



**INTERNATIONAL CENTER FOR BIOSALINE AGRICULTURE**

# **ICBA EXTERNAL AUDIT SERVICES**

## **Request for Proposals**

RFP18-0010\_ICBA External Audit Services

Procurement Section  
009714336110  
Procurement@biosaline.org.ae

International Center for Biosaline Agriculture - ICBA is an international, non-profit organization that aims to strengthen agricultural productivity in marginal and saline environments through identifying, testing and facilitating access to sustainable solutions for food, nutrition and income security.

## **I. GENERAL INFORMATION**

### **1.1 Background and Purpose**

ICBA is an international, non-profit agricultural research center established in 1999 through the visionary leadership of the Islamic Development Bank (IDB), the Organization of the Petroleum Exporting Countries (OPEC) Fund, the Arab Fund for Economic and Social Development (AFESD), and the Government of the United Arab Emirates (UAE).

Originally focused on the problems of salinity and using saline water for irrigated agriculture, ICBA has evolved over the years into a world-class modern research facility with a team of international scientists conducting applied research and development to improve agricultural productivity and sustainability in marginal and saline environments.

In 2013, the Center developed a new strategic direction that takes innovation as a core principle and the Center's multi-pronged approach to addressing the closely linked challenges of ensuring water, environment, income, and food security, includes research innovations in the assessment of natural resources, climate change adaptation, crop productivity and diversification, aquaculture and bio-energy and policy analysis.

Currently, ICBA is working on a number of technology developments, including the use of conventional and non-conventional water (such as saline, treated wastewater, industrial water, agricultural drainage, and seawater), water and land management technologies and remote sensing and modeling for climate change adaptation.

Improving the generation and dissemination of knowledge is an important strategic objective of ICBA and the Center is focusing on establishing itself as a knowledge hub on sustainable management and use of marginal resources for agricultural production and environmental protection in marginal and saline environments. With the help of its partners, ICBA innovates, builds human capital, and encourages learning that is fundamental to change.

ICBA is in transition process with CGIAR financial guidelines to the International Financial Reporting Standards (IFRS). First time adoption of IFRS will be in 2018. The 2017 audited financial statements have been converted to be in compliance with IFRS.

### **1.2 Annual External Audit of ICBA**

ICBA's financial year coincides with the calendar year. The final draft of audited statements are required to be submitted to ICBA's Board of Directors on their first meeting each year which normally occurs between March to May.

The terms of engagement are:

- Review the Center's system of internal controls to ensure its adequacy in safeguarding the organization resources
- Determine whether reliance can be placed on the system of internal controls in ensuring the accuracy and completeness of accounting records
- Assess the accounting principles applied in preparation of financial statements to determine whether they are in accordance with the International Financial Reporting Standards (IFRS) as applicable to not for profit organizations.
- Examine the accounting records as a basis for the preparation of the financial statements.
- Evaluate the overall financial statement presentation and express an opinion thereon.
- Audit and express an opinion on whether the financial statements of the organization as a whole present fairly, in all material respects, and in accordance with the IFRS for each year ended 31 December and the results of its operations for the year then ended.
- Ensure compliance with IFRS, other applicable laws and regulations.
- The auditor shall examine, on a test basis, that there is supporting documentation related to reported expenditure. The size of the test shall be based on the auditor's risk analysis, which should be stated in the report. The auditor shall report the identified amount in case there is any missing supporting documentation.

- Generate improvement ideas on noted areas of weaknesses.
- Liaise with ICBA's Internal Auditors for synergies
- Hold periodic meetings with the relevant ICBA managers throughout the audit work and timely inform of any major findings that may affect the final audit opinion.
- Prepare a report to the Board and participate in the meeting of the Finance and Audit Committee of the Board which usually takes place one day before the Board Meeting.
- The auditor shall submit a management letter, which shall contain the audit findings made during the audit process and the management responses.

### 1.3 Deadlines

Site visits, if required	September 23 to 27, 2018
Closing date for submission	October 4, 2018
Shortlisted companies informed	October 11, 2018
Presentation	October 21 to 25, 2018
Contract awarded	November 29 to December 3, 2018

### 1.4 Submission of Proposals

Submissions should be handed over in a plain sealed envelope marked “RFP18-0010-ICBA EXTERNAL AUDIT TENDER 2018-2020”. They should be addressed to:

**Procurement Section,  
Corporate Services Directorate  
International Center for Biosaline Agriculture (ICBA)  
P.O. Box 14660, Dubai, United Arab Emirates**

Please refer to Annex A for additional instruction in submitting proposals.

### 1.5 Proposal Contents

Proposal responses should include the following:

- a. The Bidder company valid trade license
- b. Technical Proposal
- c. Financial Proposal

### 1.6 Validity of Proposal

Proposals must remain valid and open for the acceptance of ICBA for 90 days from the RFP closing date. Proposals specifying a shorter acceptance period will be considered as non- responsive proposals.

### 1.7 Incomplete and Late Offers

Incomplete and late proposals will not be accepted. It is the bidder's responsibility to ensure that the proposal is submitted complete, on time and in accordance with the RFP terms and conditions.

### 1.8 Inquiries

Bidders may submit questions in writing through e-mail to the following address and before the deadline stated above:

Contact name : Ms. Jinky Aglipay  
Procurement Assistant  
Tel. no. : 009714 3361100- Ext. 313  
Email : [Procurement@biosaline.org.ae](mailto:Procurement@biosaline.org.ae)

Any prospective bidders seeking to arrange individual meetings with ICBA or any of its employees concerning this contract during the bidding period may be excluded from the bidding process.

### **1.9 Alteration of Proposals**

Bidders may alter their proposals by written notification prior to the deadline for submission of proposals stated in this RFP. No proposals may be altered after this deadline.

### **1.10 Eligible Bidder**

Bidders considered eligible to submit proposals are defined as follows:

- Entity/organization that is legally registered to do business in UAE and can provide a valid certificate of legal registration/ trade registration license.
- Bidder must Have the technical and financial capacity to perform this Contract successfully.

### **1.11 Costs for preparing proposals**

Under no circumstances ICBA will not be liable for any costs incurred in connection to the preparation and submission of proposals even if ICBA decides to reject all the proposals or cancel the bid.

### **1.12 Clarification**

During the evaluation process, ICBA may request additional information and samples from bidders if it is necessary for further clarifications in regard to the submitted proposal.

### **1.13 Evaluation of proposals**

The technical evaluation of bids will be based on the criteria below:

<b>Criteria</b>	<b>Weighting %</b>
Proven experience of the proposed team of providing relevant audits and of working in challenging operating environments.	30%
Value for money – this does not mean the cheapest bid – we will be assessing the overall offering.	25%
The firm's specialism in the not-for-profit sector.	20%
Interaction during tendering and quality of tenders. Note that we will not be placing a huge emphasis on how your proposal document looks, but will focus on its contents and how it meets our specified requirements, as well as the personal interaction of yourselves with the ICBA panel.	25%

### **1.14 Amendments**

During the proposal submission period, if ICBA decides to modify/change any requirement/s of the RFP, the modification/s shall be released through the issuance of an amendment to the RFP. Any amendment will be issued in writing and will be sent to all bidders.

### **1.15 Confidentiality**

The entire evaluation procedure is confidential, and all proposals are for official use only and may be communicated neither to the bidders nor to any party other than ICBA.

#### **1.16 Bid Cancellation**

ICBA has the right at any stage in the bidding process to cancel the whole bid without the need to give a justified reason to any of the bidders. Bidders will be notified in writing of the cancellation.

#### **1.17 Discussion/Negotiation**

ICBA may initiate discussions should clarification or negotiation be necessary. Bidders should be prepared to provide qualified personnel to discuss technical and contractual aspects of the proposal.

#### **1.18 Award Letter & Contract**

ICBA reserves the option of contracting only for a portion of the specified project scope or of not awarding a contract to any bidder. Final approval to enter into a contract, the contract form and the scope of services to be provided pursuant to the contract, rests with ICBA. A contract may be awarded to more than one bidder based on the quality of the proposals and ICBA's needs. Please note that an award letter is not a contract and can be withdrawn at ICBA sole discretion.

Bidder's Failure to accept the award at the time of receiving notification from the bidder will give ICBA the right to award the tender to the next bidder.

#### **1.19 Bidder Responsibility**

It is the responsibility of each bidder before submitting a proposal:

- To examine thoroughly the contract documents and other related data identified in the proposal documents.
- To consider federal and local laws and regulations that may affect costs, progress, performance or furnishing of the service.
- To promptly notify the Procurement Section of all conflicts, errors, ambiguities, or discrepancies in or between the contract documents and such other related documents.

#### **1.20 Governing Law and Language**

This Tender is subject to and shall be construed according to the applicable laws and regulations of the United Arab Emirates. The bid documents and all notices pursuant to the provisions thereof shall be in English.

## **II. SCOPE OF WORK**

### **2.1 Project Special Audit**

The Center receives funding from different donors to fund its research activities. Some of the donors require project-specific audits to provide assurance that the funds were used for the intended purpose.

The provider is required to include a draft Service Level Agreement (SLA) in the proposal. The SLA will establish performance indicators and deliverables. In addition, the SLA will establish agreed penalty clauses for non-conformity with the agreed performance levels.

The Terms of Engagement are as follows:

- a) Audit the Financial reports as submitted to the donor and express an audit opinion according to ISA 800/805 on whether:
  - The financial report submitted to the donor is in accordance with ICBA's accounting records and donor's instruction for reporting.

- The financial report presents fairly in all material respects; expenditures incurred on the project and whether these expenditures were incurred in conformity with approved budget, disbursed for the approved purposes of the project, incurred in accordance with the relevant policies and regulations, and properly supported by approved vouchers and invoices; and give an opinion on whether the audit has uncovered any illegal or corrupt practices.
  - b) Examine, assess and report on compliance with the terms and conditions of the grant agreement and applicable laws and regulations within accounting and taxes.
  - c) The auditor shall examine, on a test basis, that there is supporting documentation related to reported expenditure. The size of the test shall be based on the auditor's risk analysis, which should be stated in the report. The auditor shall report the identified amount in case there is any missing supporting documentation.
  - d) The auditor shall submit an audit memorandum/management letter, which shall contain the audit findings made during the audit process.
- On completion of annual and project audits:
- i) The auditor shall prepare a report that contains details regarding the audit method used and the scope of the audit.
  - ii) The report shall contain an assurance that the audit was performed in accordance with international standards, and by a qualified auditor.
  - iii) The report shall contain the responsible auditor's signature and title.
  - iv) The auditor shall make recommendations to address any weaknesses identified. The recommendations should be presented in order of priority.

## **2.2 Expenditure Verification and Grants Certification**

The Center receives funding from donors to fund its research activities, and therefore requires expenditure verification and grant certification based on the institutional audited financial statement. The terms of reference, the format and reporting requirements are specified by the donor.

## **2.3 Other Professional services where in compliance with International Auditing Standards**

Other services would include:

- Updates on new accounting and auditing standards that would impact ICBA.
- Support in interpreting new accounting and auditing standards, including written recommendations as required.
- Review and advice on new or modified ICBA financial policies as required.
- Assistance on specific tax matters as they may apply.
- Provide guidance on industry best practice and developments.
- Any other assurances that may be required by donors and partners.

## **2.4 Auditor Requirements**

ICBA seeks to ensure the highest standard of financial reporting and control. As part of this process, we wish to appoint an independent and experienced provider of audit services. The minimum requirements from our external auditors are as follows:

- **Cultural fit**  
We are looking for auditors who understand and empathize with the purpose, values and vision of the International Center for Biosaline Agriculture. We would like them to work constructively with our staff and Directors to help us improve our systems and working practices, whilst retaining an independent external view. In addition to the Board of Directors and Management, we would also expect our auditors to examine the internal audit reports or liaise with ICBA's Internal Auditors and develop a sound relationship with it.

- **Technical competency**

In particular, we require a real understanding of IFRS and how it is applied to not-for-profit organizations, as well as simply best practice auditing of all our units so we feel we can rely on the results. We would like to have issues raised pro-actively and a real sense of value-added.

ICBA welcomes working in partnership with professional advisers and we would expect to benefit from advice in specialist areas. This would include awareness of changes to reporting requirements and specialist tax advice.

- **Expertise and experience**

We are seeking a team that has proven experience with auditing International Organizations (IOs), INGOs or similar entities. Experience in auditing International Research Organizations will be an added advantage. We expect our auditors to provide current developments in the sector and advice on best practices. Demonstrable experience of the audit partner and manager of working in challenging environments is important.

We also anticipate that the audit team will be experienced in dealing with rapidly changing organizations, and will not be phased by this factor, but rather embrace and lead on some of the (technical) issues.

- **Value for money**

We expect our professional advisers to be proactive in the relationship, sharing experience, knowledge and ideas so that the audit adds more value than just meeting statutory requirements. We will focus on reducing overall cost of external audit services to the Center while at the same time maintaining/enhancing value.

- **Partner and manager time**

We require the partner and/or manager to attend the Finance and Audit Committee of the Board of Directors where the accounts are submitted for approval to discuss any management letter issues, and the Board of Directors' (BOD) meeting if requested. We also require a realistic commitment of partner and manager time during the audit and adequate level of professionally capable staff to complete the audit in a timely manner.

- **Communication and project management**

We place a strong emphasis on personal relationships and good communication. In addition, a project-based approach is required, where both parties understand and agree on timings and commitments, and no due dates are missed.

- **Risk-based approach**

We are also seeking to appoint auditors that take a risk-based approach to financial audits, have an understanding of risk in a broader context than financial risks and are able to contribute to the development of our understanding and approach to risk management.

- **Other audits**

Additionally, we require the audit of specific donor projects and reports which meets donor requirements.

- **Future requirements**

ICBA is required to carry out specific donor audits which are currently conducted by a number of different local/global auditors; in future we aim to consolidate the provision of these audit services.

## **2.5 Contractor Performance**

Contractor must meet the highest standards prevalent in the industry of audit firm companies in providing external audit services to ICBA.

## **2.6 General Delivery Requirements**

Tenderers should provide the following:

1. An introduction to the firm and your commitment to the non-profit sector and the International Center for Biosaline Agriculture in particular, and how you invest in developing your expertise in the sector.
2. Please explain the proportion of the firm's work that relates to the non-profit sector, and how many partners lead these audits.
3. How many audits have you won and lost in the last two years, and how many you currently run, in particular International Organizations (IO) audits?
4. Evidence of the audit team's track record, listing those IO audits that have been carried out by the team members. We are looking for a high-level of established experience and knowledge so rather than provide a long generic list, please list clients where the partner and manager are actively involved in the audit. In addition, please specify how long the audit partner has been the audit partner on the stated clients. Please provide the contact details for six client referees whom we may contact during the tender process.
5. Details of any litigation against the firm in UAE and worldwide
6. The names and CVs of the key members of the proposed team for delivering the requirements. Demonstrable expertise in wider areas such as not-for-profit law, resource mobilization, governance, risk management and evaluation is desirable.
7. Please specify who will be responsible for our work and confirm that they are listed as partners in the firm. Please describe how you manage succession planning and staff continuity.
8. An important aspect of the relationship between the organization and its External Auditors is the requirement that our audit team has an understanding of the environment in which we operate. Please provide details of the team's experience of working in challenging environments. To support this, please provide the countries where the team have visited your audit clients or visited to carry out training for IOs.
9. A description of your approach to the audit showing how you will:
  - Determine your audit strategy and undertake audit planning.
  - Address matters of audit scope and materiality.
  - Identify and respond to risk and critical audit issues.
  - Control and co-ordinate the audit process and report your findings.
  - Ensure appropriate responsibility for decisions on the audit.
10. A description of your internal processes used for quality assurance and your internal practices to ensure compliance with independence requirements and freedom from conflicts of interest.
11. A description of the commercial expertise you bring to the role which you think will help ICBA become a 21st century organization (Note: this could include other factors other than commercial experience).
12. A description of how you intend to balance the need for audit reliability within a complex environment and an efficient, cost-effective audit process.
13. Other services that you provide.
14. The audit fee showing hours and rates for the key grades of staff and the basis of charging expenses. Also, your proposal for setting and agreeing fees in future years. We want to see a realistic fee. Please do not assume that other non-audit work will automatically be awarded to the selected auditor.

## **2.7 Pricing**

The following information is requested to be included in the financial proposal in United States Dollar (USD) currency:

- The charge-out rates for each category of proposed staff to be part of the audit team.
- The estimated number of hours each person would spend on the audit (broken down by major stages of the audit if possible).
- Fees proposal for performing the annual institutional external audit external audit.
- Project special audit
- Expenditure verification and grants certification
- Your approach to charging for "other services" as described in the terms of reference and applicable rates.



## ANNEX A

All proposal submissions must be received on or before October 4, 2018 to be deemed "received on time".

### DISCLOSURE

In order for the audit firm to be able to provide the quality of services required and to ensure there is no conflict of interest with the Center, please submit this form together with your quotation.

The information provided by you will be handled on a Strictly Confidential basis and is for the use of the Center only.

This form must be fully completed. For those questions not applicable to your company, please fill in the blank with "N/A" or "NONE". If the space provided after each question is insufficient, please record the information on a separate typed page and attach to the original.

1. List the names and nationalities of all the Directors, Shareholders and/or Partners of your company below.

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2. List any other companies, holding companies or other organizations who hold a substantial interest in your company, and their addresses.

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3. List the names of the Chairman and the Managing Director of the company.

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4. Do any of the company employees, particularly those in management positions, have any family members or friends employed by ICBA?

Yes

☐

No

☐

If yes, list their names and position in either organization.

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5. Do you have a code of conduct or ethics governing your director's and your employees' behavior?

Yes

☐

No

☐

If yes, please attach a copy with your offer.

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6. List below the banks or credit institutions with which your company has accounts if this is not presented in your audited financial statements.

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7. Does the company have Branch offices, which are owned and operated solely by the company?

Yes

☐

No

☐

If yes, list the Company-owned branch facilities and their physical addresses below:

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8. Are the company's owned or leased premises insured against fire, theft, storm, etc.

Yes

☐

No

☐

If yes, list below the company's insurer(s), classes of policies held, amounts insured.

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9. Are you insured for all third party or consequential liabilities?

Yes

☐

No

☐

If yes, what is the limit of your liability?

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10. Will any other parties or companies be authorized to act as your brokers/sub-contractors?

Yes

☐

No

☐

If yes, list their names and physical addresses below.

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### III. CERTIFICATIONS

The following certification statements must be signed and submitted with the vendor's offer on this original form.

- I. I \_\_\_\_\_ the Chairman/Director/Managing Director of (company)\_\_\_\_\_, hereby agree to all Provisions and caveats governing the submission of our Offer.
- II. I further certify that Request for Proposal, has been offered with the full intent of this Company to supply the services as described at the rates we have indicated, which are guaranteed for the purposes of negotiating external audit services with the Center and that all of the rates and charges have been verified, and are correct as indicated herein, and do not require any further amendment(s).
- III. I further certify that all of the information we have supplied in the Disclosure form is full and complete and true, to the best of my knowledge.
- IV. In addition, I certify that I have all of the necessary authority conferred upon me by this company to guarantee the rates and charges in this Offer, and all other information contained herein.

Signature: \_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_