



Swedish Committee for Afghanistan

Date: 08 January 2020

To: Interested Bidders

From: Swedish Committee for Afghanistan, Kabul Management Office

No. of Pages: Twelve (12) with three sections (Sections 1-3)

Subject: RFP ref: KMO – RFP- 2020-01
External Audit of SCA Granted Partners

Dear Sir/Madam:

The Swedish Committee for Afghanistan, Kabul Management Office (hereinafter called “the SCA” invites you to submit your technical and financial proposal for audit services (hereinafter called “the Service”) of SCA granted partners in 2019 as specified in the Request for Proposal and attachments hereto (hereinafter called “the RFP Documents”).

Tender Instructions

1. You must submit your technical and financial proposal in separate file for all service in respect to this RFP.
2. Your quotation shall be addressed and submitted at the below specified address or email address no later than 26 January 2020 :

Swedish Committee for Afghanistan
Jalalabad Main Road, Paktia Kot
PO Box 27027
Kabul Afghanistan

Attn.: Procurement Unit, Administration Department;
Manager Email: bids@sca.org.af

3. Any quotation received by the SCA after the deadline will be rejected.
4. Your quotation and all correspondence shall be made in the English language.
5. Your quotation shall be according to these instructions:
 - a. It shall contain the completed forms in Sections 2 and 3. Failure to complete these forms may result to rejection of your quotation
 - b. All prices quoted shall be made on the terms specified in the RFPdocuments
 - c. All prices shall be quoted in dollars
 - d. All prices shall be quoted including taxes: Ref: Article 72 of Afghanistan Tax Law. International companies 7%
 - e. Your quotation shall be valid for a period of 30 days past deadline for receipt of quotation
 - f. Your quotation shall bear the RFPReference Number and Title indicated above.
6. SCA will examine the received quotations to determine its completeness and whether there are computational or arithmetical errors, whether documents are properly signed, and whether the quotations are general in order. Arithmetical errors will be rectified as follows:



Swedish Committee for Afghanistan

- a. If there is a discrepancy between the unit price and the line item total, the unit price shall prevail and the line item total shall be corrected, unless there is an obvious misplacement of the decimal point in the unit price, in which case, the line item total as quoted shall govern and the unit price shall be corrected.
- b. If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotal shall prevail and the total shall be corrected.
7. Prior to the price evaluation, SCA will determine the substantial responsiveness of each quotation. A substantially responsive quotation is one, which conforms to all the terms and conditions of the RFP documents without material deviations. Deviations from, or objections or reservations to critical provisions will be deemed to be material deviation. The SCA may waive any minor informality, or irregularity in a quotation, which does not constitute a material deviation, reservation or omission.
8. During evaluation of the quotations, the SCA, at its discretion, may ask you for a clarification of your quotation. The request for clarification and the response shall be in writing, and no change in the prices or substance of the quotation shall be sought, offered, or permitted. Failure to respond timely to a request for clarification may result in the rejection of your quotation.
9. If a quotation is not substantially responsive, it will be rejected by the SCA and may not subsequently be made responsive by correction of the nonconformity.
10. The SCA shall compare all substantially responsive quotations to determine the quotation containing the best Quality and Cost.
11. Award will be made to the company whose quotation is determined substantially responsive to the requirements of the SCA and whose quotation contains the best-evaluated price, based on Quality and Cost Selection.
12. The SCA reserves the right to accept or reject any quotation, and to annul, in whole or in part or to suspend the process and reject all quotations at any time prior to the award, without thereby incurring any liability to the affected company or companies or any obligation to inform the affected company or companies of the reasons for the SCA's action.
13. Nothing in or relating to this RFP shall be deemed a waiver, expressed or implied, of any of the privileges and immunities of the SCA.
14. Please note that the SCA will notify unsuccessful companies.
15. Please address all your queries or questions in writing at the address given below and kindly refrain from any telephone calls or personal visits.

Procurement Manager
Swedish Committee for Afghanistan, Kabul Management Office
Email: bids@sca.org.af

Requirements of the Company:

The firm must provide evidence for the following criteria and submit it with the technical proposal.

1. Valid Certificate of Registration.
2. Bank Account in the name of the company. Individual/personal bank accounts will not be accepted.
3. Firms must have Tax Identification Number (TIN)

Firms who do not submit evidence for the above-mentioned requirements may be disqualified.

Section 1

Terms of Reference for Auditing Grants from SCA

BACKGROUND OF SCA

Swedish Committee for Afghanistan (SCA) is a membership-based, non-governmental organisation working in Afghanistan since 1980. SCA's vision is an Afghanistan free from poverty, violence and discrimination, where human rights are respected and all live in dignity, enjoy equal opportunity and social justice and the mission is to empower individuals, communities and local organizations, primarily in rural areas and with particular focus on women, girls, boys and vulnerable groups such as persons with disabilities, so that they may participate fully in the society and influence their own development. SCA will achieve this by working closely with communities, local and national civil society organizations and relevant levels of government, and by combining capacity development, service delivery and advocacy.

The work encompasses programmes for education, health, support to persons with disabilities and rural development. There are also support units for all programme activities relating to civil society, human rights & gender, communication and advocacy. SCA's main target group is the rural population, specifically women and girls. SCA's operations include capacity development, advocacy and service delivery. The work is always conducted in close cooperation with the local population. The management office is situated in Kabul, while operations are carried out in 15 provinces from five Regional Management Offices (RMOs) and four Liaison Offices (LOs).

BACKGROUND OF THE AUDIT OF GRANTS FROM SCA

Partnerships with different kinds of civil society actors are becoming increasingly important for SCA. SCA defines civil society as the arena outside of the state and the private sector, where people work together under democratic principles with a common drive to achieve positive change, development, advocacy, and/or action, owned by themselves. The arena includes a wide range of actors, including formal NGOs, professional associations, formal and informal community-based organisations and self-help organisations. SCA defines partnership as a relationship involving development cooperation in which two or more organisations share the responsibility for uniting skills and resources to achieve common objectives. SCA's mission mentions partnerships with civil society organizations (CSOs) as one of the ways to achieve our goals. Our Mission is to empower individuals, communities and local organizations, primarily in rural areas and with particular focus on women, girls, boys and vulnerable groups such as people with disabilities, so that they may participate fully in society and influence their own development.

SCA tries to achieve this by working closely with communities, local and national civil society organizations and relevant levels of government, and by combining capacity development, advocacy and service provision. SCA collaborates with almost 100 civil society organizations in Afghanistan. These partner organizations implement development interventions either at the national level or in provinces where SCA operates.

SCA conducts audit of grants annually.

SCOPE OF THE AUDIT

SCA provided grants to 73 organizations (4 Kabul based association, 15 Disable Peoples' Organization (DPO), and 54 Community Development Councils (CDCs) with projects that focused on



Swedish Committee for Afghanistan

advocacy, capacity development and services to constituents. Of the 4 Kabul based associations, one had to manage its own audit and one through SCA annual audit. Of the 54 CDCs that were allocated

Funds to, two CDCs were not able to implement their projects due to disagreement among target groups in the areas. Of the 15 DPOs, only 5 were directly funded, 3 did not implement their projects and 7 were funded through the SCA financial system. Seven DPOs and NTEC do not have the financial system needed to manage direct funding. Thus, financial management is one of the focus of capacity development for these partners during the strategy period 2018-2021.

This audit will cover only 59 CSOs (2 Kabul-based association, 5 DPOs and 52 CDCs). The matrix below describes the volume of funds for 2019.

#	Type of organizations	Description of the Org	Duration of Project	Range of Grants	Total Grants	Office address / location
1	Kabul based Association (2)	The Kabul based Association are: AAPT, AMA, NTEC and ANSOP. These comprise of professional and formal organizations that have established financial and procurement systems with qualified staff and implementing project activities with financial support from SCA. AMA conducts its own audit and NTEC is audited as part of SCA education program activities.	Jan-Dec 2019	Minimum AFN 595,000 and Maximum 1,700,000 AFN	AFN 2,295,000	Kabul
2	DPO (5)	These are volunteer organizations representing the interests of the disabled and their families. These are in the process of setting up their financial systems with the support of SCA.	Apr-Nov 2019	Minimum AFN 156814 and Maximum AFN 465930	AFN 1,202,606	Balkh, Samangan, Baghlan, Ghazni and Logar
3	CDCs (22)	Comprise of community members elected by the community to serve as its decision-making body, the CDC is responsible for implementing and supervising development projects and liaises between the communities and government and NGOs. They implement livelihood projects		Minimum AFN 900,000 and Maximum AFN 1,300,000	AFN 26,600,000	Nangarhar province
4	CDCs (30)	Comprise of community members elected by the community to serve as its decision-making body, the CDC is responsible for implementing and supervising development projects and liaises between the communities and government and NGOs. They implement livelihood projects		Minimum AFN 350,000 and Maximum AFN 1,300,000	AFN 35,171,264	Balkh and Samangan Provinces

The back-donor is SIDA and this Terms of Reference is in accordance with the contract between SIDA and SCA.

ANNUAL AUDIT ASSIGNMENT



Swedish Committee for Afghanistan

1. The Swedish Committee for Afghanistan (SCA) commissions an external audit of the civil society organizations to which SCA allocated grants in 2019. An external auditing firm has to conduct audit of SCA CSO partners' annual financial statements for 2019.

2. The contract between SCA and the granted partner organization states that, "The Project grant, as accounted for in the final report, should undergo an audit by an external, independent and certified auditor. The Auditor undertakes the audit in accordance with the international standards stipulated by the International Federation of Accountants (IFAC) or the International Organization of Supreme Audit Institutions (INTOSAI)". In addition, the SCA financial steering documents guide this audit assignment. These documents relevant for the audit include Financial Regulations for Civil Society Partnership, Guidelines to Facilitate External Audit and Agreement between SCA and the granted partners. Granted partners are obliged to fully cooperate with the auditors and make all necessary documents available for the audit.

3. The Auditor shall use for a statement on the financial report presented by the partner organization. The Auditor should verify that the financial report presented to SCA comply with the partner organizations underlying bookkeeping, agreed budget and SCA's instructions for reporting.

4. The audit should include such tests and reviews, as the Auditor considers necessary. It should pay special attention to:

- Whether the Cooperation partner have signed agreements with its granted partner organisations
- Whether the audit requirements in agreements with partner organisations are in accordance with the audit requirements as stipulated in the organisation's agreement with Sida
- Whether there is an unbroken chain of audited financial reports according to the requirements as stipulated in the agreement between the cooperation partner and Sida, for funds disbursed the previous year. The review shall include whether the cooperation partner makes documented assessments of the audited financial reports submitted to the cooperation partner and whether these reports are followed-up by the cooperation partner. The review shall include verification of contributions equivalent of a minimum of 40 % of the total of disbursed funds as well as 40 % of the number of contributions. The review shall also include any observations from auditors that Sida should be informed about.
- The unspent balance at the end of the financial year against accounting records and its supporting documentation.
- Used funds received from SCA to finance expenditures within the budget lines presented in the budget annexed to the agreement between SCA and the partner organizations.
- A satisfactory system for financial management (evaluate and comment upon the risk of fraud in the financial statements). The Auditors can refer to the SCA Anti-corruption policy that will be available to them.
- Verify the unspent balance that shall be repaid to SCA in the final report of the last agreement year.
- Whether funds received from SCA were kept in a separate bank account.
- On a sample basis, has supporting documentation related to reported expenditure. The size of the sample shall be based on the Auditor's risk analysis and that should be stated in the report. The Auditor shall report the identified amount in case there is any missing supporting documentation.



Swedish Committee for Afghanistan

- Adhered to the procurement, in accordance with SCA-CCU internal regulations for procurements, in accordance with conditions regulated in article 10 in the agreement between SCA and the partner organization.
- Whether accounts were in accordance with approved accounting standards, and complied with current taxation laws, regulations, and their obligations regarding taxes and fees for their employees.
- Whether projects were carried out according to the agreement.
- Application of procurement management policies and procedures
- Harmonized structure of presented financial information, presented budgets and financial reports
- Compliance with the Afghanistan tax law

5. It should be clear in the report that the audit has been carried out in line with internationally accepted standards and by a qualified Auditor. An audit report and management letter along with action plan per organization should be presented to SCA as well as the audited partner organization. The audit report should be written in English and should contain the responsible Auditor's title and signature.

6. An Audit Report (including Audit opinion, Management letter along with action plans and audited financial statements) must be an attestation audit and **should be submitted to SCA**. The report must contain the responsible auditor's signature (not just the hand written name of the audit firm).

The Audit **Management Letter** should provide the following information:

- An **Audit opinion** expressing whether the partner organization's Financial Statements are in accordance with their documented accounting records, and give a true and fair presentation of the organization's financial result and position.
- Significant observations made during the audit process, and possible recommendations for improvements.
- Comments and observations on the accounting records, systems, and controls examined during the course of the audit.
- Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement. The recommendations shall be presented in priority order.
- Comments on, if and how, the management letter for 2017 and 2018 has been followed up, and if earlier identified shortcomings have been rectified.
- Communicate matters that have come to their attention during the audit that might have a significant impact on the implementation and sustainability of the project.
- If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

The Audit **Action Plan** should provide the following information:

- Action plans for each of the audited CSOs, where the CSOs will come up with clear and specific timelines to accomplish and consider the audit recommendations and findings
- Two separate action plans for the audited CDCs of MRMO and JRMO to consider the audit recommendations and findings within a specific timeline

Based on the observations made by the Auditor and the recommended actions stated in the audit report, partners shall prepare and deliver a response to SCA, including the action plan indicating when they will correct the reported shortcomings. During the implementation year, partners will update SCA of the progresses made through the action plans which is provided by the auditors.

TIMETABLE

The audit can commence effective March 01, 2020 and completed no later than April 19, 2020. The audit will require 36 working days desk audit and physical audit of the organizations.

No	Activity	Date
1	Announcement of the request for audit proposals	08/01/2020
2	Shortlisting and interviewing firms	30/01/2020
3	Contract	19/02/2020
4	Field visit and audit of financial documents	01/3/2020 to 15/3/2020
5	Preparation of audit Management Letter and Financial Statement	16/3/2020 to 25/3/2020
6	Management Response by partner organizations	29/3/2020 to 12/4/2020
7	Final Audit Report	13/4/2020 to 19/4/2020

Contractual Conditions

Contact Person:

The Civil Society and Capacity Development Unit and Finance Department of SCA works together to ensure the implementation of this TOR. Samiullah Saqikhell, Grants Controller, is the contact person for the audit and for facilitating relevant documents from the partner organizations to the auditing firm. Eng. Abdul Manan, SCA Head of Kabul Finance Unit represents SCA as the contracting organization.

Confidentiality:

All information in the contract between the two parties shall be considered as confidential and not be shared with anyone unless legally obliged to do so.

Payment terms:

The consultant shall invoice SCA for the fee in accordance with the deliverables of the work mutually agreed by SCA and the consultant based on the following terms of payment:

Terms	Payment %	Time of Payment
First	30 %	will be paid after the approved audit execution plan
Second	30 %	Will be paid once the draft audit report is shared with SCA
Third	40%	will be paid at submission of clearance letter to the client

Currency:

Invoice and payment will be in (AFN).

Transportation/Accommodation:

SCA will provide accommodation and transportation as well as air tickets during the audit assignment within Afghanistan for field visits in Balkh, Samangan and Jalalabad provinces. There will be no food during the assignment, but office space will be provided.

Documentation



Swedish Committee for Afghanistan

SCA will provide relevant Granted Partners and CDCs project-related information and documents.

Quality Evaluation (technical)

The following criteria will be applied:

1. Institutional capacity/credentials – maximum 12 points
 - Individual/company profile, relevant to the TOR
 - Individual/organizational capacity to conduct the scope of work, experience with similar organization
 - relevant financial audit related certification
 - Auditor specific experience and specialization and team organization with their CVs (attached to the offer) for auditing SCA granted partners. At least one member of the team speaks the local language.

Each criteria is scored 0-3 points. Minimum is 8 points (2 each) to qualify

2. Technical proposal – maximum 18 points
 - Audit approach and methodology
 - Data/information collection and interpretation
 - Audit planning
 - Audit execution
 - Reporting
 - Deliverables

Each criteria is scored 0-3 points, minimum is 12 points (2 each) to qualify

3. Technical proposal comprehensiveness – demonstrates understanding of all aspects of the technical design, maximum 6 points
 - Understanding of the TOR, relevant and good proposal
 - Completeness of the proposal

Each criteria is scored 0-3 points. Minimum is 4 points (2 each) to qualify

Maximum points: 36 (12+18+6)

Each quotation will be given a technical score, and rejected at this point if it fails to achieve the minimum technical score 2 point in each above sections. Quotations that passed the minimum technical score is qualified for financial evaluation.

Financial evaluation

The lowest priced quotation will be given the maximum financial score of 100 points. The financial scores of other qualified quotations will be computed as follows: Financial score = $100 \times \frac{\text{Lowest price}}{\text{price of relevant quotation}}$.



Swedish Committee for Afghanistan

Final evaluation score

The quotations will be ranked according to the combined Quality Evaluation and Financial Evaluation scores using the following weights: T = Quality evaluation weight, 70%; F = Financial evaluation weight, 30%

$$\text{Final score} = 0.7 \times T + 0.3 \times F$$

Award of contract

Award will be made to the company whose quotation achieved the highest combined technical and financial score. If the final score is equal between two bidders, the score of technical will prevail.



Swedish Committee for Afghanistan

Section 2 – Quotation Forms

(Complete and sign the Quotation Forms and Section 2 Additional Requirements)

Section 2 – A QUOTATION SUBMISSION FORM

Date: (Bidder to insert the date)

RFP No. KMO- RFP- 2020 – 01; Service for External Audit for SCA Granted Partners

To: Swedish Committee for Afghanistan
Kabul Management Office

Dear Sir/Madam:

We acknowledge receiving your RFP Documents and its accompanying attachments. We, the undersigned, have examined the same and offer to provide the external Audit of your granted partners that conforms with your RFP.

We agree to abide by this quotation for a period of 90 calendar days past the deadline for the receipt of quotation as specified in RFP. Our quotation shall remain binding upon us and may be accepted at any time before the expiration of that period.

We understand that you are not bound to accept the lowest or any quotation that you may receive.

(Bidder to insert name and signature of duly authorized representative)



Swedish Committee for Afghanistan

Section 2 – B

QUALIFICATION INFORMATION FORM

General Information

1. Name of Bidder:
2. Street Address: Postal Code:
3. P.O. Box and Mailing Address:
4. Telephone Number:
5. Fax Number:
6. E-mail address:
7. www Address:
- 8a. Contact Name:
- 8b. Contact Title:
9. Type of Business:
10. Year Established:
11. Number of staff employed:



Section 3

CONSULTANCY COST/PRICE SHEET

Items	Unit	Qty	Price per unit (AFN)	Sub-total (AFN)
Consultant's fees	Day			
Assistant	Day			
Additional cost				
Total				
Comments:				

Note: SCA will deduct applicable tax as per Afghan government tax law, so please include it in your price.