## Instructions for Bidders

Date of announcement: 15/02/2020

Deadline: 29/02/2020

Reference number: **Procurement/MN16/20/01**

Caritas Czech Republic (CCR) is a non-governmental organization working in the field of emergency response and development in a number of countries around the world, namely Mongolia, Iraq, Moldova, Georgia, Zambia, Cambodia and others. To run its operation, CCR is supported by funds from different donors that give it high obligation to take accountability and openness as one of the main priorities.

CCR announces procurement of provision of external financial audit services. The audit will be performed for project with code name **MN16** **(“Improving resource-efficiency and cleaner production in the Mongolian construction sector through materials recovery”)** which is focused on promoting sustainable production and consumption in the construction sector, through supporting SMEs to switch to more resource-efficient practices.

**Terms of Reference:**

* Time frame, place, maximum cost:
  + External financial audit will be performed in CCR’s office in Prague/ CCR’s office in Ulaanbaatar.
  + The audit must be performed between 1st September 2020 and 30th November 2020.
  + The report with auditor’s statement should be finalized and send to CCR by 15th December 2020 at the latest.
  + The audit is financed by project’s donor, the European Commission (EC), and CCR has an obligation to pass the auditor’s report to the donor before 15.01.2021.
  + The maximum cost of procured services is 6000 EUR.
* Responsibilities:
  + ‘**The** **Auditor**’ is responsible for performing the agreed-upon procedures as specified in this instruction. ‘Auditor’ refers to the audit firm contracted for performing this engagement and for submitting a report of factual findings to CCR. 'Auditor' can refer to the person or persons conducting the verification, usually the engagement partner or other members of the engagement team. The engagement partner is the partner or other person in the audit firm who is responsible for the engagement and for the report that is issued on behalf of the firm, and who has the appropriate authority from a professional, legal or regulatory body.
  + CCRis responsible for providing a financial report on the activities funded through the grant contract and for ensuring their proper accounting.
  + CCR agrees to take all necessary steps to facilitate auditor's ability to perform the procedures required by this commitment and specifically to give to the auditors full and unconditional access to its staff, its accounting records and to other relevant documents**.**
  + By agreeing to this, the Auditor confirms that he/she meets at least one of the following conditions:
    - The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).
    - The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR
    - The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU Member State[[1]](#footnote-1))
    - The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).
* Purpose and scope of the audit:
  + This audit mission relates to **the whole project MN16** (approximately 1 367 000 EUR in expenses).
  + The subject of this engagement is the final Financial Report in connection with the Grant Contract for the period covering 01 March 2016 to 15 July 2020 and the action entitled Expenditure verification. The expenditure verification is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Grant Contract. The objective of this expenditure verification is for the Auditor to carry out the specific procedures listed in the annex to the contract and to submit to CCR a report of factual findings with regard to the specific verification procedures performed. Verification means that the Auditor examines the factual information in the Financial Report and compares it to the terms and conditions of the Grant Contract. As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance.
  + The Auditor verifies that the Financial Report complies with the following conditions of the Grant Contract:

1. The Financial Report conforms to the model in the annex to the Grant Contract;
2. The Financial Report covers the eligible costs of the Action as a whole, regardless of which part of it is financed by the EU;
3. The accounts kept by CCR for the implementation of the Action are accurate and up-to-date;
4. The accounts and expenditure relating to the Action are easily identifiable and verifiable;
5. The budget in the Financial Report corresponds to the budget of the Grant Contract (authenticity and authorisation of the initial budget) and the expenditure incurred is indicated in the budget of the Grant Contract;

All goods and services purchased under the Project have been acquired in accordance with generally applied procurement and tenders procedures.

* Standards and ethics:

The Auditor shall undertake this engagement in accordance with:

* the International Standard on Related Services (‘ISRS’) 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
* the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC’s International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the EC requires that the Auditor is independent from the Beneficiary and complies with the independence requirements of the IFAC Code of Ethics for Professional Accountants;
* strict ethic and professional rules, codes of conduct and principles. CCR applies a zero tolerance to inaction policy regarding all forms of misconduct including Sexual Exploitation, Abuse and Harassment.

The Auditor plans the work so that an effective expenditure verification can be performed. The Auditor performs the procedures listed in the annex to the contract (‘Listing of specific procedures to be performed’) and applies the Guidelines for specific procedures to be performed. The evidence to be used for performing the audit procedures is all financial and non-financial information which makes it possible to examine the expenditure claimed by CCR in the Financial Report. The Auditor uses the evidence obtained from these procedures as the basis for the report of factual findings. The Auditor documents issues, which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISRS 4400 and the contract. The report on the expenditure verification should describe the purpose, the agreed-upon procedures and the factual findings of the engagement in sufficient detail to enable CCR and EC to understand the nature and extent of the procedures performed by the Auditor and the factual findings reported by the Auditor.

The use of the Model Report for an Expenditure Verification of an EU Grant Contract in the annex to the contract is compulsory. This report should be provided by the Auditor to CCR.

The auditor should start the task according to the agreement signed.

A draft report should be presented to CCR HQ in Prague in order to give additional information or comments on the audit findings no later than December 10th 2020.

**Offer:**

**External financial audit for project MN16**

***Important Note:***

* **Please note all scores will be calculated proportionally**
* **Bidders must pay specific attention to calculation of the total cost.**
* **Advance payment is not recommended in the financial offer.**

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| --- | --- |
| Company name: |  |
| Company Representative**\*:** |  |
| Address: |  |
| Phone: |  |
| Email: |  |

**\*Please include a copy of the representative’s ID or passport**

**Bidder’s Comments/Remarks:**



**Bidder’s Terms and Conditions:**

1. Validity of the offer:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Recommended: 2 months or more)

1. Cost of procured services
2. Terms of payment: Bank Transfer from Czech Republic or Mongolia

(Please specify)

Name of Bidder’s Authorized Representative: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized signature and stamp: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**How to apply:**

Potential service providers can submit the bid in sealed envelope to the following address: 503, 5th Floor, Delta Center Building, 1st khoroo Chingeltei District, Ulaanbaatar 15160, POB44, Mongolia

**Or**

Submit online at e-mail address [ccr.mongolia.office@caritas.cz](mailto:ccr.mongolia.office@caritas.cz)

* in this case, please send all documents in zip or rar file marked “MN16 audit bid” to ensure that all bids can be opened and assessed at the same time, subject of the e-mail should be ***MN16 audit – submission of bid***

The offers will be evaluated by CCR first based on the fulfillment of all the requirements set above, and second, based on the cost of the procured services.

Envelope or e-mail should include:

* **Signed and stamped Instructions for bidders**
* **Quotation form with offer**
* **CV of Auditing Company/Auditor**
* **Proof of registration with relevant professional authority, membership in relevant professional institutions**
* **Bank account information**

Deadline for Submission of the bids is 29/02/2020

For any inquiries please contact us via phone no. +976 7013 5899 or email address: [ccr.mongolia.office@caritas.cz](mailto:xxx@caritas.cz)

Name of Supplier:

Stamp and signature

Date:

1. Directive 2006/43 of the European Parliament and of the Council of 147 May 2006 on statutory audits of annual accounts and consolidated, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253 EEC. [↑](#footnote-ref-1)