



# Request for Proposals (RfP) Audit services for the ADAPT Project

**IUCN Regional Office for Eastern Europe and Central Asia (ECARO)**

**Project: “ADAPT: Nature-based Solutions for Resilient Societies in the Western Balkans”**

**Issue Date: 5 October 2020**

**Closing Date and Time: 21 October 2020, 23:59 CET**

**IUCN Contact :**

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## **PART 1 – INSTRUCTIONS TO PROPOSERS AND PROPOSAL CONDITIONS**

### **1.1. About IUCN**

IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together.

Headquartered in Switzerland, IUCN Secretariat comprises around 950 staff in more than 50 countries.

Created in 1948, IUCN is now the world’s largest and most diverse environmental network, harnessing the knowledge, resources and reach of more than 1,300 Member organisations and some 10,000 experts. It is a leading provider of conservation data, assessments and analysis. Its broad membership enables IUCN to fill the role of incubator and trusted repository of best practices, tools and international standards.

IUCN provides a neutral space in which diverse stakeholders including governments, NGOs, scientists, businesses, local communities, indigenous peoples organisations and others can work together to forge and implement solutions to environmental challenges and achieve sustainable development.

Working with many partners and supporters, IUCN implements a large and diverse portfolio of conservation projects worldwide. Combining the latest science with the traditional knowledge of local communities, these projects work to reverse habitat loss, restore ecosystems and improve people’s well-being.

[www.iucn.org](http://www.iucn.org)

<https://twitter.com/IUCN/>

### **1.2. Summary of the Requirement**

IUCN invites you to submit a Proposal for the annual audit services, including Agreed-Upon Procedures engagement ISRS 4400, of the project “ADAPT: Nature-based Solutions for Resilient Societies in the Western Balkans” financed by the Swedish International Development Cooperation Agency (Sida) and implemented by IUCN in the period from 1 November 2019 to 31 October 2022. The detailed Terms of Reference can be found in Part 2 of this RfP.

### 1.3. The procurement process

The following key dates apply to this RfP:

<b>RfP Issue Date</b>	5 October 2020
<b>RfP Closing Date and Time</b>	21 October 2020, 23:59 CET
<b>Estimated Contract Award Date</b>	9 November 2020

### 1.4. Conditions

IUCN is not bound in any way to enter into any contractual or other arrangement with any Proposer as a result of issuing this RfP. IUCN is under no obligation to accept the lowest priced Proposal or any Proposal. IUCN reserves the right to terminate the procurement process at any time prior to contract award. By participating in this RfP, Proposers accept the conditions set out in this RfP.

Proposers must sign the "[Proposer's Declaration](#)" and include it in their Proposal.

### 1.5. Queries and questions during the RfP period

Proposers are to direct any queries and questions regarding the RfP to the above IUCN Contact. No other IUCN personnel are to be contacted in relation to this RfP.

Proposers may submit their queries no later than 12 October 2020 at 17:00 CET, addressed to [milica.maric@iucn.org](mailto:milica.maric@iucn.org) (please keep [kristin.meyer@iucn.org](mailto:kristin.meyer@iucn.org) in cc).

As far as possible, IUCN will issue the responses to any questions, suitably anonymised, to all Proposers. If you consider the content of your question confidential, you must state this at the time the question is posed.

### 1.6. Amendments to RfP documents

IUCN may amend the RfP documents by issuing notices to that effect to all Proposers and may extend the RfP closing date and time if deemed appropriate.

### 1.7. Proposal lodgement methods and requirements

Proposers must submit their Proposal to IUCN no later than 23:59 CET on 21 October 2020 by email to: [milica.maric@iucn.org](mailto:milica.maric@iucn.org) and [kristin.meyer@iucn.org](mailto:kristin.meyer@iucn.org). The subject heading of the email shall be [RfP – [Audit and AuP engagement, ADAPT project] - [Proposer Name]]. Electronic copies are to be submitted in PDF and native (e.g. MS Word) format. Proposers may submit multiple emails (suitably annotated – e.g. Email 1 of 3) if attached files are deemed too large to suit a single email transmission.

**IMPORTANT:** Submitted documents must be password-protected so that they cannot be opened and read before the submission deadline. Please use the same password for all submitted documents. After the deadline has passed and no later than 9:00 CET on 22 October 2020, please send the relevant password to the same email address as used for submitting your Proposal. This will ensure a secure bid submission and opening process. Please **DO NOT** email the password before the deadline for Proposal submission.

Proposals must be prepared in English and in the format stated in Part 4 of this RfP.

### 1.8. Late and Incomplete Proposals

Any Proposal received by IUCN later than the stipulated RfP closing date and time, and any Proposal that is incomplete, will not be considered. There will be no allowance made by IUCN for any delays in transmission of the Proposal from Proposer to IUCN.

### ***1.9. Withdrawals and Changes to the Proposal***

Proposals may be withdrawn or changed at any time prior to the RfP closing date and time by written notice to the IUCN contact. No changes or withdrawals will be accepted after the RfP closing date and time.

### ***1.10. Validity of Proposals***

Proposals submitted in response to this RfP are to remain valid for a period of 90 calendar days from the RfP closing date.

### ***1.11. Evaluation of Proposals***

The evaluation of Proposals shall be carried out exclusively with regards to the evaluation criteria and their relative weights specified in Part 3 of this RfP.

## PART 2 – THE REQUIREMENT

### Terms of Reference for the Annual Audit of the Project “ADAPT: Nature-based Solutions for Resilient Societies in the Western Balkans”

#### ***I. Background***

“ADAPT: Nature-based Solutions for Resilient Societies in the Western Balkans” is a project funded by the Swedish International Development Cooperation Agency (Sida) and implemented by IUCN, represented by its Regional Office for Eastern Europe and Central Asia (ECARO) (Contribution No. 12367).

It aims to increase ecosystem and community resilience to climate change and environmental degradation in the Western Balkans. This regional umbrella initiative includes activities in Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia. The project works at multiple levels and involves government agencies, research institutions and civil society, which offers opportunities for knowledge exchange, wider capacity building and institutional strengthening as well as the potential for scaling up.

The overall objective of the Project is the increased ecosystem and community resilience to climate change and environmental degradation in the Western Balkans, including by:

- enhancing knowledge and awareness of nature-based disaster risk reduction solutions among decision makers, natural resource managers and local communities with a specific focus on gender;
- integrating Nature-based Solutions and equitable climate-smart planning into adaptation and disaster reduction policy; and
- implementation of Nature-based Solutions for disaster risk reduction and their scale-up.

The total value of the Grant Agreement is EUR 2,480,202.

#### ***II. Objectives and Scope of Work***

##### **a) Annual Audit**

IUCN wishes to engage the services of an external, independent and qualified audit firm for the purpose of the annual audit of the ADAPT project’s financial report, as stipulated in the agreement between IUCN and Sida. The audit shall be carried out in accordance with the International Standards on Auditing issued by IAASB<sup>1</sup>.

The objective is to audit the annual financial reports for the period from 1 November 2019 to 31 October 2022 as submitted to Sida and to express an audit opinion according to ISA 800/805 on whether the financial report of the project “ADAPT: Nature-based Solutions for Resilient Societies in the Western Balkans” is in accordance with Sida’s requirements for financial reporting as stipulated in the Grant Agreement, including respective appendices between Sida and IUCN.

The assignment will comprise of three annual financial audits of the Project’s financial report for the following periods: from 1 November 2019 to 31 October 2020; from 1 November 2020 to 31 October 2021; and from 1 November 2021 to 31 October 2022.

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<sup>1</sup> The International Auditing and Assurances Standards Board (IAASB)

## **b) Agreed-Upon Procedures ISRS 4400**

As per donor's requirements set in the Grant Agreement and related Annex D Terms of Reference, the auditor shall perform additional assignment to each annual audit. According to the Agreed-Upon Procedures ISRS 4400, the auditor shall review the following areas and perform the following mandatory procedures:

1. Follow up whether salary costs debited to the project are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.
2. Examine whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by Sida for the period.
3. Based on materiality and risk the auditor shall examine whether there is supporting documentation related to incurred costs. Regardless of materiality of the findings the auditor shall quantify the amount for costs lacking sufficient supporting documentation.
4. Examine whether foreign exchange gains/losses are disclosed as a separate item in the financial report as well as disclosed in accordance with what is stipulated in the agreement including appendices and generally accepted accounting principles.
5. IUCN's compliance with the applicable tax legislation with regard to taxes and social security fees.
6. Follow up whether IUCN has adhered to the procurement guidelines annexed or referred to in the agreement.
7. Review if outgoing balance for previous period is the same as incoming balance for the current period.
8. Verify the unspent balance at the end of the financial year against accounting records and its supporting documentation.
9. Verify the unspent balance that shall be repaid to Sida in the final report of the last agreement year (only applicable in the final report of the last agreement year).
10. Follow up whether IUCN has implemented the recommendations from the 2019 review of internal control. The examination includes reviewing whether IUCN has implemented the action points as described in IUCN's management response that has been submitted to Sida.

### **III. The Reporting**

The reporting shall be signed by the responsible auditor (not just the audit firm) and shall include the title of the responsible auditor.

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion on the Project's financial report shall be clearly stated. The independent auditor's report shall clearly stipulate that the audit has been conducted in accordance with ISA 800/805.

The reporting shall also include a Management letter that discloses all audit findings (significant and other findings), as well as weaknesses identified during the audit process. The financial report that has been subject to the audit shall be attached to the audit reporting. The auditor shall make recommendations to address the identified findings and weaknesses and the recommendations shall be presented in priority order.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, the auditor will issue a letter stating that during the audits nothing has come to their attention that the auditor considers pertinent to be brought to the attention of the borrower.

Measures taken by the organisation to address weaknesses identified in previous audits shall also be presented in the Management Letter.

The additional assignment according to the Agreed-Upon Procedures ISRS 4400 under section IIb), shall be reported separately in a "Report on factual findings". The size of the sample of reviewed audit reporting shall be stated in the report.

### Expected deliverables and timeline

	Task	Deliverables	Deadline for submission
1	Annual Financial Audit Agreed-Upon Procedures	Draft Auditor's report and draft Management letter for the period from 1 November 2019 – 31 October 2020	5 January 2021
		Draft Report on factual findings	
		Auditor's report and Management letter for the period from 1 November 2019 – 31 October 2020	22 January 2021
Report on factual findings			
2	Annual Financial Audit Agreed-Upon Procedures	Draft Auditor's report and draft Management letter for the period from 1 November 2020 – 31 October 2021	5 January 2022
		Draft Report on factual findings	
		Auditor's report and Management letter for the period from 1 November 2020 – 31 October 2021	21 January 2022
Report on factual findings			
3	Annual Financial Audit Agreed-Upon Procedures	Draft Auditor's report and draft Management letter for the period from 1 November 2021 – 31 October 2022	5 January 2023
		Draft Report on factual findings	
		Auditor's report and Management letter for the period from 1 November 2021 – 31 October 2022	23 January 2023
Report on factual findings			

### Duration of the assignment

The duration of this assignment will last over the period from the signing of the contract to 31 January 2023.

## **V. Requirements**

1. Knowledge and experience in conducting the audit engagements of the projects in accordance with International Standards on Auditing ISA 800/805, issued by IAASB.
2. Experience in financial audits in the context of an International organization, preferably comparable in size and complexity to IUCN.
3. Experience in the similar assignments for regional/multi-country projects funded by the donors (Sida, EU funds, WB, KfW, etc.). Experience with the projects funded by Sida is added advantage, as well as experience with the regional projects in the Western Balkans.
4. Knowledge and experience in conducting Agreed-Upon Procedures engagements ISRS 4400 in the context of projects and according to the provided ToR.
5. Adequate capacity and resources required to carry out the assignment.

The maximum budget for the assignment for the entire implementation period of the Project is estimated at EUR 30,000 (maximum EUR 10,000 per each project year), inclusive of all costs and VAT.

## PART 3 – THE EVALUATION MODEL

### 3.1. Technical Proposal evaluation

1. Acceptance of the ToR and other requirements in Part 2 is mandatory
2. Experience with projects' audits in accordance with ISA 800/805 – **30**
3. Experience in working with/auditing International organizations – **5**
4. Experience in similar assignments for the regional/multi-country projects funded by the donors (Sida, EU funds, WB, KfW, etc.) – **25**
5. Experience with Agreed-Upon Procedures ISRS 4400 engagements and attached ToR – **25**
6. Available resources and capacity – **15**

Each criterion will be scored out of 5 (where 1 – Poor, 2 – Fair, 3 – Good, 4 – Very good, 5 – Outstanding). Any proposal scoring 1 in any Criterion will not be considered further.

Technical Proposals meeting the Quality Threshold will have their technical scores normalised by dividing their score by the highest-scoring technical proposal, and converting this value into a percentage to give the Normalised Technical Score. Thus:

Highest technical score = X%

Bid A's technical score = Y%

Bid A's normalised technical score =  $(Y / X) * 100\%$

### 3.2. Financial evaluation

The financial evaluation will be based upon the full fixed and firm price submitted in the Proposal. The price of each Proposal that has met the Quality Threshold for the Financial Score will then be normalised by dividing the lowest bid price value by that bid's price value, and this value turned into a percentage (Financial Score). Thus:

Lowest bid value = EUR X

Bid A's value = EUR Y

Bid A's normalised financial score =  $(X / Y) * 100\%$

The total estimated maximum costs for the projects audits will be calculated and compared.

### 3.3. Total Score

The Normalised Technical Score will be multiplied by the Technical Weighting Factor (70%), the Financial Score multiplied by the Financial Weighting Factor (30%) and the two weighted scores added together to provide a Total Score for each bid excluding those that do not meet the Quality Threshold.

The contract will be awarded to the Proposal that has obtained the highest Total Score subject to the Proposal Conditions in Part 1.



## **PART 4 – INFORMATION TO BE PROVIDED BY PROPOSERS**

By participating in this RfP, Proposers are indicating their acceptance to be bound by the conditions set out in this RfP.

This Part details all the information Proposers are required to provide to IUCN. Submitted information will be used in the evaluation of Proposals. Proposers are discouraged from sending additional information, such as sales brochures, that are not specifically requested.

**Each of the following must be submitted as a separate document, and will be evaluated separately.**

### **4.1 Declaration**

Please read and sign the [Declaration](#) and include this in your proposal.

### **4.2 Technical information/Service Proposal**

The Proposers are required to submit the following details in their Technical Proposal (please, provide separate responses to each of the following):

- 4.2.1. Up to five relevant examples of your experience with the audit engagements of the projects in accordance with ISA 800/805, and of working with international organizations (clients preferably similar to IUCN);
- 4.2.2. Up to five relevant examples of your experience with the Agreed-Upon Procedures ISRS 4400 engagements in the context of projects and attached ToR;
- 4.2.3. Up to five relevant examples demonstrating experience in the similar assignments for the regional/multi-country projects funded by the donors (Sida, EU funds, WB, KfW, etc.). Experience with the projects funded by Sida is a plus, as well as experience with the regional projects in the Western Balkans.
- 4.2.4. The resources you will make available for the assignment (structure of the audit team, key staff and their relevant qualifications and experience described in CVs).
- 4.2.5. Highlight any specific issues encountered with ISA 800/805 and/or ISRS 4400 in the past and the ways of overcoming these. Describe any potential issues with the attached ToR.
- 4.2.6. As part of your Technical Proposal, include your standard terms and conditions of contract (Engagement letter).

When describing relevant examples, your Technical Proposal should include, but not limited to, the following information: duration of the assignment, assignment name and brief description of main deliverables/outputs, name of the Client, country/countries of assignment and approx. contract value.

### **4.3 Pricing information**

#### **Prices include all costs**

Submitted rates and prices are deemed to include all costs, insurances, taxes, fees, expenses, liabilities, obligations, risk and other things necessary for the performance of the Requirement. Any charge not stated in the Proposal as being additional, will not be allowed as a charge against any transaction under any resultant Contract.

#### **Applicable Goods and Services Taxes**

Proposal rates and prices shall be exclusive of Value Added Tax.

#### **Currency of proposed rates and prices**

Unless otherwise indicated, all rates and prices submitted by Proposers shall be in Euro.

## **Rates and Prices**

Your Financial Proposal should state a maximum fee for the assignment described in Part 2, including all the costs, reimbursements and Value Added Tax (VAT).

Your Financial Proposal should also include breakdown of costs (remuneration) per staff members, in order to demonstrate the basis for calculation of maximum fee. This breakdown should state your daily rates for relevant positions or staff members and an estimate of how long each assignment will take to complete, subject to the agreed maximum fee.

### ***4.4 Non-price commercial information***

The Auditor and/or the firm confirms to be a member of a national accounting or auditing body or institution, which in turn is member of the International Federation of Accountants (IFAC).

## **PART 5 – DEFINITIONS**

For the purposes of this Request for Proposal (RfP) the following definitions apply:

Contract	Means any contract or other legal commitment that results from this Request for Proposals.
Contractor	Means the entity that forms a Contract with IUCN for provision of the Requirement.
Instructions	Means the instructions and conditions set out in Part 1 of this Request for Proposals.
IUCN	Means IUCN, International Union for Conservation of Nature and Natural Resources.
IUCN Contact	Means the person IUCN has nominated to be used exclusively for contact regarding this Request for Proposals and the Contract.
Proposal	Means a written offer submitted in response to this Request for Proposals.
Proposer	Means an entity that submits, or is invited to submit, a Proposal in response to this Request for Proposals.
Requirement	Means the supply to be made by the Contractor to IUCN in accordance with Part 2 of the RfP.
RfP	Request for Proposals