

# United Nations Development Programme

Programme of Assistance to the Palestinian People

برنامج الأمم المتحدة الإنمائي / برنامج مساعدة الشعب الفلسطيني



Empowered lives.  
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RFP-2011-015


## Request for Proposal (RFP) Long Term Agreement for the Provision of Audit Services of UNDP DIM and NIM Projects

Date: 04 November, 2011

Dear Sir/Madam,

1. UNDP Programme of Assistance to the Palestinian People (hereinafter referred to as "UNDP") is seeking experienced audit firms to enter into Long Term Agreements (LTAs) for the provision of Audit services of DIM and NIM Projects. The LTAs will be issued for a period of three years (2012-2014). However, contracts will be issued on annual basis based on the satisfactory performance of each Contractor. You are therefore invited to submit a proposal in accordance with the terms and conditions included in this Solicitation Document.
  2. Included in this RFP are the following:
    - Annex I. Instructions to Offerors
    - Annex II. General Conditions of Contract
    - Annex III. Terms of Reference (TOR)
    - Annex IV. Proposal Submission Form
    - Annex V. Price Schedule
    - Annex VI. Acknowledgement Letter
  3. It is required that proposals shall be submitted in two separate sealed envelopes, one containing the technical proposal and one the financial proposal.
  4. The separate sealed envelopes shall be delivered to the following address no later than 23 November 2011 at 10 a.m. (Jerusalem time).
    - United Nations Development Programme
    - Programme of Assistance to the Palestinian People (UNDP/PAPP)
    - 4A Ya'qubi Street
    - PO Box 51359
    - Tel: 02-6268200
    - Jerusalem 91191
- The outer envelope should be clearly marked with the title "RFP – Long Term Agreement for the Provision of Audit Services of UNDP DIM and NIM Projects."
5. A Pre-bid meeting will be held for all Offerors on 15 November, 2011 at 11 a.m. at UNDP Jerusalem office in the Procurement unit.
  6. Any request for clarification related to this RFP should be submitted in writing to [proc3.papp@undp.org](mailto:proc3.papp@undp.org) no later than 16 November 2011. Answers to any clarifications received and raised during the pre-bid meeting will be posted on [www.undp.ps/aboutundp/forms.html](http://www.undp.ps/aboutundp/forms.html) no later than 17 November 2011.

Yours sincerely,

  
Khaled Shahwan  
Deputy Special Representative (Operations)



## **Annex I Instructions to Offerors**

### **A. Introduction**

#### **1. General**

UNDP aims to establish Long Term Agreements (LTAs) with qualified audit firms to perform audit services of UNDP DIM (Direct Implementation) and NIM (National Implementation) Projects for a minimum period of one year. The LTAs will be subject to extension upon mutual agreement for up to three (3) years.

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

The Offeror shall bear all costs associated with the preparation and submission of the Proposal, the UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

### **B. Solicitation Documents**

#### **3. Contents of solicitation documents**

Proposals must offer services for the total requirement. Proposals offering only part of the requirement will be rejected. The Offeror is expected to examine all corresponding instructions, forms, terms and specifications contained in the Solicitation Documents. Failure to comply with these documents will be at the Offeror's risk and may affect the evaluation of the Proposal.

#### **4. Clarification of solicitation documents**

A prospective Offeror requiring any clarification of the Solicitation Documents may notify the procuring UNDP entity in writing at the organization's mailing address or fax number or the email address indicated in the RFP. The procuring UNDP entity will respond in writing to any request for clarification of the Solicitation Documents that it receives earlier than the date mentioned in the invitation letter. Clarifications will be posted on [www.undp.ps/aboutundp/forms.html](http://www.undp.ps/aboutundp/forms.html)

#### **5. Amendments of solicitation documents**

At any time prior to the deadline for submission of Proposals, the procuring UNDP entity may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Offeror, modify the Solicitation Documents by amendment. Amendments will be posted on [www.undp.ps/aboutundp/forms.html](http://www.undp.ps/aboutundp/forms.html).

All prospective Offerors that confirmed their participation in this tender will be notified in writing of all amendments to the Solicitation Documents.

In order to afford prospective Offerors reasonable time in which to take the amendments into account in preparing their offers, the procuring UNDP entity may, at its discretion, extend the deadline for the submission of Proposals.

### **C. Preparation of Proposals**

#### **6. Language of the proposal**

The Proposals prepared by the Offeror and all correspondence and documents relating to the Proposal exchanged by the Offeror and the procuring UNDP entity shall be written in the English language. Any printed literature furnished by the Offeror may be written in another language so



long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Proposal, the English translation shall govern.

### **7. Documents comprising the proposal**

The Proposal shall comprise the following components:

- (a) Proposal submission form;
- (b) Operational and technical part of the Proposal, including documentation to demonstrate that the Offeror meets all requirements;
- (c) Price schedule, completed in accordance with clauses 8 and 9;

### **8. Technical Proposal**

The Offeror shall structure the operational and technical part of its Proposal as follows:

#### **(a) Management plan**

This section should provide corporate orientation to include the year and state/country of incorporation and a brief description of the Offeror's present activities. It should focus on services related to the Proposal.

This section should also describe the organizational unit(s) that will become responsible for the contract, and the general management approach towards a project of this kind. The Offeror should comment on its experience in similar projects and identify the person(s) representing the Offeror in any future dealing with the procuring UNDP entity.

#### **(b) Resource plan**

This should fully explain the Offeror's resources in terms of personnel and facilities necessary for the performance of this requirement. It should describe the Offeror's current capabilities/facilities and any plans for their expansion.

#### **(c) Proposed methodology**

This section should demonstrate the Offeror's responsiveness to the specification by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed warranty; and demonstrating how the proposed methodology meets or exceeds the specifications.

The operational and technical part of the Proposal should not contain any pricing information whatsoever on the services offered. Pricing information shall be separated and only contained in the appropriate Price Schedules.

It is mandatory that the Offeror's Proposal numbering system corresponds with the numbering system used in the body of this RFP. All references to descriptive material and brochures should be included in the appropriate response paragraph, though material/documents themselves may be provided as annexes to the Proposal/response.

Information which the Offeror considers proprietary, if any, should be clearly marked "proprietary" next to the relevant part of the text and it will then be treated as such accordingly.

### **9. Financial Proposal**

The Offeror shall indicate on an appropriate Price Schedule, the prices of services it proposes to supply under the contract.



### 10. Proposal currencies

Prices can be quoted in any freely convertible currency, however for comparison purposes all quotations will be converted into US Dollar at the prevailing UN exchange rate on the date of bid closing.

### 11. Period of validity of proposals

Proposals shall remain valid for one hundred twenty (120) days from the date of bid closing date as stated in this Solicitation Document. A Proposal valid for a shorter period may be rejected by UNDP on the grounds that it is non-responsive.

In exceptional circumstances, the procuring UNDP entity may solicit the Offeror's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. An Offeror granting the request will not be required nor permitted to modify its Proposal.

### 12. Format and signing of proposals

The Offeror shall prepare two copies of the Proposal, clearly marking each "Original Proposal" and "Copy of Proposal" as appropriate. In the event of any discrepancy between them, the original shall govern.

The two copies of the Proposal shall be typed or written in indelible ink and **shall be signed by the Offeror or a person or persons duly authorized to bind the Offeror to the contract**. The latter authorization shall be indicated by written power-of-attorney accompanying the Proposal.

A Proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the Offeror, in which case such corrections shall be initialed by the person or persons signing the Proposal.

### 13. Payment

UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the contractor, upon achievement of the corresponding milestones.

## D. Submission of Proposals

### 14. Sealing and marking of proposals

The Offeror shall seal the Proposal in one outer and two inner envelopes, as detailed below.

- (a) The outer envelope shall be addressed as in the Bid Data Sheet
- (b) Both inner envelopes shall indicate the name and address of the Offeror. The first inner envelope shall contain the information specified in Clause 8 (*Proposal form*) above, with the copies duly marked "Original" and "Copy". The second inner envelope shall include the price schedule duly identified as such.  
Note, if the inner envelopes are not sealed and marked as per the instructions in this clause, the procuring UNDP entity will not assume responsibility for the Proposal's misplacement or premature opening.

### 15. Deadline for submission of proposals

Proposals must be received by the procuring UNDP entity at the address specified on page 1 of this Solicitation document.

The procuring UNDP entity may, at its own discretion extend this deadline for the submission of Proposals by amending the solicitation documents in accordance with clause *Amendments of*



*Solicitation Documents*, in which case all rights and obligations of the procuring UNDP entity and Offerors previously subject to the deadline will thereafter be subject to the deadline as extended.

### 16. Late Proposals

Any Proposal received by the procuring UNDP entity after the deadline for submission of proposals, pursuant to clause *Deadline for the submission of proposals*, will be rejected.

### 17. Modification and withdrawal of Proposals

The Offeror may withdraw its Proposal after the Proposal's submission, provided that written notice of the withdrawal is received by the procuring UNDP entity prior to the deadline prescribed for submission of Proposals.

The Offeror's withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of clause *Deadline for Submission of Proposals*. The withdrawal notice may also be sent by telex or fax but followed by a signed confirmation copy.

No Proposal may be modified subsequent to the deadline for submission of proposals.

No Proposal may be withdrawn in the Interval between the deadline for submission of proposals and the expiration of the period of proposal validity specified by the Offeror on the Proposal Submission Form.

## E. Opening and Evaluation of Proposals

### 18. Opening of proposals

The procuring entity will open the Proposals in the presence of a Committee following the bid closing date and time as stated on page 1 of this Solicitation Document.

### 19. Clarification of proposals

To assist in the examination, evaluation and comparison of Proposals, the Purchaser may at its discretion, ask the Offeror for clarification of its Proposal. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

### 20. Preliminary examination

The Purchaser will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the Offeror does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures the amount in words will prevail.

Prior to the detailed evaluation, the Purchaser will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one which conforms to all the terms and conditions of the RFP without material deviations. The Purchaser's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.



A Proposal determined as not substantially responsive will be rejected by the Purchaser and may not subsequently be made responsive by the Offeror by correction of the non-conformity.

## 21. Evaluation and comparison of proposals

A two-stage procedure is utilized in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The price proposal of the Proposals will be opened only for submissions that passed the minimum technical score in the evaluation of the technical proposals.

The technical proposal is evaluated on the basis of its responsiveness to the Term of Reference (TOR).

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1.	Expertise of Audit Firm	40%	400
2.	Proposed Work Plan and Approach	25%	250
3.	Audit Personnel	35%	350
Total			1000

Evaluation forms for technical proposals follow. The obtainable number of points specified for each evaluation criterion indicates the relative significance or weight of the item in the overall evaluation process. The Technical Proposal Evaluation Forms are:

### Form 1: Expertise of Audit Firm

Technical Proposal Evaluation Form 1		Points obtainable
01.1	Reputation of Audit Firm and Staff/ Credibility / Reliability	25
1.2	Quality of References	50
1.3	Recruitment Standards, promotion policies, professional training procedures	75
1.4	General Organisational Capability which is likely to affect implementation <ul style="list-style-type: none"> <li>- Financial strength</li> <li>- age/size of the firm</li> <li>- Number of qualified staff employed</li> <li>- strength of project management support</li> <li>- project management controls</li> </ul>	100
1.5	Arrangements in place to conduct simultaneous audit of projected locations located in Jerusalem, West Bank and Gaza	25
1.6	Quality assurance certificates Compliance with Quality Control International Standards	50
1.7	Relevance of: <ul style="list-style-type: none"> <li>- Specialised Knowledge</li> <li>- Experience on Similar Programme / Projects</li> <li>- Experience on Projects in the Region</li> <li>- Work for UNDP/ major multilateral/ or bilateral programmes</li> </ul>	75
Total Form 1		400



**Form 2: Plan and Approach**

<b>Technical Proposal Evaluation Form 2</b>		Points Obtainable
2.1	To what degree does the Offeror understand the task?	40
2.2	Have the important aspects of the task been addressed in sufficient detail?	25
<b>Audit Report</b>		
	– Adopts International Standards	10
	– Reports to be produced according to the format recommended in the TOR	15
	– Opinion as to overall financial situation of project: limited to the financial forms and the reconciliation of the operating fund account	15
	– Certify, sign and stamp CDR, Cash Position, Asset Management inventory and updated Action plan	10
<b>Management Letter</b>		
	– Review of Project Progress	5
	– Assessment of internal control systems	5
	– Identify & recommendations for internal control weakness	5
	– Categorization of Audit findings by risk severity	5
	– Classification of possible causes of audit findings	5
	– Previous recommendations implemented	5
2.3	Quality assurance mechanism	30
2.4	Is the proposal based on a survey of the project environment and was this data input properly used in the preparation of the proposal?	10
2.5	Is the scope of task well defined and does it correspond to the TOR?	65
Total Form 2		250

**Form 3: Audit Personnel**

<b>Technical Proposal Evaluation Form 3</b>		Points Obtainable
3.1	<b>Task Manager</b>	
	- Qualifications	10
	- International Experience	10
	- Professional Relative Training Experience	10
	- Professional Experience in the area of specialisation	10
	- Knowledge of the region	5
	- Language Qualifications	5
	Sub-total	50
3.2	<b>Senior Expert</b>	
	- Qualifications	10
	- International Experience	10
	- Professional Relative Training Experience	25
	- Professional Experience in the area of specialisation	25
	- Years of Experience within the audit firm	20
	- Knowledge of the region	5



<b>Technical Proposal Evaluation Form 3</b>		Points Obtainable
	- Language Qualifications	5
	Sub-total	100
3.3	<b>Junior Experts</b>	
	- Qualifications	20
	- Professional Relative Training Experience	60
	- Years of Experience within the audit firm	30
	- Professional Experience in the area of specialisation	90
	Sub-total	200
Total Form 2		350

**In the Second Stage, the price proposal of all Offerors, who have attained the minimum 70% score in the technical evaluation will be opened and evaluated.**

**UNDP will establish Long Term Agreements with the qualified audit firms who obtain the minimum technical score and whose financial proposals meet the requirements.**

## F. Award of Contract

### 22. Award criteria, award of contract

The procuring UNDP entity reserves the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors of the grounds for the Purchaser's action

Prior to expiration of the period of proposal validity, the procuring UNDP entity will award the contract to the qualified Offeror whose Proposal after being evaluated is considered to be the most responsive to the needs of the organization and activity concerned.

### 23. Purchaser's right to vary requirements at time of award

The Purchaser reserves the right at the time of award of contract to vary the quantity of services and goods specified in the RFP without any change in price or other terms and conditions.

### 24. Signing of the contract

Within 7 days of receipt of the contract the successful Offeror shall sign and date the contract and return it to the Purchaser.

### 25. Performance security

N/A



## **Annex II General Conditions of Contract**

### **1. LEGAL STATUS**

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis UNDP. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

### **2. SOURCE OF INSTRUCTIONS**

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action which may adversely affect UNDP or the United Nations and shall fulfil its commitments with the fullest regard to the interests of UNDP.

### **3. CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES**

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

### **4. ASSIGNMENT**

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

### **5. SUB-CONTRACTING**

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform with the provisions of this Contract.

### **6. OFFICIALS NOT TO BENEFIT**

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

### **7. INDEMNIFICATION**

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

### **8. INSURANCE AND LIABILITIES TO THIRD PARTIES**

8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.



- 8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- 8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- 8.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:
  - (i) Name UNDP as additional insured;
  - (ii) Include a waiver of subrogation of the Contractor's rights to the insurance carrier against UNDP;
  - (iii) Provide that UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
- 8.5 The Contractor shall, upon request, provide UNDP with satisfactory evidence of The insurance required under this Article.

### **9. ENCUMBRANCES/LIENS**

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with UNDP against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

### **10. TITLE TO EQUIPMENT**

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

### **11. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS**

UNDP shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to products, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of this Contract. At the UNDP/PAP's request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to UNDP in compliance with the requirements of the applicable law.

### **12. USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS**

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or the United Nations, or any abbreviation of the name of UNDP or the United Nations in connection with its business or otherwise.

### **13. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION**

- 13.1 All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of UNDP, shall be treated as confidential and shall be delivered only to UNDP authorized officials on completion of work under this Contract.



- 13.2 The Contractor may not communicate at any time to any other person, Government or authority external to UNDP, any information known to it by reason of its association with UNDP which has not been made public except with the authorization of UNDP; nor shall the Contractor at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

### 14. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

- 14.1 Force majeure, as used in this Article, means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force which are beyond the control of the Parties.
- 14.2 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify UNDP of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of this Contract. The notice shall include steps proposed by the Contractor to be taken including any reasonable alternative means for performance that is not prevented by force majeure. On receipt of the notice required under this Article, UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.
- 14.3 If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

### 15. TERMINATION

- 15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16 "Settlement of Disputes" below shall not be deemed a termination of this Contract.
- 15.2 UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- 15.3 In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract. The Contractor shall take immediate steps to terminate the work and services in a prompt and orderly manner and to minimize losses and further expenditures.
- 15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, UNDP may, without prejudice to any other right or remedy it may have, terminate this Contract forthwith. The Contractor shall immediately inform UNDP of the occurrence of any of the above events.

### 16. SETTLEMENT OF DISPUTES

#### 16.1. Amicable Settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL



Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

#### **16.2. Arbitration**

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including its provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

#### **17. PRIVILEGES AND IMMUNITIES**

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

#### **18. TAX EXEMPTION**

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with UNDP to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with UNDP before the payment thereof and UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

#### **19 CHILD LABOUR**

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

19.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

#### **20. MINES**

20.1 The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

## United Nations Development Programme

Programme of Assistance to the Palestinian People

برنامج الأمم المتحدة الإنمائي / برنامج مساعدة الشعب الفلسطيني



*Empowered lives.  
Resilient nations.*

RFP-2011-015

20.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

### **21. OBSERVANCE OF THE LAW**

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

### **22. AUTHORITY TO MODIFY**

No modification or change in this Contract, no waiver of any of its provisions or any additional contractual relationship of any kind with the Contractor shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the authorized official of UNDP.



## **Annex III Terms of Reference**

### **I. Introduction:**

UNDP aims to establish Long Term Agreements (LTAs) with qualified audit firms to perform audit services of UNDP DIM (Direct Implementation) and NIM (National Implementation) Projects for a minimum period of one year. The LTAs will be subject to extension upon mutual agreement for up to three (3) years. The arrangements may be between the successful audit firm(s) and UNDP direct, or another UN organization who has access to the LTA(s).

Under an LTA, UNDP does not guarantee any volume of services during the term of this Agreement. UNDP will directly contract the successful audit firms based on its need. For each audit request, a Contract for Professional/Institutional Services will be issued.

### **II. Contents of Proposals:**

Your proposal shall be presented in two separate parts, technical and financial.

#### **Contents of the technical proposal**

The proposal shall include, but not limited to, the following information:

- 1) Proposal submission form;
- 2) Profile of the audit firm shall include description of the firm's profile and the following information:
  - (a) The five major audit clients that are serviced with a brief description of the nature and extent of the audit services rendered and contact details;
  - (b) Size of the firm;
  - (c) A brief description of the recruitment standards, promotion policies and professional training procedures applied;
  - (d) Proof of original company registration and status as legal entity;
  - (e) Proof of minimum of Seven (7) years of auditing activity;
  - (f) Proof of Compliance with Quality Control International Standards;
  - (g) Proof of Quality Assurance Certification;
  - (h) Proof of membership of Audit Association.
  - (i) Average Annual turnover / fees for the years 2008-2010.
- 3) Audit approach and methodology:

The proposal shall describe the audit approach and methodology that will be applied by the audit firm to meet the objectives and scope of the audit services (DIM and NIM projects) required by UNDP. This description shall be accompanied with an indication of the level of personnel who will be involved in implementing each phase of the audit approach and, as applicable, a description of the statistical sampling techniques that will be used for that purpose. The proposal



should include a conceptualisation of how the audit firm, in the absence of constraints from UNDP, would schedule the execution of audit for several projects at the same time.

- 4) Audit Personnel shall include the following:
- (a) Total number of audit professionals employed in the firm, distinguishing between audit partners, audit managers, audit seniors, and audit assistants and the number of years served within the audit firm submitting the offer.
  - (b) CVs of professionally qualified auditors with suitable experience with Association of Chartered Certified Accountants (ACCA) and Certified Public Accountants (CPA) who will be involved in the audit exercise are to be provided. **The proposed staff shall be the staff who will carry out audit.** Senior auditors/principals who will be responsible for the audits are required to have the following minimum qualifications:
    - . A Master's Degree in Business Administration, Business Commerce or a related field
    - . A qualified Accountant and with ACCA certification or equivalent.
    - . A registered member of CPA.
    - . At least 2 years experience within the audit firm submitting the offer.
    - . At least 5 years experience in financial auditing.
  - (c) Any changes in the proposed key personnel shall require prior written approval of UNDP.

**Contents of the financial proposal**

Projects to be audited and the amount of funds disbursed by UNDP and the different Implementing Partners will be provided during particular contract(s) for the year.

The estimated amount of aggregate expenditure is up to USD 7 million per annum (1 Jan 20xx – 31 Dec 20xx) while the number of projects to be audited falls within the range of 5 to 15 projects.

Therefore, the quotation for the Audit Fee shall be as the percentage of the annual expenditure of each project subject to Audit. The projects are grouped in two categories as follows:

Category (1) for DIM Projects:

Project Annual Expenditure (PAE) in USD	Audit Fee (AF) as % of PAE
< 100,000	
100,000 - 500,000	
500,000 - 1,000,000	
1,000,000 - 2,000,000	
2,000,000 - 4,000,000	
> 4,000,000	

Category (2) for NIM Projects:

Projects Annual Expenditure (PAE) in USD	Audit Fee (AF) as % of PAE
< 50,000	



50,000 - 100,000	
100,000 - 200,000	
> 200,000	

- (a) Partial Bids are not permitted; Participating Offerors shall quote for both categories.
- (b) The fees proposed must be fixed, firm and final and valid for the duration of the Agreement.
- (c) No amount other than the proposed Audit Fee shall be paid by UNDP for the provision of the audit services which is the subject of the present RFP.
- (d) Fees quoted must be exclusive of all taxes, since the UNDP is exempt from taxes as detailed in clause 18 of the General Conditions of Contract.
- (e) Any incidental out of pocket expenses (OPE) must be included in the overall audit fee submitted to UNDP.
- (f) The costs of preparing a proposal and of negotiating a contract are not reimbursable by UNDP.

**III. Evaluation criteria for award of contract:**

**Technical Evaluation Criteria**

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable	Audit Firm				
				A	B	C	D	E
1.	Expertise of Audit Firm	40%	400					
2.	Proposed Work Plan and Approach	25%	250					
3.	Audit Personnel	35%	350					
Total			1000					

Evaluation forms for technical proposals follow on the next two pages. The obtainable number of points specified for each evaluation criterion indicates the relative significance or weight of the item in the overall evaluation process. The Technical Proposal Evaluation Forms are:

- Form 1: Expertise of Audit Firm
- Form 2: Proposed Work Plan and Approach
- Form 3: Audit Personnel

Technical Proposal Evaluation Form 1: Expertise of Audit Firm		Points obtainable	Audit Firms				
			A	B	C	D	E
1.1	Reputation of Audit Firm and Staff/ Credibility / Reliability	25					
1.2	Quality of References	50					
1.3	Recruitment Standards (10 points) , promotion policies (15 points), professional training procedures (50 points)	75					



Technical Proposal Evaluation Form 1: Expertise of Audit Firm		Points obtainable	Audit Firms				
			A	B	C	D	E
1.4	General Organisational Capability which is likely to affect implementation  - Financial Strength (20 points) - age/size of the firm (20) - Number of qualified staff employed 10 and less – 1 point; 10 to 30 - 10 points; 30 to 50 - 15 points; 50 and more – 20 points) - strength of project management support (20 ) - project management controls (20)	100					
1.5	Adequacy of logistical and management arrangements to conduct simultaneous audit of projects located in Jerusalem, West Bank and Gaza.	35					
1.6	Quality Assurance Certification; Compliance with Quality Control International Standards	40					
1.7	Relevance of: - Experience on Similar Programme / Projects (20 p) - Experience on Projects in the Region (20 - Work for UNDP/ major multilateral/ or bilateral programmes (proven experience - 35 points; no experience - 0 points)	75					
Total Form 1		400					

Technical Proposal Evaluation Form 2: Proposed Work Plan and Approach		Points Obtainable	Audit Firm				
			A	B	C	D	E
2.1	To what degree does the Offeror understand the task?	40					
2.2	Have the important aspects of the task been addressed in sufficient detail?	25					
	<b>Audit Report</b>						
	- Adopts International Standards (ISA / INTOSAI?) <sup>1</sup>	10					
	- Reports to be produced according to the format recommended in the TOR	15					

<sup>1</sup> INTOSAI standards are relevant only for supreme audit institutions performing audits of governmental bodies.



Technical Proposal Evaluation Form 2: Proposed Work Plan and Approach		Points Obtainable	Audit Firm				
			A	B	C	D	E
	- Opinion as to overall financial situation of project: limited to the financial forms and the reconciliation of the operating fund account	15					
	- Certify, sign and stamp CDR, Cash Position, Asset Management inventory and updated Action plan	10					
	<b>Management Letter</b>						
	- Review of Project Progress	5					
	- Assessment of internal control systems	5					
	- Identify & recommendations for internal control weakness	5					
	- Categorization of Audit findings by risk severity	5					
	- Classification of possible causes of audit findings	5					
	- Previous recommendations implemented	5					
2.3	Quality assurance mechanism	30					
2.4	Is the proposal based on a survey of the project environment and was this data input properly used in the preparation of the proposal?	10					
2.5	Is the scope of task well defined and does it correspond to the TOR?	65					
Total Form 2		250					

Technical Proposal Evaluation Form 3: Audit Personnel		Points Obtainable	Audit Firm				
			A	B	C	D	E
3.1	Task Manager						
	- Qualifications	10					
	- International Experience	10					
	- Professional Relative Training Experience	10					
	- Professional Experience in the area of specialisation	10					
	- Knowledge of the region	5					
	- Language Qualifications	5					
	Sub-total	50					
3.2	Senior Expert						
	- Qualifications	10					



Technical Proposal Evaluation Form 3: Audit Personnel		Points Obtainable	Audit Firm				
			A	B	C	D	E
	- International Experience	10					
	- Professional Relative Training Experience	25					
	- Professional Experience in the area of specialisation	25					
	- Years of Experience within the audit firm	20					
	- Knowledge of the region	5					
	- Language Qualifications	5					
	Sub-total	100					
3.3	Junior Experts						
	- Qualifications	20					
	- Professional Relative Training Experience	60					
	- Years of Experience within the audit firm	30					
	- Professional Experience in the area of specialisation	90					
	Sub-total	200					
Total Form 2		350					

The following scoring scale system will be utilized to determine how many points will be awarded for each criterion.

Evaluated Criteria	Supporting evidences	Scoring Scale System
Excellent	Excellent evidence of ability to exceed contract requirements	100 %
Good	Good evidence of ability to exceed contract requirements	90 %
Satisfactory	Satisfactory evidence of ability to exceed contract requirements	70 %
Poor	Marginally acceptable or weak evidence of ability to support contract	40 %
Very poor	Lack of evidence to demonstrate ability to comply with contract	10 %
No Submission	Information has not been submitted or is unacceptable	0 %

### Financial Evaluation

In the Second Stage, the **price proposals of all Offerors, who have attained the minimum score of (70%) in the technical evaluation will be opened and evaluated.**

Partial bids is not permitted; Audit firms must quote for the two categories. Prices shall be valid and fixed for the duration of the Agreement.

### IV. Award of Long Term Agreements and Resulting Contracts:

UNDP will establish Long Term Agreements with the qualified audit firms who obtain the minimum technical score and whose financial proposals meet the requirements.

The Agreement represents an offer on the part of the successful audit firm to provide UNDP with specific services against the fixed rates for the duration of the Agreement and under the Terms and Conditions



detailed. It shall not represent a contract in itself, nor obliges UNDP to any financial commitment whatsoever. Professional / Institutional Services Contract made pursuant to such Agreement and only for the items stipulated therein will constitute a commitment on UNDP part.

UNDP reserves the right to discontinue any Long Term Agreement if the Contractor's performance is not satisfactory to UNDP.

Once audit service is requested, procurement unit will:

- 1) apply the quoted fixed rates of the winning Audit Firms to each Project Annual Expenditure (PAE) according to the ranges of PAE and category (DIM or NIM) to identify the first lowest. An example is attached hereto to demonstrate the exercise that procurement unit will carry out to identify the contract winner.

EXAMPLE					
Project	PAE (USD)	Audit Firm (1) Rates / Amount		Audit Firm (2) Rates / Amount	
1	<b>2,203,200.00</b>	1%	22,032.00	2%	44,064.00
2	<b>120,000.00</b>	4%	4,800.00	3%	3,600.00
3	<b>560,000.00</b>	2%	11,200.00	2%	11,200.00
4	<b>1,300,000.00</b>	1%	13,000.00	1%	13,000.00
<b>Total Contract Value (USD)</b>		<b>51,032.00</b>		<b>71,864.00</b>	
Ranking		1 <sup>st</sup> lowest (winner)		2 <sup>nd</sup> lowest	

- 2) The first lowest Contractor will be contacted to provide a commitment of availability for satisfactory and timely completion of audit services.
- 3) If the first lowest Contractor is not available, the second lowest will be contacted.
- 4) Once commitment is provided, UNDP will provide the winning audit firm with the project(s) background information, while the audit firm will respond by submitting the staffing and work plans.
- 5) The winning audit firm is obliged to include the audit personnel proposed in its original offer as a response to this RFP. UNDP will compare the names of those in the signed LTA. Any changes in the key personnel shall require prior written approval of the UNDP Special Representative and amendment of the long term agreement.
- 6) Upon approval, a Contract will be placed. Contract Price will be in USD only. The audit firms shall hold the rates fixed and not subject to change throughout the validity of the Agreement.

**V. Comprehensive and concise proposals:**

Offerors must provide all requisite information under this RFP and clearly and concisely respond to all points set out in this RFP. Any proposal, which does not fully and comprehensively address this RFP, may be rejected. Offerors shall also limit their proposals to the requirements of this RFP. Unnecessary elaborate brochures and other presentations beyond that sufficient to constitute a complete and effective proposal are not encouraged.

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### **VI. Confidentiality:**

This RFP is communicated to and received by each addressee thereof on the understanding and condition that it is confidential and proprietary to UNDP, and contains privileged information. No information contained in the RFP may be copied, exhibited or furnished to others without the prior written consent of UNDP. Offerors will be bound by the contents of this paragraph whether or not they submit a proposal or respond in any other way to this RFP.

UNDP will not return proposals received. These proposals shall be kept confidential for the sole and internal consideration of UNDP.

### **VII. Ownership of audit work papers**

The audit work papers and related documentation shall be the property of UNDP and shall be kept in the custody of the selected firm. The eventual transfer, disposal or destruction of the work papers will be subject to the instructions of UNDP Office.

The audit work papers and related documentation shall be subject to submission and review by UNDP solely and at its discretion.

### **VIII. Payment:**

The payment for the audit services shall be made against billings made by the selected firm as follows:

- (a) 70% of the "Audit Fee" proposed by the selected firm upon the submission of the audit report(s); and
- (b) the remaining 30% balance shall be paid by UNDP following its acceptance as satisfactory the audit reports submitted by the selected firm.



**Attachment No 1 to Annex III**  
**Specimen of Terms of Reference for Audit of DIM Projects**

**A. Audit Objectives**

1. The audit is aimed to:
  - a. Determine the regularity of the receipt, custody, expenditure, and accounting for UNDP resources; and
  - b. Assess the overall operational and internal control system for management of projects.
2. Specifically, the auditors shall:
  - a. Express an opinion on whether the project's Combined Delivery Report (statement of expenditure), including disbursements and encumbrances, present fairly, in all material respects, expenditures incurred by the project; and whether these expenditures were incurred: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; (iv) in accordance with donor grant terms; and (v) supported by properly approved vouchers and other supporting documents.
  - b. Express an opinion on whether the projects' statement of assets presents fairly, in all material respects, the balance of inventory of the project.
  - c. Express an opinion on whether the projects' statement of cash position presents fairly, in all material respects, the cash and bank balances of the project.
  - d. Provide an overall assessment of the operational and internal control systems that are in place for the management of projects so that related transactions are processed in accordance with UNDP policies and procedures and for the achievement of the projects objectives.

**B. Audit Scope**

3. The audit shall cover all activities of the projects in accordance with dates of financial years as stated below:
  - x1. (project name) - from 1<sup>st</sup> January 20xx – till 31<sup>st</sup> December 20xx
  - x2. (project name) - from 1<sup>st</sup> January 20xx – till 31<sup>st</sup> December 20xx
  - x3. (project name) - from 1<sup>st</sup> January 20xx – till 31<sup>st</sup> December 20xx
  - ...
  - xn. (project name) - from 1<sup>st</sup> January 20xx – till 31<sup>st</sup> December 20xx

In total the CO should receive xn of separate reports in accordance with the audit period indicated above

4. The audit shall review all project reports and records located at the UNDP country office and field offices. This includes:
  - a. Combined Delivery Report (Statement of Expenditure)
  - b. Statement of Assets of the Project
  - c. Statement of Cash Position (if there is a separate bank account for the project).
5. As the total number of projects to be audited represents a significant share of the office's activities, the



audit also will:

- a. Organization and Staffing: Assess the organizational structure of the projects in relationship to the Country Office and in terms of its effectiveness and efficiency for the management of the projects, taking into account the framework of authorities, workflows, staffing levels and necessary internal controls including the different levels of delegated authority for different operational functions and distribution of project management responsibilities to achieve project goals while ensuring appropriate segregation of duties in general so as to minimize risks.
- b. Programme and project management: Assess the management aspects in terms of project approvals (including incorporating Local Project Appraisal Committee recommendations into the project documents), work plans, budget formulation, project resources, monitoring and evaluation of implementation towards achievement of project objectives including constitution and functioning of Project Board, field visits, review meetings and the coordination and consultation mechanisms with the stakeholders, and periodic project progress reporting against planned objectives and work plans. In addition, the areas of coverage should include (i) DIM authorization from the Associate Administrator and fulfillment of conditions of such authorization; (ii) business unit capacity assessment for implementation of DIM projects; (iii) Exit strategy and national capacity building; (iv) identifying and recovering costs attributable to implementing the project.
- c. Human Resources: Assess timeliness of recruitment of competent project personnel for clearly defined tasks and responsibilities through a competitive and transparent process and the continued management of project personnel including review of their performance, and the payment of salaries and allowances in accordance with UNDP HR policies. In respect of casual or other staff not subject to UNDP HR policies and who are temporarily loaned or seconded from the local authorities for engagement at the field level, control of their assignments and the appropriateness of the salary, allowances and benefits paid;
- d. Finance: Assess the adequacy of the accounting and reporting systems used for the management of project resources; and the adequacy of internal controls for compliance with UNDP policies with respect to the safe custody and adequate management of cash, commitment of expenditures against approved budget, disbursement or payments against liabilities and cash advances to field offices, project staff etc.
- e. Procurement: Assess whether goods (supplies, equipment) and services for the project are procured competitively and in a transparent manner in accordance with UNDP policies and procedures; and these are of a quality and quantity that are actually required for the projects. The review shall cover the integrity of the entire procurement process from the initial identification of needs, the formulation of specifications, solicitation of bids/tenders/proposals from vendors, evaluation of vendor offers in response to solicitations, the award of contracts, the appropriate assessment of goods or services delivered and the payment for received goods or services and monitoring performance of the contractors.
- f. Asset Management: Assess whether project assets are adequately recorded, safeguarded, monitored, including periodic physical verification of their use and existence, and controlled to ensure that the assets are adequately used and only for project purposes. Assets are defined as all items with an acquisition value exceeding \$1,000 (such as vehicles and office equipment) or, for attractive items, exceeding \$400<sup>1</sup>, the costs of which are charged to the project expenditure or which are received in kind as donations from third parties.



- g. Cash Management: Review the safeguarding of all cash (including bank accounts) held separately for the purposes of the project either at the UNDP country office or at the project field offices, including cash held as advances or imprest in any sub-office or field office.
- h. Information Systems: Assess the efficiency and security of the information systems established and maintained from project funds and their adequacy to meet the management and reporting requirements of the project.
- i. General Administration: These include areas of operations not specifically covered above and for which expenditures are charged to the project covering such areas as: travel of project staff, use and maintenance of project vehicles, shipping services, lease and maintenance of project office premises and facilities, communications, and records maintenance.
- j. Follow up on previous audits: Assess the status of implementation of the previous audits' recommendations done within the last three years.

### **C. Audit Planning, Fieldwork, and Reporting**

6. The auditors will conduct the audit on behalf of OAI and will be under the general supervision of the Chief of OAI's Regional Audit Centre in Bratislava. Any major change in the terms of reference shall be cleared with the Chief, who will notify OAI Director/Deputy Director, as deemed necessary.
7. The timelines for fieldwork and reporting shall be agreed with the Chief.
8. Any audit-related issue during the fieldwork shall be reported to and resolved with the Chief.
9. The draft audit report shall be prepared in a format agreed with OAI. It shall be submitted simultaneously to the country office for comments and to OAI for review. However, it can only be finalized after OAI gives the clearance.
10. The audit report, including the executive summary, shall be submitted in English.
11. The final audit report shall be submitted to OAI, in the form and content acceptable to OAI. It shall focus on matters considered significant for the country office and/or UNDP as a whole.

### **D. Quality Assurance**

12. In addition to the general supervision provided by the Chief as mentioned above, OAI reserves the right to review the supporting audit working papers as part of the review of the draft audit report.
13. The review may be done on-site or through remote access to electronic working papers. Alternatively, the auditors may be required to submit working papers to the Regional Audit Centre concerned for desk review.



## Appendix A to Attachment 1

### Definitions of audit terms - Ratings, Causes, Risks, and Priorities

#### A. AUDIT RATINGS

Effective 1 January 2010, the internal audit services of UNDP, UNFPA, UNICEF, and WFP use a revised harmonized audit rating system, as described below. UNDP/OAI assesses the country office or audited HQ unit as a whole as well as the specific audit areas within the country office/HQ unit.

- **Satisfactory** Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.
- **Partially Satisfactory** Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of office objectives of the audited entity.
- **Unsatisfactory** Internal controls, governance and risk management processes were either not established or not functioning well. The issues identified were such that the achievement of the overall objectives of the audited entity could be seriously compromised.

#### B. CATEGORIES OF CAUSES OF AUDIT ISSUES

The possible causes of the audit issues were also analyzed and identified in this Report, as a further guide to the office management in addressing audit issues. Office management is encouraged to assist the auditors in identifying the underlying root causes of issues so that appropriate recommendations are made to eliminate root causes. The following categories of **causes** are used (most are self-explanatory, hence no definition is necessary).

- Lack of or inadequate corporate policies or procedures
- Lack of or inadequate country office policies or procedures
- Lack of or inadequate guidance or supervision at country office level
- Inadequate oversight by Headquarters bureaux
- Lack of or insufficient resources (specify: financial, human, or technical resources)
- Inadequate planning
- Inadequate training
- Human error
- Intentional overriding of internal controls
- Inadequate management structure
- Inadequate risk management processes
- Factors beyond the control of UNDP



## C. CATEGORIES OF RISK OF AUDIT ISSUES

The audit issues, if not resolved, constitute a risk. The following categories are used to classify the **risks**. These categories are the same as the ones used in UNDP's enterprise risk management (ERM) system - refer to Programme and Operations Policies and Procedures, Results Management and Accountability.

- **Environmental** This pertains to natural disasters, pollution incidents and social and cultural, security and safety, and economic risks.
- **Financial** This pertains to external economic factors (such as interest rates, exchange rate fluctuation, inflation) and internal economic factors (such as co-financing difficulties, use of financing mechanisms, funding, reserve adequacy, currency, receivables, accounting/financial reporting, budget allocation and management, cash management/reconciliation, pricing/cost recovery).
- **Organizational** This pertains to institutional arrangements; institutional/execution capacity; implementation arrangements; country office capacity; governance; culture, code of conduct and ethics; accountability and compensation; succession planning and talent management; human resources processes and procedures.
- **Operational** This pertains to process efficiency, operations-related human error/incompetence, internal controls, internal and external fraud, compliance and legal, procurement, technology, physical assets, infrastructure failure, and safety being compromised.
- **Programmatic** This pertains to risks relating to complex project design (size, larger/multi-country projects, technical complexity, innovativeness, multiple funding sources), project management, programme-/project-related human error/incompetence, poor monitoring and evaluation, delivery, and programme management.
- **Political** This pertains to corruption, government commitment, political will, political instability, change in government, armed conflict and instability, adverse public opinion/media intervention.
- **Regulatory** This pertains to new unexpected regulations and policies; critical policies or legislation fails to pass or progress in the legislative process.
- **Strategic** This pertains to partnerships failing to deliver; strategic vision, planning and communication; leadership and management; programme alignment; competition; stakeholder relations; UNDP reputation; UN coordination; UN reform.

## D. PRIORITIES OF AUDIT RECOMMENDATIONS

The audit recommendations are categorized according to priority, as a further guide to the UNDP country office management in addressing the issues in a timely manner. The following categories of **priorities** are used:

- **High** Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.

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- **Medium** Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
- **Low** Action is considered desirable and should result in enhanced control or better value for money.



## **Appendix B to Attachment 1**

### **Format for Financial Certifications**

#### **I. Sample Certification for Statement of Expenditure**

We have audited the accompanying statement of expenditure (“the statement”) of the UNDP project [*insert project number*], [*insert official title of project*] for the period from 1<sup>st</sup> January 20\_\_ to 31<sup>st</sup> December 20\_\_. The statement is the responsibility of the management of <name/title> project. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached statement of expenditure presents fairly, in all material respects, the expenditure of [*insert amount in US\$*] incurred by the project [*insert official title of project*] for the period from 1<sup>st</sup> January 20\_\_ to 31<sup>st</sup> December 20\_\_ in accordance with the accounting policies set out in the note to the statement. The expenditures incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in accordance with the relevant policies, regulations and rules of UNDP; and (iv) supported by properly approved vouchers and invoices.

#### **II. Sample Certification for Statement of Inventory of Non-Expendable Equipment**

We have audited the accompanying schedule of inventory (“the schedule”) of the UNDP project number [*insert project number*], [*insert official title of project*] as at 31<sup>st</sup> December 20\_\_. This schedule is the responsibility of the management of the project. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached statement of inventory presents fairly, in all material respects, the inventory balance of the UNDP project number [*insert project number*], amounting to [*insert amount in US\$*] as at 31<sup>st</sup> December 20\_\_ in accordance with the accounting policies set out in the note to the schedule.

Auditor's Signature

Date

Address

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### Appendix C to Attachment 1

#### III. Sample Certification of Statement of Cash Position

We have audited the accompanying schedule of cash ("the schedule") of the UNDP project number *[insert project number]*, *[insert official title of project]* as at 31<sup>st</sup> December 20\_\_\_. This schedule is the responsibility of the management of *[insert the sub-recipient name]*. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule of cash presents fairly, in all material respects, the cash balance of *[insert project number]*, amounting to *[insert amount in US\$]*, as at 31<sup>st</sup> December 20\_\_\_ in accordance with the accounting policies set out in the note to the schedule.

Auditor's Signature

Date

Address

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## Appendix D to Attachment 1

### Template for Statement of Assets and Equipment

as at 31 December 20xx

<b>UNDP Country Office:</b>		
<b>Project title:</b>		
<b>Award ID:</b>		
<b>Project ID:</b>		
<b>Period covered from inception of project:</b> (day/mo/year) to 31 December 20xx		

"attractive items"

TAG NO.	ACQUISITION DATE	ITEM DESCRIPTION (make and model)	PROJECT No.	FUND	CONDITION	RESPONS. PERSON/ENTITY	ITEM LOCATION	MANUFACTURER	US\$ VALUE	SERIAL NO.	REMARKS
								<b>TOTAL VALUE</b>			
Signed by: [signature] Name: Title: Project Manager Date:			Signed by: [signature] Name: Title: UNDP RR or DRR Date:				Certified by: [signature] Name: Title: Senior Partner Name of the Audit Firm:				

# United Nations Development Programme

Programme of Assistance to the Palestinian People

برنامج الأمم المتحدة الإنمائي / برنامج مساعدة الشعب الفلسطيني



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Template for DIM Auditors to Review and Sign the Updated Action Plans for Prior Year Audit Observations and Recommendations

Award No.:			Project No.:				Opinion Type:						
Obs No	Observation	Recommendation	Audit Area (page 39)	Audit Cause (page 24 /52)	Risk Severity (page 45)	Proj/CO Mngt Comments	Action(s) Planned	Target Impl. Date	Action Unit	Person Respsble. for Action	Updated Status	Actual Impl. Date	Description of Status Update
Award No.:			Project No.:				Opinion Type:						
Obs No	Observation	Recommendation	Audit Area	Audit Cause	Risk Severity	Proj/CO Mngt Comments	Action(s) Planned	Target Impl. Date	Action Unit	Person Respsble. for Action	Updated Status	Actual Impl. Date	Description of Status Update
Award No.:			Project No.:				Opinion Type:						
Obs No	Observation	Recommendation	Audit Area	Audit Cause	Risk Severity	Proj/CO Mngt Comments	Action(s) Planned	Target Impl. Date	Action Unit	Person Respsble. for Action	Updated Status	Actual Impl. Date	Description of Status Update

<p><b>UNDP Country Office</b></p> <p>Signature of UNDP Official: _____                  Name and title (print): _____                  Date: _____</p>	<p><b>Auditors/Audit Firm</b></p> <p>Signature of Audit firm Official: _____                  Name and title (print): _____                  Date: _____                  Stamp and Seal of audit firm: _____</p>
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**Note:** The values for the “Updated Status” could be: Implemented, In Progress, Not Implemented, N/A or Withdrawn. “N/A” means not applicable and would be used if there is an overall change in a project’s working environment that makes last year’s audit observation no longer applicable. For example, the project has been closed. Another example for using “N/A” is a project that had its own bank account and last year’ audit recommendation called for the need to perform monthly bank reconciliation. However the following year, the auditor notes that the bank account has been closed. “Withdrawn” would be used if there is an overall change in a project’s working environment that makes last year’s audit observation and recommendation no longer valid. “Withdrawn” is very rarely used.



**Attachment No 2 to Annex III**  
**Specimen of Terms of Reference for Audit of NIM PROJECTS**

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## Introduction

Throughout this document the term "implementing partner" is used to refer to the institution designated to manage the project. Where the project is nationally implemented (NIM), this will refer to a government institution. Where the project is NGO executed, this will refer to an NGO. The term "government co-ordinating authority" refers to the government institution, which is the official UNDP counterpart.

This specimen Terms of Reference (TOR) is intended to provide guidance to UNDP country offices and to the government implementing partner (IP) (or NGO) in agreeing to the terms of reference for the projects managed by governments (or NGOs). These audits are under the responsibility of the UNDP country office.

This specimen TOR has been revised to highlight requirements in the audit services required (Part E and Annex 1) as well as areas to be covered in the audit report and management letter (Part F and Annex 3), as follows:

- Auditors must certify, express an opinion, and quantify the net financial impact on each of the following:
  - (i) UNDP Statement of Expenditure - the CDR - for the period 1 January to 31 December 20xx
  - (ii) Statement of Cash position reported by the project as at 31 December 20xx
  - (iii) Statement of assets and equipment as at 31 December 20xx
- Auditors must indicate the risks associated with their findings and provide a categorization by risk: High, Medium, or Low.
- Auditors must provide a classification of possible causes of the audit findings.
- Auditors must provide the monetary value of the Net Financial Impact of the qualification if the audit opinion on the CDR is Qualified, Adverse or Disclaimer.

Country offices must ensure the audit services are adequately covered as specified in the present TOR and Combined Delivery Reports (CDRs) are duly certified by the Implementing Partners and Auditors and signed by UNDP CO Management and attached to the audit reports; the same applies for the Statement of Cash and Statement of Assets and Equipment. If the project does not hold any assets of equipment or there is no cash at hand or bank account, the auditors must clearly indicate this in the opinion page and certify it.

Annex 1 to these TOR provides the audit services required or standard scope of audit.

Annex 2 describes the qualifications of an auditor and may help in the process of selecting auditors. Where the TOR is being supplied to a short list of firms as part of a request for proposals (RFP) and the firms short listed have been pre-qualified, then the list of qualifications would not be needed.

Annex 3 is a sample of audit report that needs to be submitted by the auditor. A management letter needs to be attached to the audit report.

Annex 4 provides a definition of audit opinions

Annex 5 defines the three risk categories of audit findings

Annex 6 provides the classification of possible causes of audit findings

Annex 7 provides a template sample of certified prior year updated action plan (Y2011) that need to be uploaded in CARDS – Revised form

Annex 8 provides a Template for audit data and observations for Y2012 audits that auditors need to submit and the CO copy paste in CARDS the information – new annex

Annex 9 provides guidance on formulating audit observations and recommendations– new annex

Annex 10 provides guidance on Audit Materiality (SAS 220) – new annex



What follows is the proposed structure with guidance on the contents of the TOR that need to be communicated to the NGO/NIM auditors by the UNDP country office.

## **A. Background**

The background section of the TOR should include a broad description of the project(s) in the context of its contribution to achieving the goals of the government entity. The auditor should understand the "purpose for which the funds are intended" in the context of project objectives as well as in terms of the specific budget for the project. It should include a general description of the roles of UNDP, the government entity, and the implementing partner with respect to the management and oversight of the project.

This section should indicate that the TOR is directed to the audit of special purpose financial statements, which are referred to as Combined Delivery Reports (CDR).

Finally, the section should include the list of projects identified for auditing.

## **B. Project Management**

This section should contain a description of the government entity and the implementing partner including the physical address, phone numbers, fax numbers, websites and general e-mail addresses. Other details would include:

- An organization chart
- A list of senior officers together with their contact details
- A list of the contact persons responsible for accounting, financial management and internal audit together with phone numbers and email addresses
- A description of the project including the project budget by major expenditure categories and the sources of all funding for the project.

## **A. Consultations with concerned parties**

This section should describe the requirements for consultations. For example, prior to the start of audit work the auditor will be required to consult with the UNDP country office, the government counterpart, and the implementing partner for each project. Further, upon completion of the draft audit report and management letter, the auditor will be required to meet with the UNDP country office and the government entity co-ordinating authority to debrief them on its major findings from the audit and its recommendations for future improvements as well as to seek their feedback thereon.

## **B. Description of Financial Reports (UNDP CDR) to be audited**

This section should include a description of the CDR and supporting schedules (see below). The country office should also include the statement of cash position and the statement of assets and equipment, with year-end inventory listing and a description of the inventory should be included.

*Description of the Combined Delivery Report and Supporting Schedules*



The report to be audited is referred to as the Combined Delivery Report (CDR). This report is prepared by UNDP, using an in-house accounting software package called ATLAS. The CDR serves as the official financial statement that **must** be certified by the auditors. Project financial statements, if certified, **must** reconcile to the expenditure appearing in the CDR and must be attached to the audit report. As described in more detail below, the CDR combines expenditures from three disbursement sources for a calendar year. The three disbursement sources include:

### 1. *Implementing partner (either Government or NGO)*

UNDP procedures require that where funds are advanced to the executing agency, the agency must submit to the UNDP country office, on a quarterly basis, a financial report including: (1) the status of the advance; (2) a list of the disbursements made since the previous financial report; and (3) a request for a new advance. The UNDP country office enters the disbursements in ATLAS through the year as the financial reports are received. These implementing partner disbursements are recorded in the *Government* expenditure column in the CDR.

### 2. *UNDP (country office, headquarters and other country offices)*

Disbursements made by UNDP from its own bank accounts are entered in ATLAS by the UNDP country office. These UNDP disbursements are recorded in the *UNDP* expenditure columns in the CDR. These disbursements may be classified as either *direct payments* or *UNDP support services*. This distinction, while very important for audit purposes, is not apparent from the CDR and can only be provided by the UNDP country office as a supporting schedule. A brief description of each category is provided below.

- a) **Direct Payments** - This is where the implementing partner is responsible for the expenditure but requested UNDP to effect payment to the vendor/consultant on its behalf. The implementing partner is accountable for the disbursement and maintains all supporting documentation. UNDP simply effects payments on the basis of properly authorised requests and gives the implementing partner a copy of the related disbursement voucher as evidence that payment was made.
- b) **UNDP Support Services** - This is where the government and UNDP have agreed that UNDP will provide support services to the project and signed a Letter of Agreement. These support services must be described in the Letter of Agreement. UNDP is fully responsible and accountable for these expenditures and, accordingly, maintains all supporting documentation for the disbursement. This expenditure is outside the scope of audit and, therefore, will not be reviewed by the auditors. This scope limitation should not be used as a reason for issuing a qualified audit opinion on the CDR.

### 3. *UN agencies*

The UN agency reports its expenditures to UNDP and to the government. The UNDP country office enters the expenditures in ATLAS. These UN agency expenditures are recorded in the *UN Agencies* expenditure column in the CDR.

At the end of the year, after receiving the fourth quarter financial report from the implementing partner and the year-end expenditure report from the UN agency, UNDP prepares the CDR and submits it to the implementing partner for signature. UNDP will provide the auditor with the signed CDR together with the following supporting documentation.



1. The quarterly financial reports submitted by the implementing partner.
2. A list of the direct payments processed by UNDP at the request of the implementing partner.
3. A list of the disbursement made by UNDP as part of support services provided to the implementing partner.
4. The UN agency expenditure statement for the year.
5. Relevant financial reports that show expenditure of GFATM sub-recipients for the year which need to be reconciled to the CDR expenditure

### C. Audit Services Required

The scope of the audit services required should be sufficiently clear to properly define what is expected of the auditor but not in any way that restricts the audit procedures or techniques the auditor may wish to use to form an opinion. It should specify at least the following:

- A definition of the entity or the portion of an entity that is subject to audit. This will normally be the project office whether located within a government department or in a separate location.
- That the audit will be carried out in accordance with either ISA2 or INTOSAI3 auditing standards.
- That the audit period is 1 January to 31 December of the year 20xx.
- That the scope of the audit is limited to the implementing partner expenditures, which are defined as including: (1) all disbursements listed in the quarterly financial reports submitted by the implementing partner; and (2) the direct payments processed by UNDP at the request of the implementing partner.
- That the auditor is required to verify the mathematical accuracy of the CDR by ensuring that the expenditures described in the supporting documentation (the quarterly financial reports, the list of direct payments processed by UNDP at the request of the government) are reconciled to the expenditures, by disbursing source, in the CDR.
- That the auditor is required to state in the audit report the amount of expenditures excluded from the scope of the audit because they were made by UNDP as part of direct support services and the amount of total expenditures excluded because they were made by a UN agency. (Please refer to Section D-2(b) above. This scope limitation is not a valid reason for the auditors to issue a qualified audit opinion on the CDR.)
- That the auditor is required to state in the audit report if the audit was not in conformity with any of the above and indicate the alternative standards or procedures followed.
- That the auditor is required to express an opinion as to the overall financial situation of the project for the period 1 January to 31 December 20xx and will certify:
  1. The statement of expenditure (CDR) for the period from 1 January to 31 December 20xx;
  2. The statement of cash position reported by the projects as at 31 December 20xx; and

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<sup>2</sup> International Standards of Auditing (ISA) published by the International Auditing Practices Committee of the International Federation of Accountants

<sup>3</sup> International Organization of Supreme Audit Institutions



3. The statement of assets and equipment held by the project as at 31 December 20xx.
- That the auditor is required to, as applicable, report in monetary value, the net financial impact of any audit qualification (negative opinion: qualified, adverse, disclaimer) on the statement of expenditure (CDR) where applicable.
  - That the auditor/audit firm is required to submit a draft audit report by dd/mm/20xx and a final signed audit report with signed UNDP statements by dd/mm/20xx.

**Note:** Audit opinions must be one of the following: (a) qualified (negative), (b) unqualified (favourable), (c) adverse (negative), or (d) disclaimer (negative). If the audit opinion is other than “unqualified” (favourable) the audit report **must** describe both the nature and amount of the possible effects on the financial statements. The report should also make a reference to the section of the management letter with regard to the related audit observation number and the action taken or planned to be taken to address the issues underlying the qualification. A definition of audit opinions is provided in Annex 4.

### D. The Audit Report and Management Letter

The TOR should clearly indicate the expected contents of the audit report and management letter and the topics/areas to be covered by the auditors.

#### F.a. Audit Report

The audit report should clearly indicate the auditor’s opinion (Refer to Annex 3 for a sample Audit Report). This would include at least the following:

- That it is a special purpose and confidential report.
- The audit standards that were applied (INTOSAI standards, ISAs, or national standards that comply with one of these in all material respects).
- The period covered by the audit opinion
- The amount of expenditure audited
- The amount of the net financial impact of the qualification on the CDR, when applicable.
- The reason(s) resulting in the issuance of a qualified, adverse or disclaimer opinion (the reasons should be also included in the management letter as an audit observation(s))
- The scope limitation (description and value) for those transactions that are the responsibility of UNDP (as part of support services) or a UN agency. Important to note: Such scope limitation should not be reason for a qualified audit opinion as such transactions would be, in general, excluded from the audit scope.
- Whether the UNDP Combined Delivery Report (CDR) - for the period from 1 January to 31 December 20xx is adequately and fairly presented and whether the disbursements are made in accordance with the purpose for which funds have been allocated to the project;



- Whether the statement of assets and equipment is fairly and adequately presented as at 31 December 20xx (the equipment on hand is cumulative since the project's inception and thus does not constitute only those items purchased during a given year).
- Whether the statement of cash position reported by the project is fairly and adequately presented as at 31 December 20xx.

### **F.b. Management Letter**

The management letter should be attached to the audit report and cover the following topics/issues:

- A general review of a project's progress and timeliness in relation to progress milestones and the planned completion date, both of which should be stated in the project document or Annual Work Plan (AWP). This is not intended to address whether there has been compliance with specific covenants relating to specific performance criteria or outputs. However, general compliance with broad covenants such as implementing the project with economy and efficiency might be commented upon but not with the legal force of an audit opinion.
- An assessment of a project's internal control system with equal emphasis on: (i) the effectiveness of the system in providing the project management with useful and timely information for the proper management of the project; and (ii) the general effectiveness of the internal control system in protecting the assets and resources of the project.
- A description of any specific internal control weaknesses noted in the financial management of the project and the audit procedures followed to address or compensate for the weaknesses. Recommendations to resolve/eliminate the internal control weaknesses noted should be included.

The management letter should also include the following:

- Effective audit observations/recommendations (guidelines in Annex 9)
- The categorization of audit observations by risk severity: High, Medium, or Low. Definitions of these categories are given in Annex 5.
- The classification of possible causes of the audit observations. Definitions of these causes are given in Annex 6.
- Management comments/response to audit observations and recommendations (project management and/or UNDP, as applicable).
- Indication of observations that affect the audit opinion (when qualified, adverse or disclaimer opinion is given)

More detailed guidance for the above general categories is provided below.

### Review of project progress

As part of the general review of project progress, specific steps could include the following:



- Review annual and quarterly work plans, quarterly and annual financial reports, and requests for direct payments and assess in terms of their timeliness and their compliance with the project document or the AWP, and the UNDP Programme Operations Policies and Procedures (POPP) on Results Management.
- Review the annual project report prepared by the implementing partner and assess in terms of compliance with UNDP guidelines and whether the implementing partner met its responsibilities for monitoring described in the project document or AWP.
- Review whether the decisions and/or recommendations of the above activities have been followed through by the implementing partner.
- Review the pace of project progress and comment on the causes for delays.
- Comment on whether implementation services of the UN Agency(s) were provided in line with the project document or AWP.

### Assessment of internal control

The auditor is required to conduct a general assessment of internal controls according to established internal control standards. An example of established internal control standards is available from the Organization of Supreme Audit Institutions (INTOSAI). The INTOSAI standards are intended for use by government managers to use as a framework to establish effective internal control structures. For further information, the INTOSAI *Guidelines for Internal Control Standards* can be found on the INTOSAI Web site [www.intosai.org](http://www.intosai.org). An overview of the standards can be found in the UNDP Contact tool (Chapter 6).

In addition to the above general assessment, additional specific steps could include the following:

- Review expenditures made by the implementing partner and assess whether they are in accordance with the project document, AWP and budgets; and are in compliance with the UNDP POPP on Results Management.
- Review the process for procurement/contracting activities and assess whether it was transparent and competitive.
- Review the use, control and disposal of non-expendable equipment and assess whether it is in compliance with UNDP POPP on Results Management; and also whether the equipment procured met the identified needs and whether its use was in line with intended purposes.
- Review the process for recruiting project personnel and consultants and assess whether it was transparent and competitive.
- Review the implementing partner accounting records and assess their adequacy for maintaining accurate and complete records of receipts and disbursements of cash; and for supporting the preparation of the quarterly financial report.
- Review the records of requests for direct payments and ensure that they were signed by authorised government officials.

### Recommendations for improvement

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Recommendations should be directed to a specific entity so there is no confusion regarding who is responsible for implementation. The response of the entity should be included in the management letter, immediately following the recommendation.

Also, the auditor may wish to comment on “good practices” (if any) that were developed by the implementing partner that should be shared with other project personnel.

### Available Facilities and Right of Access

There should be a description of the nature and the location of all records belonging to the project. This list should specify those records kept at the implementing partner's headquarters and those that are located at other offices.

The TOR should state that the auditor would have full and complete access at any time to all records and documents (including books of account, legal agreements, minutes of committee meetings, bank records, invoices and contracts etc.) and all employees of the entity. The auditor should be advised that he/she has a right of access to banks, consultants, contractors and other persons or firms engaged by the project management. If an auditor may not have unrestricted access to any records, person or location during the course of the audit, this restriction should be clearly defined, with reasons, in the TOR.



## **Annex 1: Audit Services Required**

The scope of audit services shall cover the overall management of the project's implementation, monitoring and supervision. The audit work should include the review of work plans, progress reports, project resources, project budgets, project expenditure, project delivery, recruitment, operational and financial closing of projects (if applicable) and disposal or transfer of assets. To this effect, the scope of the audit shall cover the following areas as they are performed at the level of the project:

### Human resources

The audit work shall cover the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel and include performance appraisal, attendance control, calculation of salaries and entitlements, payroll preparation and payment, and management of personnel records.

### Finance

The audit work shall cover the adequacy of the accounting and financial operations and reporting systems. These include budget control, cash management, certification and approving authority, receipt of funds, and disbursement of funds, recording of all financial transactions in expenditure reports, records maintenance and control.

### Procurement

The audit work shall cover the competitiveness, transparency and effectiveness of the procurement activities of the project in order to ensure that the equipment and services purchased meet the requirement of either the government (or NGO) or UNDP and include the following:

- As applicable, delegations of authorities, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders
- Receiving and inspection procedures to determine the conformity of equipment with the agreed specifications and, when applicable, the use of independent experts to inspect the delivery of highly technical and expensive equipment
- Evaluation of the procedures established to mitigate the risk of purchasing equipment that do not meet specifications or is later proven to be defective
- Management and control over the variation orders.

The audit work in the area of procurement shall also cover the use of consulting firms and the adequacy of procedures to obtain fully qualified and experienced personnel and assessment of their work before final payment is made.

### Asset Management

The audit work shall cover equipment (typically vehicles and office equipment) purchased for use of the project. The procedures for receipt, storage, and disposal shall also be reviewed.

### Cash Management

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The audit work shall cover all cash funds held by the project and review procedures for safeguarding of cash.

### General Administration

The audit work shall cover travel activities, vehicle management, shipping services, office premises and lease management, office communications, and records maintenance.

### Information System

The audit work shall cover the information and communication systems and the control and security of equipment and data.

**Note:** The above scope shall cover those transactions performed at the level of the project to include direct payments made by the UNDP country office at the request of the project.

### Scope Limitation

Transactions/actions that are performed by the UNDP office at the request and on behalf of the project (i.e. UNDP support services) are **not** to be included in the audit scope. **Important note:** Such scope limitation should not be a reason for issuing a qualified (negative) audit opinion by the auditors. Please refer to Section D., 2(b) for additional information.



## **Annex 2: Qualifications of an Auditor**

If included as part of a Request for Proposal, this section will need to be modified to take into consideration whether the firms invited to propose have already been pre-qualified.

The TOR should state that the auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of the entity. It may be appropriate to remind an auditor of any existing statutory requirements relating to independence and to require an auditor to disclose any relationship that might possibly compromise his/her independence.

The auditor should be experienced in applying either ISA or INTOSAI audit standards, whichever is applicable for the audit. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA or INTOSAI standards, including experience in auditing the accounts of entities comparable in size and complexity to the entity being audited.

Curriculum vitae (CVs) should be provided to the client by the principal of the firm of auditors who would be responsible for signing the opinion, together with the CVs of managers, supervisors and key personnel proposed as part of the audit team. It would be appropriate to indicate required/minimum professional qualifications necessary for the senior auditors/principals responsible for the audit. CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit.



### Annex 3: Sample Audit Report

#### **Auditor's report to:**

***The Special Representative of the Administrator and  
Head of Program Management Support Unit***

#### **a) Certification of UNDP Statement of Expenditure - Combined Delivery Report (CDR)**

We have audited the accompanying UNDP Statement of Expenditure (“the CDR”) of the UNDP award and project number \_\_\_\_\_ [Atlas award and project number] for the period 1 January 20xx to 31 December 20xx. The CDR is the responsibility of the UNDP CO. Our responsibility is to express an opinion on the CDR based on our audit.

We conducted our audit in accordance with International Standards of Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the CDR is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the CDR. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the CDR. We believe our audit provides a reasonable basis for our opinion.

In our opinion, **the CDR presents fairly (unqualified (positive audit opinion))**, in all material respects the expenditure of \_\_\_\_\_ [insert amount in US\$] incurred by the project and audited by us for the period 1 January 20xx to 31 December 20xx in accordance with UNDP accounting requirements.

#### **Or (qualified - a negative audit opinion)**

In our opinion, **the CDR, except for** the reasons indicated above in paragraphs (1), (2), (3), etc., presents fairly in all material respects the expenditure of \_\_\_\_\_ [insert amount in US\$] incurred by the project which we have audited for the period 1 January 20xx to 31 December 20xx in accordance with UNDP accounting requirements. The total **net financial impact** of this qualified opinion is \_\_\_\_\_ [insert amount in US\$].

#### **Or (disclaimer - a negative audit opinion)**

We were **unable to obtain sufficient appropriate audit evidence** and accordingly are unable to express an opinion on the statement of expenditure of \_\_\_\_\_ [insert amount in US\$] incurred by the project and audited by us for the period 1 January 20xx to 31 December 20xx. The total **net financial impact** of this disclaimer opinion is \_\_\_\_\_ [insert amount in US\$]. **Note:** The total amount indicated should be the amount of the CDR expenditure.

#### **Or (adverse - a negative audit opinion)**

We noted material differences between \_\_\_\_\_ and the statement of expenditure. As such, we **do not express an opinion** on the statement of expenditure, of \_\_\_\_\_ [insert amount in US\$] incurred by the project and audited by us for the period 1 January 20xx to 31 December 20xx. The total **net financial impact** of this adverse opinion is \_\_\_\_\_ [insert amount in US\$].

#### **b) Certification of Statement of Assets and Equipment**

We have audited the accompanying Statement of Assets and Equipment (“the statement”) of the UNDP project number \_\_\_\_\_ [Atlas award and project #] as at 31 December 20xx. The statement is the



responsibility of the management of the project. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe our audit provides a reasonable basis for our opinion. In our opinion, the statement of assets and equipment presents fairly (**unqualified/favourable**), in all material respects the inventory balance of the project amounting to \_\_\_\_\_ [insert amount in US\$] as at 31 December 20xx in accordance with UNDP requirements.

**c) Certification of Statement of Cash Position**

We have audited the accompanying Statement of Cash Position (“the statement”) of the UNDP project number \_\_\_\_\_ [Atlas award and project #] as at 31 December 20xx. The statement is the responsibility of the management of the project. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe our audit provides a reasonable basis for our opinion. In our opinion, the statement of cash position presents fairly (unqualified (positive audit opinion), in all material respects the cash balance of the project amounting to \_\_\_\_\_ [insert amount in US\$] as at 31 December 20xx in accordance with UNDP requirements.

This report is intended solely for the information and use of UNDP and Office of Audit and Investigation (OAI)..

Date of issuance: \_\_\_\_\_

AUDITOR'S NAME (Please print): \_\_\_\_\_

AUDITOR'S SIGNATURE: \_\_\_\_\_

STAMP AND SEAL OF AUDIT FIRM: \_\_\_\_\_

AUDIT FIRM ADDRESS: \_\_\_\_\_

AUDIT FIRM TEL. NO. \_\_\_\_\_

**Note:** Audit opinions must be one of the following: (a) qualified, (b), unqualified, (c) adverse, or (d) disclaimer. If the audit opinion is other than “unqualified” the audit report must describe both the nature and amount of the possible effects on the financial statements (**NET FINANCIAL IMPACT**). A definition of audit opinions is provided in Annex 4.



## **Annex 4: Definition of Audit Opinions**

### **Unqualified (Clean or positive) Opinion**

An unqualified opinion should be expressed when the auditor concludes that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.

### **Qualified Opinion – a negative audit opinion**

A qualified opinion should be expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management, or limitation on scope is not so material and pervasive as to require an adverse opinion or a disclaimer of opinion. A qualified opinion should be expressed as being 'except for' the effects of the matter to which the qualification relates.

### **Disclaimer of opinion – a negative audit opinion**

A *disclaimer of opinion* should be expressed when the possible effect of a limitation on scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence and accordingly is unable to express an opinion on the financial statements.

### **Adverse – a negative audit opinion**

An *adverse opinion* is expressed by an auditor when the financial statements are significantly misrepresented, misstated, and do not accurately reflect the expenditure incurred and reported in the financial statements (CDR, statement of cash, statement of assets and equipment).

An *adverse opinion* is expressed when the effect of a disagreement is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.

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### Annex 5: Categorization of Audit Findings by Risk Severity

<b>High</b>	Action that is considered imperative to ensure that UNDP is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).
<b>Medium</b>	Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences).
<b>Low</b>	Action that is considered desirable and should result in enhanced control or better value for money.

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### **Annex 6: Classification of possible causes of Audit Findings**

1. Lack of/or inadequate policies/procedures/guidelines
2. Lack of/or inadequate guidance/supervision at the project level
3. Inadequate guidance/monitoring at UNDP country office level
4. Lack of/or insufficient resources (specify: financial, human or, technical resources)
5. Inadequate planning
6. Inadequate training
7. Human error
8. Intentional overriding of internal controls
9. Inadequate management structure

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## Annex 7: Template for NGO/NIM Auditors to Review and Sign the Updated Action Plans for Prior Year Audit Observations and Recommendations

Award No.:			Project No.:				Opinion Type:						
Obs No	Observation	Recommendation	Audit Area (page 39)	Audit Cause (page 24 /52)	Risk Severity (page 45)	Proj/CO Mngt Comments	Action(s) Planned	Target Impl. Date	Action Unit	Person Respsble. for Action	Updated Status	Actual Impl. Date	Description of Status Update
Award No.:			Project No.:				Opinion Type:						
Obs No	Observation	Recommendation	Audit Area	Audit Cause	Risk Severity	Proj/CO Mngt Comments	Action(s) Planned	Target Impl. Date	Action Unit	Person Respsble. for Action	Updated Status	Actual Impl. Date	Description of Status Update
Award No.:			Project No.:				Opinion Type:						
Obs No	Observation	Recommendation	Audit Area	Audit Cause	Risk Severity	Proj/CO Mngt Comments	Action(s) Planned	Target Impl. Date	Action Unit	Person Respsble. for Action	Updated Status	Actual Impl. Date	Description of Status Update
<b>UNDP Country Office</b>							<b>Auditors/Audit Firm</b>						
Signature of UNDP Official: _____							Signature of Audit firm Official: _____						
Name and title (print): _____							Name and title (print): _____						
Date: _____							Date: _____						
							Stamp and Seal of audit firm: _____						

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**Note:** The values for the “Updated Status” could be: Implemented, In Progress, Not Implemented, N/A or Withdrawn. “N/A” means not applicable and would be used if there is an overall change in a project’s working environment that makes last year’s audit observation no longer applicable. For example, the project has been closed. Another example for using “N/A” is a project that had its own bank account and last year’ audit recommendation called for the need to perform monthly bank reconciliation. However the following year, the auditor notes that the bank account has been closed. “Withdrawn” would be used if there is an overall change in a project’s working environment that makes last year’s audit observation and recommendation no longer valid. “Withdrawn” is very rarely used.



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### Annex 8: Template for audit data and observations

The information in the four tables below should be completed by the NGO/NIM auditors and signed. The CO can obtain the electronic version of the word document and copy and paste the information in CARDS for each award/project audit report.

**Table 1 - Template for NGO/NIM auditors to report on the audit of the UNDP CDR**

UNDP Combined Delivery Report (CDR) as at 31 December 20xx								
1	Award No.	Project No.	Amount audited and certified (US\$)	Audit opinion (unqualified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)	Total amount of Net financial impact (NFI) of qualification of audit opinion (if qualified, adverse or disclaimer opinion)	Reason(s) for qualification of audit opinion and breakdown of NFI amount (US)	Observation(s) that had impact on qualification of audit opinion (list observation number(s) and page of audit report/management letter)

**Table 2 - Template for NGO/NIM auditors to report on the audit of the statement of cash position**

Statement of Cash Position					
Award No.	Project No.	Value of Cash Position Statement as at 31 December 20xx (US\$)	Audit Opinion - Statement of Cash Position	Total amount of qualification - Statement of Cash Position (US\$)	Total amount of Net financial impact (NFI) of qualification of audit opinion - Statement of Cash Position (US\$)

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**Table 3 – Template for NGO/NIM auditors to report on the audit of the statement of assets and equipment**

Statement of assets and equipment					
Award No.	Project No.	Value of Assets and equipment as at 31 December 20xx (cumulative from project start date) (US\$)	Audit Opinion - Statement of Assets and Equipment	Total amount of qualification on the Statement of assets and equipment (US\$)	Total amount of Net financial impact (NFI) of qualification of audit opinion on Statement of assets and equipment (US\$)

**Table 4 - Template for NGO/NIM auditors to report on audit observations and recommendations**

Award No.	Project No.	Observ. No	Audit Observation	Recommendation	Audit Area	Audit Cause	Risk Severity	Project/CO Mngmt. Comments

Name and position of Auditor: \_\_\_\_\_

Signature of Auditor: \_\_\_\_\_

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

Name and stamp of Audit Firm: \_\_\_\_\_



## **Annex 9: Guidance on Formulating Audit Observations**

Parts of the note that follows are from an article in the Internal Auditor, April, 1999 by Brian M. Schwartz. The purpose of this note is to provide guidance on formulating audit observations and recommendations that are effective.

Effective audit observations should consist of 5 common elements:

- 1) Condition;
- 2) Criteria;
- 3) Cause;
- 4) Effect, potential impact or Risk; and
- 5) Recommendation.

Items 1 to 4 must be part of what constitutes an audit observation. Below are helpful tips on each of these areas.

### CONDITION

The "Condition" refers to a conclusion, problem, or opportunity noted during the audit review. It directly addresses a control objective or some other standard of performance. Sample condition statements include:

- "The appropriate individual did not authorize this document."
- "The account has not been reconciled for three months."
- "The process can be streamlined to save six hours per day."

When documenting the condition, it is important to include the necessary level of detail in the description of the problem. Someone who has not participated in the audit, but has some basic understanding of the subject matter or function, should be able to comprehend any condition statement.

### CRITERIA

This element describes the standard being used as the benchmark for evaluation. In other words, it depicts the ideal condition. The criteria may reference a specific policy, procedure, or government regulation. At other times, the criteria may simply be a matter of common sense or prudent business practice. For example, a criteria statement might state that "Per policy #1234, all loans greater than \$100,000 must be approved by the board of directors;" or "Payroll processing responsibilities should be segregated to control the authorization of master file changes."

### CAUSE

As the name suggests, the cause statement explains why the identified problem occurred in the first place. The cause is probably the most critical attribute of the finding form. Without determining why the condition occurred, the situation cannot be properly remedied.



In documenting the cause, the auditor should identify the underlying reason behind the problem. A surface explanation that fails to uncover the root cause will not lead to an effective recommendation.

In addition, a quote from an appropriate individual could serve as the cause statement, i.e. why the condition has occurred. Some audit managers consider only a cause statement from management as appropriate, while others prefer a statement from the individual who actually performs the respective task. It is usually preferred to obtain both points of view, since such an approach is more likely to identify the root cause of the problem.

### Possible Causes

In addition to explaining the and giving details about the "Cause" in the text of an audit observation, UNDP requires that the auditor also summarizes the cause statement in the audit report by using one of the following 9 pre-established cause statements:

1. Lack of/or inadequate policies/procedures/guidelines
2. Lack of/or inadequate guidance/supervision at the project level
3. Inadequate guidance/monitoring at UNDP country office level
4. Lack of/or insufficient resources (specify: financial, human or, technical resources)
5. Inadequate planning
6. Inadequate training
7. Human error
8. Intentional overriding of internal controls
9. Inadequate management structure

### EFFECT, POTENTIAL IMPACT OR RISK

The effect statement describes the particular risk that could exist (the potential impact or risk) or that has already existed (the effect) as a result of the condition or problem. Basically, it answers the question, "so what?" Effect statements often discuss the potential for loss, noncompliance, or customer dissatisfaction created by the problem.

Management is likely to zero in on the information provided in this aspect of the audit observation, as it allows them to see how the condition will negatively impact their activities. As a result, the effect statement often serves as the catalyst for a positive change.

One note of caution is in order - the risk suggested by the effect statement should not be overblown or exaggerated. While auditors are responsible for pointing out risks associated with control breakdowns, the effect statement should remain reasonable, plausible and should not be worded as if the world were coming to an end. If auditees are to take the audit observation seriously and respect what an auditor has to say, an auditor talks about risk in realistic, not exaggerated, terms.

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### Risk Levels

In addition to explaining the and giving details about the “Effect, potential impact or risk” in the text of an audit observation, UNDP requires that the auditor also identifies the risk level in the audit report by using one of the following 3 pre-established risk levels:

<b>High</b>	Action that is considered imperative to ensure that UNDP is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).
<b>Medium</b>	Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences).
<b>Low</b>	Action that is considered desirable and should result in enhanced control or better value for money.

### RECOMMENDATION

This aspect suggests how the situation might be remedied. An effective recommendation directly relates to and targets the cause. It isn't enough to state in general terms that management should fix the problem; the recommendation statement should also explain how remediation is to be achieved.

A good recommendation maintains the proper balance between the risk presented and the cost to control it. Before making a recommendation, the auditor should consider the following questions:

Does the recommendation solve the problem and eliminate or reduce the risk?

- Can the recommendation be implemented within the current environment?
- Is the recommendation cost-effective?
- Will the recommendation act as a temporary bandage or a permanent solution?

Examples of effective recommendations include monthly or quarterly physical inventories of all assets and equipment with reconciliation to appropriate records.

### ADDITIONAL TIPS

Whenever possible, similar findings should be combined into one form so that the case for implementing the recommendation is strengthened.

Playing devil's advocate can be an extremely helpful exercise. After completing the audit observation and recommendation, auditors should place themselves in the auditee's shoes and challenge/question the validity of the issue. If the issue cannot stand up to this exercise, it probably should not be included in the audit report.



## **Annex 10: SAS 220 - GUIDANCE ON AUDIT MATERIALITY**

Below are some highlights from the Statement of Auditing Standards (SAS) 220 – Audit Materiality. These are meant to provide guidance to the auditors in determining the materiality of observations for reporting purposes and as they might affect the audit opinion. The auditors should refer to SAS 220 for more details.

The purpose of the SAS is to establish standards and provide guidance on the concept of materiality and its relationship with audit risk.

Auditors should consider materiality and its relationship with audit risk when conducting an audit (SAS 220.1)

A matter is material if knowledge of the matter would reasonably influence the economic decisions of users taken on the basis of the financial statements. Materiality may be considered in the context of the financial statements as a whole, any individual statements within the financial statements or individual items included within the financial statements.

Materiality depends on the nature and size of the item or error judged in the particular circumstances. Since materiality has both qualitative and quantitative aspects, it is not capable of any general mathematical definition.

Auditors should plan and perform the audit so as to provide them with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. (SAS 220.2)

The assessment of what is material is a matter of professional judgement.

Auditors would consider the possibility of misstatements of relatively small amounts that, cumulatively, could have a material effect on the financial statements. For example, an error in a month end procedure could be an indication of a potential material misstatement if that error is repeated each month.

In evaluating the fair presentation of the financial statements, auditors should assess whether the aggregate of uncorrected misstatements that have been identified during the audit is material (SAS 220.4).





**Annex V  
PRICE SCHEDULE**

The Contractor is asked to prepare the Price Schedule as a separate envelope from the rest of the RFP response as indicated in Section D paragraph 14 (b) of the Instruction to Offerors.

All fees quoted must be exclusive of all taxes, since the UNDP is exempt from taxes as detailed in Section II, Clause 18.

The quotation for the Audit Fee shall be as the percentage of the annual expenditure of each project subject to Audit. The projects are grouped in two categories as follows:

Category (1) for DIM Projects:

Projects Annual Expenditure (PAE) in USD	Audit Fee (AF) as % of PAE
< 100,000	
100,000 - 500,000	
500,000 - 1,000,000	
1,000,000 - 2,000,000	
2,000,000 - 4,000,000	
> 4,000,000	

Category (2) for NIM Projects:

Projects Annual Expenditure (PAE) in USD	Audit Fee (AF) as % of PAE
< 50,000	
50,000 - 100,000	
100,000 - 200,000	
> 200,000	

- (a) Partial Bids is not permitted; Participating Offerors must quote for both categories.
- (b) The fees proposed must be fixed, firm and final and valid for the duration of the Agreement.
- (c) No amount other than the proposed Audit Fee shall be paid by UNDP for the provision of the audit services which is the subject of the present RFP.
- (d) Fees quoted must be exclusive of all taxes, since the UNDP is exempt from taxes as detailed in clause 18 of the General Conditions of Contract.
- (e) Any incidental out of pocket expenses (OPE) must be included in the overall audit fee submitted to UNDP.
- (f) The costs of preparing a proposal and of negotiating a contract are not reimbursable by UNDP.

Name of Bidder .....

Signature and Stamp .....



**Annex IV  
Acknowledgement Letter**

PLEASE TYPE OR PRINT LEGIBLY & RETURN VIA FAX NO.: +972 2 626 8222

Date: .....

Dear Mr. Khaled Shahwan,

Subject: Request for a Proposal of Long Term Agreement for the Provision of Audit Services for UNDP/PAPP DIM and NIM Projects

We the undersigned, acknowledge receipt of your Request for a Proposal dated \_\_\_\_\_ for the audit of the above-mentioned projects and hereby confirm that:

- a)  we intend  we do not intend

to submit a proposal to the United Nations Development Programme by the deadline.

<b>Names of our representative(s) designated for this engagement</b>		1. ....; and			
		2. ....			
<b>Firm/Company's name (Proposer):</b>					
<b>Address:</b>					
<b>City:</b>		<b>State:</b>		<b>Zip:</b>	
<b>Signature of Authorized Representative:</b>					
<b>Name:</b>		<b>Title:</b>			
<b>Telephone No.:</b>		<b>Ext.:</b>		<b>Fax No.:</b>	
<b>Email address:</b>					