees.

The auditor should conduct a meeting with responsible personnel of auditee department to discuss and agree on the audit findings. The Firm is also required to prepare and maintain a current and permanent audit file.

4. Duration & Deliverables

The duration of the contract shall be 1 year; however, it can further be extended on mutual consent of both parties.

Key deliverables of the assignment are as follows:

- i. Internal Audit Plan;
- ii. Resource Planning;
- iii. Methodology & Approach; and
- iv. For each audit area, the Firm will submit as follows;
 - Audit Plan;
 - Process documentation;
 - Flow Chart;
 - Audit Program;
 - Working Papers;
 - Issue Sheets; and
 - Final Audit Report.



S. No	Deliverable	Timeline	Remarks
1	Audit Plan/Frame work	Within one month after signing of the Contract	The audit team will explain the methodology chosen to conduct the biannual or quarterly audits, the time needed and anticipated work plan, and will be briefed on TDEA's systems. Discussion on level of risks, areas where Internal Audit Committee needs support and time allocations to prepare internal audit field plans.
2	Submission of draft Internal Audit Report	As mutually agreed	The audit will be conducted on biannually/quarterly basis. The audit team will also be granted access to TDEA office and Implementing partner's offices and project sites as necessary.
3	Submission of Internal Audit Report	As mutually agreed	
4	Submission of draft Internal Audit comprehensive Report	As mutually agreed	Quarterly basis audit report will be presented to the Internal Audit Committee
5	Submission of Biannual Final Audit Report	Submission of Biannual Final Audit Report to Internal Audit Committee	<p>Submission of Biannual/Annual Final Audit Report</p> <p>Identify specific deficiencies and areas of weakness in systems and controls and make rationale recommendations for their improvement;</p> <p>Communicate matters that have come to attention during the audit which might have a significant impact on TDEA;</p> <p>Bring to the attention of Internal Audit Committee any other matters that the auditors consider pertinent; and,</p> <p>Reporting on follow-up of internal audit recommendations.</p>

(End of Section – 2)



SECTION 3: ELIGIBILITY AND SELECTION CRITERIA

1. Eligibility Criteria Eligibility Criteria

- This is an open competition.
- The Chartered Accountant (CA) Firm submitting its proposals should have the following **eligibility** for qualification:
 - ICAP QCR rated CA Firm.
 - Falls in Category A, B or C as notified by SBP vide BPRD Circular Letter No. 19 of 2023 dated October 24, 2023.
 - Must have registered Office in Islamabad/Rawalpindi.
 - Must have experience in internal audit of national / international NGOs.
 - Must have experience in internal audit of all areas including Contributory Provident Fund.

Any, failure to provide information as per the above mentioned or fulfilment under the requirement of “Eligibility Criteria” shall deemed to be or declared to be ineligible for the bidding process and shall be excluded from evaluation process.

2. Selection Criteria and Distribution of Marks

For this RFP, ‘Single stage - Two Envelope Procedure for open competitive bidding shall be adopted. This procedure requires the evaluation of technical proposal being completed prior to any financial proposal being opened and compared. The financial proposals will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 80 marks in the evaluation of technical proposal (i.e. 56 marks). The technical proposal will be evaluated on the basis of its responsiveness to section 2 of this RFP. Time efficiency as well as realistic demonstration of understanding of the work will also be considered.

In the second stage, the financial proposal of all bidders who have attained minimum 70% score in the technical evaluation will be reviewed and awarded points according to price quoted. The bidders with the highest overall score i.e. the sum of the Technical Proposal (max. 80 marks) and the Price Proposal (max. 20 marks) may be proposed for award, subject to the approval of the Internal Audit Committee. This is a way of structuring the decision and shall not overrule the best value or interest-based decisions. A tabular presentation of marks allocation is provided below:

S#	Criteria for evaluation	Marks allocation
1	Technical Approach	20
	1. Understanding of organizational needs from the Internal Audit (10 marks) 2. Approach/Methodology/Technical ability to conduct this internal audit (10 marks)	
2	Previous relevant experience	10
	1. Previous experience of conducting Internal Audit (5 marks) 2. Previous experience of conducting Internal Audit in NGO sectors (5 marks)	
3	Organizational Capacity / Management Capacity	10
	1. Implementation Plan (5 marks) 2. Bio-briefs of the Team Lead/team (5 marks)	
A. Total Marks assigned to Technical proposal		40
B. Total Marks assigned to Financial proposal		60
Cumulative total for Bid evaluation		100



3. Clarification of proposals

To assist in the examination, evaluation and comparison of Proposals, TDEA may at its discretion, ask the bidder for any clarification in any form deemed appropriate including presentations by the proponent. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

4. Evaluation and Award of Contract

The contract will be awarded to a responsible bidder whose offer follows the RFP conditions, instructions and meets the requirements. Only the best proposal will be awarded the contract.

TDEA will not cover any expenditures until contract will be signed between TDEA and successful bidder.

(End of Section – 3)



SECTION 4: CONTRACTUAL REQUIREMENTS AND OTHER TERMS

CONTRACTUAL REQUIREMENTS

1. Negotiations

TDEA reserves the right to conduct negotiations and/or request clarifications prior to awarding of contract to the successful bidder.

2. Terms and Conditions of Contract

Issuance of this RFP does not in any way obligate TDEA or its donor to award a contract, nor does it commit TDEA or its donor to pay for costs incurred in the preparation and submission of a proposal.

3 Confidentiality

The Consultants/Firms recognizes that, in performing this proposed contract, the Firms may obtain access to non-public information that is confidential or proprietary in nature. Except as permitted by the contract, the Firms agrees that they will not disclose to any third party, or otherwise use, any information it obtains or prepares in the course of performance of this agreement for any purpose other than to perform work under the contract without first receiving written permission from CEO for TDEA.

3. Conflicts of Interest

The Firms will ensure compliance with TDEA's policies and directives on conflict of interest.

(End of Section – 4)



ATTACHMENT A: LETTER OF TRANSMITTAL

The following letter must be completed and submitted with any offer:

To: TDEA
Attention: Procurement Unit

Reference: RFP No. 428

Date: (insert date)

(Insert name of Firms) hereby proposes the attached offer to perform all work required as described in the above referenced RFP. Please find attached our detailed Technical Proposal (including relevant past performance information, profile of the firm, bio-briefs and required certifications and other material, as called for in the RFP.

We hereby acknowledge and agree to all of the terms and conditions, special provisions, and instructions included in the above referenced RFP. We further certify that (insert name of Firms), as a firm and all commodities and services offered in response to this RFP—are eligible to participate in this procurement under the terms and conditions of this solicitation and under TDEA regulations.

We hereby certify that the enclosed relevant experience, certifications, and other statements are accurate, current, and complete.

Name of the Consultant/Firm's designated official

Designation

Signature

Date



ATTACHMENT B: CERTIFICATE OF INDEPENDENT PRICE DETERMINATION

_____ (Hereinafter called the "offeror")
(Insert name of Firm)

(a) The offeror certifies that—

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to—

- (i) Those prices;
- (ii) The intention to submit an offer; or
- (iii) The methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) (A) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory—

(1) Is the person is responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision;

(4) If the offeror deletes or modifies paragraph (a) (2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

Signature _____ Designation _____

Name _____ Date _____