



## SAARC Development Fund

SDF/Note Verbale/2016/77h

The Secretariat of the SAARC Development Fund presents its compliments to the Ministry of External/Foreign Affairs, SAARC Member States and SAARC Secretariat and would like to seek the kind assistance of the SAARC Divisions and SAARC Secretariat to kindly advertise the "Request for Proposals for Appointment of External Auditor" through the following websites:

1. Ministry of External/Foreign Affairs, SAARC Member States,
2. Ministry of Finance/Treasury/Planning, SAARC Member States,
3. SAARC Secretariat,
4. SAARC Regional Centers, and
5. SAARC Chamber and National Business Chambers/Federations, SAARC Member States.

The SDF Secretariat avails itself of this opportunity to renew to the Ministries of External/Foreign Affairs of the SAARC Member States and SAARC Secretariat the assurances of its highest consideration.

July 6, 2016

SAARC Divisions  
Ministry of External/Foreign Affairs  
SAARC Member States



SAARC Development Fund Secretariat

Outgoing No. 77h Date 6/7/16



## SAARC Development Fund

### Request for Proposals for Appointment of External Auditor

The SAARC Development Fund (SDF), having its Secretariat at Thimphu, Bhutan, invites proposals from eligible firms for conducting External Audit of SDF for 3 years (2016-2018)

Complete Terms of reference is available in the website [www.sdfsec.org](http://www.sdfsec.org) or may be obtained through email at [info@sdfsec.org](mailto:info@sdfsec.org) / [ceo@sdfsec.org](mailto:ceo@sdfsec.org). Last date for submission of proposal is 22<sup>nd</sup> July, 2016.

# Request for Proposal

**Purpose:** Request for Proposal for External Audit Services

**Issued on:** July, 05, 2016

**Proposal Submission Deadline:** July 22, 2016

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## **A. General Provisions**

### **1. Definitions**

1. "Applicable Guidelines" means the policies, rules and regulations of the SAARC Development Fund which shall govern this contract.
2. "Applicable Laws" means reference of any disputes arising out of this contract will be referred to the SAARC Arbitration Council, whose decision shall be final.
3. "Contract" means a legally binding written agreement signed between the most successful responsive evaluated bidder and the fund.
4. "Firm" means international chartered accountancy firm submitting the proposal under this RFP.
5. "Fund" means SAARC Development Fund.
6. "Key Expert" means individuals/ professionals with right skills, qualifications, knowledge and experience and who would be actually engaged to carry out the audit work in the premises of the Fund.
7. "Management Letter" means the letter that identifies the areas of concern or weaknesses in the Fund's financial statement, recommendations for improvement and the Fund's response to any such concern, if raised.
8. "Services" means the work to be performed by the successful bidder pursuant to the contract.

### **2. Introduction and Scope of Work**

#### **2.1 Introduction**

SAARC Development Fund (SDF) having its Secretariat at Thimphu, Bhutan, was inaugurated by the Heads of State/ Governments of SAARC member states in April 2010 during the 16<sup>th</sup> SAARC summit in Thimphu. The objectives of SDF are (i) To promote the welfare of the people of SAARC Region, (ii) To improve their quality of life, and (iii) To accelerate economic growth, social progress and poverty alleviation in the SAARC Region and (iv) To bring about Regional integration among the SAARC member states.

#### **2.2 Scope of Work**

The Fund invites internationally reputed certified Chartered Accountancy Firms to submit proposals for audit of the SAARC Development Fund Secretariat's financial statements for the years ended December 31, 2016, 2017 and 2018.

The successful Proponent ("Auditor") will conduct yearly audit and attest the SDF's financial statements, books and records and financial circumstances for the years ended December 31, 2016, 2017 and 2018 and prepare an auditor's report in respect thereof in accordance with International Accounting Standards/ International Financial Reporting Standards.

The yearly audit will need to be carried out within the first three months of the subsequent year to which the audit relates. The audit exercise may normally be completed within fourteen working days.

The successful proponent will need to finalize the contract for audit services with the fund. The term of the contract will be for a period of three years.

### **3. Eligibility Criteria**

Before preparing/submitting their proposal for the provision of external audit services, the firms are advised to ensure they can meet the following eligibility criteria:

- i) The financial statements of the fund shall be audited by internationally reputed and experienced certified chartered accounting firm.
- ii) The firm is registered with competent authority in their country of operation to carry out auditing of similar national/international/government organizations.
- iii) Have well developed professional auditing techniques and a sound system of control and review of audit work performances:
- iv) Have resources and support services available for carrying out external audit.

## **B. Preparation of Proposal**

### **1. General considerations**

In preparing the proposal the firms are expected to examine the RFP in detail. Material deficiencies in providing the information requested in the RFP may result in rejection of the proposal.

### **2. Cost of preparation of proposal**

The firm shall bear all costs associated with the preparation and submission of its proposal and the fund shall not be responsible or liable for those costs regardless of the conduct or outcome of the selection process.

### **3. Language**

The language used for this RFP and its communications shall be English.

### **4. Only one Proposal**

Each firm shall submit only one proposal

## 5. Key Experts for the Assignment

The firm should provide, as the part of the proposal, a separate sheet indicating the individuals, professionals who would be actually assigned to carry the audit exercise with their skills, qualification, knowledge and experience. The CVs of the key Experts will be taken into account for technical evaluation.

In case the key Experts needs to be changed over the period of the contract, the Firm shall provide Fund with key Experts whose CVs are at par or better than the ones agreed before and acceptable to the Fund. Otherwise the proposal or the contract will liable to be rejected.

## 6. Submission of technical bid

The Firm is to submit a technical bid for the services. The Technical bid will be open before the financial bid. Technical bids not found suitable to the requirements of the SDF will be returned with the unopened Financial Bid.

## 7. Submission of Financial Bid

The Financial Bid shall list all the costs associated with providing the service including the fee for the audit services and reimbursable expenses.

## **C. Submission, Opening and Evaluation**

### 1. Submission, Sealing and Marking of Proposals

i. The two sealed envelopes containing the technical and Financial Bids shall be placed into one outer envelope and sealed. The outer envelope shall bear the submission address, the name of the assignment, the Firm's name and the address and shall be clearly marked "DO NOT OPEN BEFORE 17.30 hours on July 22, 2016 .

ii. The envelope containing the Technical Bid & Financial Bid should bear the Firms Names and the name of the assignment.

iii. The envelope containing the Technical Bid should be clearly marked "TECHNICAL BID" and for the Financial Bid it should clearly marked "Financial Bid – DO NOT OPEN WITH THE TECHNICAL BID".

### 2. Last Date for submission:

The proposal shall be received by the Fund till 17:30 hours on July 22, 2016. Proposal received after the said deadline will not be entertained. The Fund shall not be responsible for any delays.

The Proposals are to be addressed and submitted to:

Chief Executive Officer  
SAARC Development Fund Secretariat  
3<sup>rd</sup> Floor, BDBL Building  
Norzin Lam  
Thimphu 11001  
Bhutan  
Phone: +975-2-321152/321153  
Fax:+975-2-321150  
Website: www.sdfsec.org

**Submission by Email:** In case the proposals are submitted through email ( [info@sdfsec.org](mailto:info@sdfsec.org) and [ceo@sdfsec.org](mailto:ceo@sdfsec.org) ), the financial proposals must be password protected and the password for the same shall be requested from the technically qualified bidders only.

For further information/ clarification please contact us at:

[info@sdfsec.org](mailto:info@sdfsec.org)  
[ceo@sdfsec.org](mailto:ceo@sdfsec.org)

### 3. Opening of the proposals received

The proposals received will be opened at 18:00 hours on July 22, 2016 in the SDF Secretariat.

### 4. Evaluation

The Evaluation Committee of the Fund shall evaluate the technical proposals received. The Fund shall return the financial bid of the proposals unopened in case the technical proposals do not receive the minimum qualifying marks. The financial bid of the successful bidders shall be opened on 27<sup>th</sup> July, 2016 at 10:00 hours. Adequate weightage shall be given to technical & financial bids for finalization of the proposals. The SDF Secretariat reserves the right to reject any or all proposals without assigning any reasons thereof.

### 5. Taxes

The successful bidder will be responsible for meeting all tax liabilities towards the Royal Government of Bhutan arising out of this contract.

### 6. Bid Currency



The Firms are required to quote their bids in United States Dollar. The Firms shall have to bear any losses out of Forex fluctuations.

#### **D. Negotiation and Award of the Contract**

##### 1. Negotiation

The Fund reserves the right to negotiate with the successful bidder.

##### 2. Award of the Contract

The contract will be awarded only after all bid requirements made by the bidder and all internal compliances are made by the Fund.

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