

Government of Nagaland  
**Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)**

APC/FOCUS-IFAD Cell  
Nagaland Civil Secretariat,  
Kohima-797 001  
Dated:20.02.2021

No APC/FOCUS/Audit (A)/03/2018-19

**REQUEST FOR PROPOSAL**

Society for Climate Resilient for Agriculture in Nagaland (SoCRAN) supported by IFAD intends to hire the Services of Chartered Accountant for Internal audit including handholding support to PMU and DMU.

The willing and interested Firms may download the details from [www.focus.nagaland.gov.in](http://www.focus.nagaland.gov.in) and submit the proposal on or before 19/03/2021 upto 2.15 p.m. The proposal with required documents shall be sent to State Project Director through speed post/registered post/courier only in a closed envelope super-scribed as "Proposal for Internal audit including handholding support to PMU and DMU.

The State Project Director reserves the right to accept or reject any or all proposal without assigning any reason thereof.

Date: 20.02.2021  
Place: Kohima

**State Project Director**  
FOCUS-IFAD



# **Standard Procurement Documents**



# **Simplified Request for Proposal**

1<sup>st</sup> Edition

December 2020

# **Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)**

## **Request for Proposal**

For

*Engagement of Internal Audit including handholding to PMU and DMU of Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland for the financial period 2021-22.*

Ref No: *APC-FOCUS/AUDIT (A)/03/2018-19*

**Issue date: 20-02-2021 (Tentative)**

## Foreword

This bidding document has been prepared by the Society for Climate Resilient for Agriculture in Nagaland (SoCRAN) and is based on the 1<sup>st</sup> edition of the IFAD-issued standard procurement document for simplified requests for proposals available at [www.ifad.org/project-procurement](http://www.ifad.org/project-procurement). This bidding document is to be used for the procurement of services using QCBS, QBS, FBS, or LCS in projects financed by IFAD.

IFAD does not guarantee the completeness, accuracy or translation, if applicable, or any other aspect in connection with the content of this document.

## Section I. Letter of Invitation

Kohima 20-02-2021

Invitation no. *APC-FOCUS/AUDIT (A)/03/2018-19*

Loan no. **2000002173**

Dear Sir/ Madam,

1. The Government of India has received financing from the International Fund for Agricultural Development (IFAD) towards the cost of Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland and intends to apply part of the financing for the recruitment of consulting services. The use of any IFAD financing shall be subject to IFAD's approval, pursuant to the terms and conditions of the financing agreement, as well as IFAD's rules, policies and procedures. IFAD and its officials, agents and employees shall be held harmless from and against all suits, proceedings, claims, demands, losses and liability of any kind or nature brought by any party in connection with Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland.
2. This request for proposals follows that appeared in Nagaland Post/ The Times of India/ The Telegraph newspaper on 00/02/2021, on the project website [www.focus.nagaland.gov.in](http://www.focus.nagaland.gov.in) .
3. The [expression of interest or request for proposals] was advertised in [insert name of newspaper] newspaper on [insert date] [add other advertisements e.g. on UNDB if applicable]. N .A
4. The Society for Climate Resilient for Agriculture in Nagaland (SoCRAN) now invites proposals to provide the following consulting services: Internal Audit including handholding to PMU and DMU of Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland for the financial period 2021-22. More details on the services are provided in the terms of reference.
5. This request for proposal (RFP) has been addressed to the following shortlisted consultants: N. A.
6. A firm will be selected under the "Quality and Cost Based Selection (QCBS)" method and procedures described in this RFP, in accordance with the policies detailed in the latest IFAD's Project Procurement Guidelines as approved by IFAD's Executive Board and IFAD Procurement Handbook.
7. The minimum professional fee established by Client for the assignment as per the guidelines of ICAI is Rs.4,00,000 excluding taxes and reimbursement expenses related to travel, accommodation and out of pocket expenses.
8. Reimbursement expenses for travel, lodging and other out of pocket expenses should be calculated on the number of days of assignment of each team member (proposed in technical proposal proposal) in the field and home base, to and fro travel and other incidental expenses.
9. Consultant's proposal quoting below the above minimum professional fee shall be rejected as non-

responsive proposal. Financial proposals without the reimbursement costs shall also be rejected as non-responsive proposals.

10. **Any abnormally low reimbursement costs proposed without correlation to the technical proposals will have to be justified. The firms are advised to calculate the reimbursement costs as per their firm's policy.**
11. The minimum eligibility conditions for submission of technical and financial proposal for the assignment is below. Please provide documentary evidence in support of each of the eligibility conditions:

Eligibility Condition	Documents to be submitted
a. Consulting firm should be empanelled with C&AG of India for audit of FY 2021-22. If this is not yet issued, provide a copy for the FY 2019-20 for evaluation. However, before signing the contract, empanelment letter for the FY 2021-22 should be provided.	Please provide a copy of the empanelment letter of C & AG.
b. Consulting firm should have at least 3 or more full time partners who are fellow members of the ICAI for a period of not less than 3 years.	Please attach ICAI records documents
c. Consulting firm should have an average annual turnover of Rs. 30 Lakhs p.a. for past 3 years	Audited Account and audit reports of for FY 2017-18, 2018-19 and 2019-20
d. Consulting firm should have experience of at least 10 major audits (statutory/annual audits of corporate entities, externally aided project (including Govt. Bodies, PSUs).	Please Attach copy of order / agreements.
e. Any CA firm engaged under SOCRAN for any management advisory services including training or external audit assignment in the last two years (whether continuing contract or those who have yet to complete the cooling off period as per ICAI rules) will not be eligible for submitting the proposals. Previous year (FY 2018-19) statutory auditor will also not be eligible for submitting the proposals.	Provide an undertaking in this regard.
f. The firm or any partners of the firm should not be black listed by any PSU's or Govt. Co. or any other organisation in respect of any assignment or behaviour.	Provide undertaking of not blacklisted

Section II Instructions to Consultants

<p>Any partner/qualified employee of the firm whose name is included in the First or Second Schedule of the Chartered Accountants Act. 1949 will not be considered in the evaluation and the firm will provide and undertaking that such partner/ employee will not be involved in the audit, directly or indirectly.</p>	
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12. The RFP includes the following documents:

- Section 1 - Letter of invitation
- Section 2 - Instructions to consultants
- Section 3 - Technical proposal - standard forms
- Section 4 - Financial proposal - standard forms
- Section 5 - Terms of reference
- Section 6 - Standard forms of contract
- Section 7 - Forms

13. The requested proposal should be submitted no later than 19-03-2021, 2:15 PM Kohima (Nagaland), India, local time, to the below address mentioned in sl, no 11.

14. The proposal must remain valid for 90 (ninety) days after the above submission date. During this period, the consultant shall maintain the availability of professional staff nominated in the proposal.

15. Please inform us in writing upon receipt:

- (a) that you received the letter of invitation; and
- (b) whether you will submit a proposal.

at the following address

State Project Director  
 Fostering Climate Resilient Upland Farming System  
 in the Northeast (FOCUS), Nagaland  
 APC Office, Ground Floor  
 Nagaland Civil Secretariat  
 City: Kohima-797 001.India

Yours sincerely,

State Project Director  
 Fostering Climate Resilient Upland Farming System  
 in the Northeast (FOCUS), Nagaland  
 Country: India [spdfocus@gmail.com](mailto:spdfocus@gmail.com) or [chachei2018@gmail.com](mailto:chachei2018@gmail.com)



## Section II. Instructions to Consultants

1. A two-envelope system is to be used.
2. The consultant shall not have any actual, potential or reasonably perceived conflict of interest. A consultant with an actual, potential or reasonably perceived conflict of interest shall be disqualified unless otherwise explicitly approved by the International Fund for Agricultural Development (IFAD or the Fund). A consultant, including their respective personnel and affiliates, are considered to have a conflict of interest if any of them a) has a relationship that provides them with undue or undisclosed information about or influence over the selection process and the execution of the contract, b) participates in more than one proposal under this procurement action, c) has a business or family relationship with a member of the client's board of directors or its personnel, the Fund or its personnel, or any other individual that was, has been or might reasonably be directly or indirectly involved in any part of (i) the preparation of the expression of interest, (ii) the selection process for this procurement, or (iii) execution of the contract. The consultant has an ongoing obligation to disclose any situation of actual, potential or reasonably perceived conflict of interest during expression of interest (if any), preparation of the proposal, the selection process or the contract execution. Failure to properly disclose any of said situations may lead to appropriate actions, including the disqualification of the consultant, the termination of the contract and any other as appropriate under the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations<sup>1</sup>.
3. All bidders are required to comply with the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (hereinafter, "IFAD's Anticorruption Policy") while competing for, or in executing, the contract.
  - a. If determined that a bidder or any of its personnel or agents, or its sub-consultants, sub-contractors, service providers, suppliers, sub-suppliers, and/or the latter's personnel or agents, has, directly or indirectly, engaged in any of the prohibited practices as defined in IFAD's Anticorruption Policy or sexual harassment, exploitation and abuse as defined in IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse<sup>2</sup> in competing for, or in executing, the contract, the proposal may be rejected or the contract may be terminated by the client.
  - b. In accordance with IFAD's Anticorruption Policy, the Fund may investigate and, when applicable, sanction entities and individuals, including by debarring them, either indefinitely or for a stated period of time, to participate in any IFAD-financed or IFAD-managed activity or operation. A debarment includes, *inter alia*, ineligibility to: (i) be awarded or otherwise

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<sup>1</sup> The policy is accessible at [www.ifad.org/anticorruption\\_policy](http://www.ifad.org/anticorruption_policy).

<sup>2</sup> The policy is accessible at <https://www.ifad.org/en/document-detail/asset/40738506>.

benefit from any IFAD-financed contract, financially or in any other manner; (ii) be a nominated sub-contractor, consultant, manufacturer, supplier, sub-supplier, agent or service provider of an otherwise eligible firm being awarded an IFAD-financed contract; and (iii) receive the proceeds of any loan or grant provided by the Fund. The Fund may also unilaterally recognize eligible debarments by any of the International Financial Institutions signatories to the Agreement for Mutual Enforcement of Debarment Decisions.

- c. Bidders and any of their personnel and agents, and their sub-consultants, sub-contractors, service providers, suppliers, sub-suppliers, and the latter's personnel and agents are required to fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to this bidding process or the execution of the contract and to have such accounts, premises, records and documents audited and/or inspected by auditors and/or investigators appointed by the Fund.
  - d. Bidders have the ongoing obligation to disclose in their quotation and later in writing as may become relevant: (i) any administrative sanctions, criminal convictions or temporary suspensions of themselves or any of their key personnel or agents for corrupt, fraudulent, collusive, coercive or obstructive practices, and (ii) any commissions or fees paid or to be paid to agents or other parties in connection with this bidding process or the execution of the contract. Bidders must disclose the name and contact details of the agent or other party and the reason, amount and currency of the commission or fee paid or to be paid. Failure to comply with these disclosure obligations may lead to rejection of the proposal or termination of the contract.
  - e. Bidders shall keep all records and documents, including electronic records, relating to this selection process available for a minimum of three (3) years after notification of completion of the process or, in case the bidder is awarded the contract, execution of the contract.
4. The Fund requires that all beneficiaries of IFAD funding or funds administered by IFAD, including the client, any consultants, implementing partners, service providers and suppliers, observe the highest standards of integrity during the procurement and execution of such contracts, and commit to combat money laundering and terrorism financing consistent with IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy.<sup>3</sup>
  5. The technical proposal shall be marked "original" or "copy" as appropriate. The technical proposals shall be sent to the following address:

State Project Director

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<sup>3</sup> The policy is accessible at <https://www.ifad.org/en/document-detail/asset/41942012>.  
Section II Instructions to Consultants

Fostering Climate Resilient Upland Farming System  
in the Northeast (FOCUS), Nagaland  
APC Office, Ground Floor  
Nagaland Civil Secretariat  
City: Kohima – 797001.  
Country: India

**and in one (1) original hard copy and one (1) additional hard copy.** All required copies of the technical proposal are to be made from the original. If there are discrepancies between the original and the copies of the technical proposal, the original governs.

6. The original and all copies of the technical proposal shall be placed in a sealed envelope clearly marked “technical proposal” (followed by the grant/loan and assignment number and name). Similarly, the original financial proposal shall be placed in a sealed envelope clearly marked “financial proposal”, followed by the grant/assignment number and name, and with a warning “do not open with the technical proposal”. The envelopes containing the technical and financial proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the procurement (and assignment), and be clearly marked “do not open, except in presence of the official appointed, before **19-03-2021, 2:15 PM**.”
7. The technical proposal shall be based on the technical forms attached in section 3 including the CVs of the proposed staff.
8. The evaluation committee shall evaluate the technical proposals on the basis of their responsiveness to the terms of reference, applying the evaluation criteria, sub criteria, and point system specified here below:

*The evaluation grid is based on the following:*

	Points
I. Specific experience of the consultant (as a firm) relevant to the assignment:	[10]
II. Adequacy and quality of the proposed methodology, and work plan in responding to the terms of reference (TOR):	[20]
III. Key experts’ qualifications and competence for the assignment:	
a) Position-K-01 : Audit Manager (1) [25 points]	
b) Position K-02 : Team Leader (1) [20 points]	
c) Position-K-03 : Sr. Audit Assistant (1) [15 points]	
d) Position-K-04 : Jr. Audit Assistant (1) [10 points]	
<b>Total points for criterion (iii):</b>	<b>[70 points]</b>

The number of points to be assigned to each of the above positions shall be determined considering the following three sub-criteria and relevant percentage weights:

Section II Instructions to Consultants

1) <i>General qualifications</i>	[20%]
2) <i>Adequacy for the assignment</i>	[70%]
3) <i>Experience in region and language</i>	[10%]

**Total points for the criteria: 100**

**The minimum technical score (St) required to pass is: 75 points**

**Total points for the five criteria: 100**

9. A proposal shall be rejected at this stage if it does not respond to important aspects of the request for proposals (RFP), and particularly the terms of reference or if it fails to achieve the minimum technical score indicated of 75 points.
10. After the technical evaluation is completed, the client shall inform the consultants who have submitted proposals about the technical scores obtained by their technical proposals, and shall notify those consultants in writing whose proposals did not meet the minimum qualifying mark or were considered non responsive to the RFP and TOR, that their financial proposals will be returned unopened after completing the selection process. The client shall simultaneously notify in writing consultants that have secured the minimum qualifying mark of the date, time and location for opening the financial proposals. The opening date should allow consultants sufficient time to make arrangements for attending the opening. Consultants' attendance at the opening of financial proposals is optional.
11. Financial proposals shall be opened publicly in the presence of the consultants' representatives who choose to attend. The name of the consultants and the technical scores of the consultants shall be read aloud. The financial proposal of the consultants who met the minimum qualifying mark will then be inspected to confirm that they have remained sealed and unopened. These financial proposals shall be then opened, and the total prices read aloud and recorded. A copy of the record shall be sent to all consultants and IFAD (in case of prior review).
12. The financial evaluation shall be based on the financial forms attached in section 4.
13. Combined technical/financial evaluation:

**The lowest evaluated Financial Proposal (Fm) is given the maximum financial score (Sf) of 100.**

**The formula for determining the financial scores (Sf) of all other Proposals is calculated as following:**

$$Sf = 100 \times Fm / F,$$

in which  
 “Sf” is the financial score,  
 “Fm” is the lowest price, and  
 “F” the price of the proposal under consideration.

**The weights given to the Technical (T) and Financial (P) Proposals are:**

**T = 0.8, and**

**P = 0.2**

$$S = St \times T\% + Sf \times P\%.$$

Proposals are ranked according to their  
 (St)= combined technical (St) and

financial (Sf) scores using the weights  
 (T = the weight given to the Technical Proposal;  
 P = the weight given to the Financial Proposal;

T + P = 100 where T=70 and P=30)

The firm achieving the highest combined technical and financial score will be invited for negotiations.

14. Notice of intent to award: after the completion of the evaluation report and having obtained all the necessary approvals per the IFAD Procurement Handbook, the client shall send the notice of intent to award to the successful consultant. The notice of intent to award shall include a statement that the client shall issue a formal notification of award and draft contract agreement after expiration of the period for filing a bid protest and the resolution of any bid protest that are submitted. Delivery of the notice of intent to award shall not constitute the formation of a contract between the client and the successful consultant and no legal or equitable rights will be created through the delivery of the notice of intent to award.

At the same time, it issues the notice of intent to award, the client shall also notify, in writing, all other consultants of the results of the bidding. The client shall promptly respond in writing to any unsuccessful consultant who, after receiving notification of the bidding results, makes a written request for a debriefing or submits a bid protest as provided in the IFAD Procurement Handbook.

15. Negotiations: negotiations will be held on the following date and address:  
 Section II Instructions to Consultants

- a. April 22, 2021 [Expected date of negotiations]
- b. State Project Director  
Fostering Climate Resilient Upland Farming System  
in the Northeast (FOCUS), Nagaland  
APC Office, Ground Floor  
Nagaland Civil Secretariat  
City: Kohima – 797001.  
Country: India

The invited consultant will be invited to negotiations via the notification of award (NoA). This Notification of Award is subject to successful negotiations. The consultant will, as a pre-requisite for attendance at the negotiations, confirm the availability of all the key professional personnel listed in the technical proposal. Failure to confirm such personnel may result in the client proceeding to negotiate with the next-ranked consultant. Representatives conducting negotiations on behalf of the consultant must have written authority to negotiate and conclude the contract on behalf of the consultant.

16. The consultant is expected to commence the assignment by 1/07/2021(Expected) and at the following address:

State Project Director  
Fostering Climate Resilient Upland Farming System  
in the Northeast (FOCUS), Nagaland  
APC Office, Ground Floor  
Nagaland Civil Secretariat  
City: Kohima  
Country: India

E mail : [spdfocus@gmail.com](mailto:spdfocus@gmail.com) OR [chachei2018@gmail.com](mailto:chachei2018@gmail.com)

### **Section III. Technical Proposal - Standard Forms**

- TECH-1 Technical proposal submission form
- TECH-2 Consultant's organization and experience
- TECH-3 Comments or suggestions on the terms of reference and on counterpart staff and facilities to be provided by the client
- TECH-4 Description of the approach, methodology and work plan for performing the assignment
- TECH-5 Team composition and task assignments
- TECH-6 Curriculum vitae (CV) for proposed professional staff
- TECH-7 Staffing schedule
- TECH-8 Work schedule

## Form TECH-1 Technical Proposal Submission Form

**[Location, Date]**

To:

State Project Director  
Fostering Climate Resilient Upland Farming System  
in the Northeast (FOCUS), Nagaland  
APC Office, Ground Floor  
Nagaland Civil Secretariat  
City: Kohima  
Country: India

Dear Sirs or Madams,

1. We, the undersigned, offer to provide the consulting services: " The Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)" in accordance with your request for proposal dated **[insert date of issuance of RFP]** and our proposal. We are hereby submitting our proposal, which includes this technical proposal, and a financial proposal in separate envelopes.
2. We hereby declare that all the information and statements made in this proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.
3. If negotiations are held during the period of validity of the proposal, we undertake to negotiate on the basis of the proposed staff. Our proposal is binding upon us and subject to the modifications resulting from contract negotiations.
4. We undertake, if our proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in the terms of reference.
5. Our proposal is open for acceptance for a period of ninety (90) days.
6. Our firm, its associates, including any subcontractors or suppliers for any part of the contract, have not been declared ineligible by the Fund and have not been subject to sanctions or debarments under the laws or official regulations of the client's country or not been subject to a debarment recognized under the Agreement for Mutual Enforcement of Debarment Decisions (the "Cross-Debarment Agreement")<sup>4</sup>, beyond those declared in paragraph 12 of this proposal submission form.
7. We acknowledge and accept the IFAD Revised Policy on Preventing Fraud and Corruption in its Activities and Operations. We certify that neither our firm nor any person acting for us or on our behalf has engaged in any prohibited practices as provided in ITC Clause 3. Further, we acknowledge and understand our obligation to report to [anticorruption@ifad.org](mailto:anticorruption@ifad.org) any allegation of prohibited practice that comes to our attention during the selection process or the contract execution.

<sup>4</sup> The Cross-Debarment Agreement was entered into by the World Bank Group, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank and the European Bank for Reconstruction and Development, additional information may be located at: <http://crossdebarment.org/>.



8. No attempt has been made or will be made by us to induce any other consultant to submit or not to submit a proposal for the purpose of restricting competition.
9. We acknowledge and accept the IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. We certify that neither our firm nor any person acting for us or on our behalf has engaged in any sexual harassment, sexual exploitation or abuse. Further, we acknowledge and understand our obligation to report to [ethicsoffice@ifad.org](mailto:ethicsoffice@ifad.org) any allegation of sexual harassment, sexual exploitation and abuse that comes to our attention during the selection process or the contract execution.
10. The following commissions, gratuities, or fees have been paid or are to be paid with respect to the selection process: *[insert complete name of each recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity.]*

Name of recipient	Address	Reason	Amount	Currency

(If none has been paid or is to be paid, indicate “none.”)

11. We declare that neither our consulting firm nor any of its directors, partners, proprietors, key personnel, agents, sub-consultants, sub-contractors, consortium and joint venture partners have any actual, potential or perceived conflict of interest as defined in ITC Clause 2 regarding this selection process or the execution of the contract. *[insert if needed: “other than the following:” and provide a detailed account of the actual, potential or perceived conflict].* We understand that we have an ongoing disclosure obligation on such actual, potential or perceived conflicts of interest and shall promptly inform the client and the Fund, should any such actual, potential or perceived conflicts of interest arise at any stage of the procurement process or contract execution.
12. The following criminal convictions, administrative sanctions (including debarments) and/or temporary suspensions have been imposed on our consulting firm and/or any of its directors, partners, proprietors, key personnel, agents, sub-consultants, sub-contractors, consortium and joint venture partners:

Nature of the measure (i.e., criminal conviction, administrative sanction or temporary suspension)	Imposed by	Name of party convicted, sanctioned or suspended (and relationship to the consultant)	Grounds for the measure (i.e., fraud in procurement or corruption in contract execution)	Date and time (duration) of measure


If no criminal convictions, administrative sanctions or temporary suspensions have been imposed, indicate “none”.

- 13. We acknowledge and understand that we shall promptly inform the client about any material change regarding the information provided in this proposal submission form.
- 14. We further understand that the failure to properly disclose any of information in connection with this proposal submission form may lead to appropriate actions, including our disqualification as consultant, the termination of the contract and any other as appropriate under the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
- 15. We understand you are not bound to accept any proposal that you may receive.

Yours sincerely,

Authorized signature *[In full and initials]*: \_\_\_\_\_

Name and title of signatory: \_\_\_\_\_

Name of firm: \_\_\_\_\_

Address: \_\_\_\_\_

## Form TECH-2: Consultant's Organization and Experience

### A - Consultant's Organization

#### A – SP's Organization

[Provide here a brief (two pages) description of the background and organization of your firm/entity and each associate for this assignment.]

Brief Data Sheet of CA Firm for Internal Audit			
Sl. No.	Particulars		To be filled up by CA firms
1	Name of Firm		
2	CAG Empanelment Number (Please attach Empanelment Certificate as per instructions)		
3	CAG Empanelment Year		
4	Registration No. & Date: (Please attach Registration Certificate)		
5	Year of incorporation		
6	Total number of years of Experience from the incorporation of the Firm.		

- Financial:** Provide previous three financial years turn over and net worth of the firm on the basis of the audited accounts of the previous three financial years as follows.

Particulars	Amount in Lakh (INR)
Turnover 2017-18	
Turnover 2018-19	
Turnover 2019-20	
Average Turnover	

### B - Consultant's Experience

Internal Audit consultancy Assignments of major audit

Information of at least last 3 years

Sl. No.	Name of Assignment	Type of Assignment	Fees Received

Internal Audit consultancy Assignments of Village level or block level community organizations

Information of at least last 3 years

Sl. No.	Name of Assignment	Type of Assignment	Fees Received

**Key Staff Profile**

a) Total number of full time chartered accountants (partners with the firm)

Sl. No.	Name of Chartered Accountant (Partner)	Education	Total years of experience

b) Total number of paid Chartered Accountants with the firm

Sl. No.	Name and position	Education	Total years of experience

c) Total number of Senior Audit Assistant with the firm

Sl. No.	Name and position	Education	Total years of experience

d) Total number of Junior Audit Assistant with the firm

Sl. No.	Name and position	Education	Total years of experience

*[Provide here a brief (two pages) description of the background and organization of your firm/entity for this assignment.]*

## B - Consultant's Experience

*[Using the format below, provide information on each assignment for which your firm, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment. A separate form shall be filled for each relevant assignment]*

Assignment name:	Approx. value of the contract (in current US\$ or Euro):
Country: Location within country:	Duration of assignment (months):
Name of client:	Total no. of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current US\$ or Euro):
Start date (month/year): Completion date (month/year):	No. of professional staff-months provided by associated consultants:
Name of associated consultants, if any:	Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as project director/coordinator, team leader):
Narrative description of project:	
Description of actual services provided by your staff within the assignment:	

Firm's name: \_\_\_\_\_

## **Form TECH-3: Comments and Suggestions on the Terms of Reference and on Counterpart Staff and Facilities to be provided by the Client**

### **A - On the Terms of Reference**

*You are suggested to present your Technical Proposal 15 pages, inclusive of charts and diagrams) as follows:*

*Work Plan. In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the work schedule to be submitted by the consultants.*

*In this chapter you should also propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.*

## **B - On Counterpart Staff and Facilities**

*[Comment here on counterpart staff and facilities to be provided by the client according to terms of reference including: administrative support, office space, local transportation, equipment, data, etc.]*

## Form TECH 4: Description of Approach, Methodology and Work Plan for Performing the Assignment

### FORM TECH-4

#### TEAM COMPOSITION

S. No.	NAME	POSITION	EXPERIENCE

#### CURRICULUM VITAE (CV)

<b>Position Title and No.</b>	{ e.g., K-1, TEAM LEADER }
<b>Name of Expert:</b>	{ Insert full name }
<b>Date of Birth:</b>	{ day/month/year }
<b>Country of Citizenship/Residence</b>	

**Education:** {List college/university or other specialized education, giving names of educational institutions, dates attended, degree(s)/diploma(s) obtained}

**Employment record relevant to the assignment:** {Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous clients and employing organization(s) who can be contacted for references. Past employment that is not relevant to the assignment does not need to be included.}

Period	Employing organization and your title/position. Contact information for references	Country	Summary of activities performed relevant to the Assignment
[e.g., May 2005-present]	[e.g., Ministry of ....., advisor/consultant to...  For references: Tel...../e-mail.....; Mr. Hbbbb, deputy minister]		



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**Membership in Professional Associations and Publications:**

**Language Skills (indicate only languages in which you can work):** \_\_\_\_\_ **Adequacy for the Assignment:**

<b>Detailed Tasks Assigned on Consultant’s Team of Experts:</b>	<b>Reference to Prior Work/Assignments that Best Illustrates Capability to Handle the Assigned Tasks</b>
{List all deliverables/tasks as in TECH- 5 in which the Expert will be involved)	

**Expert’s contact information:** (e-mail ....., phone.....)

**Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience, and I am available to undertake the assignment in case of an award. I understand that any misstatement or misrepresentation described herein may lead to my disqualification or dismissal by the Client, and/or sanctions by the IFAD.

{day/month/year}

Name of Expert Signature Date

{day/month/year}

Name of authorized Representative of the Consultant (the same who signs the Proposal) Signature Date

*[Technical approach, methodology and work plan are key components of the technical proposal. You are suggested to present your technical proposal divided into the following three chapters:*

- a) technical approach and methodology,*
- b) work plan, and*
- c) organization and staffing,*

*a) Technical Approach and methodology. In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance, and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.*

*b) Work Plan. In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the work schedule of form TECH-8.*

*c) Organization and staffing. In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.]*

## Form TECH-5 Team Composition and Task Assignments

Professional staff				
Name of staff	Firm	Area of expertise	Position assigned	Task(s) assigned

---

**Form TECH 6: Curriculum Vitae (CV) for Proposed Professionals Staff**

---

1. **Proposed position** *[only one candidate shall be nominated for each position]:* \_\_\_\_\_
2. **Name of firm** *[Insert name of firm proposing the staff]:* \_\_\_\_\_  
\_\_\_\_\_
3. **Name of staff** *[Insert full name]:* \_\_\_\_\_
4. **Date of birth:** \_\_\_\_\_ **Nationality:** \_\_\_\_\_
5. **Education** *[Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment]:* \_\_\_\_\_  
\_\_\_\_\_
6. **Membership of professional associations:** \_\_\_\_\_  
\_\_\_\_\_
7. **Other training** *[Indicate significant training since degrees under 5 - education were obtained]:*  
\_\_\_\_\_  
\_\_\_\_\_
8. **Countries of work experience:** *[List countries where staff has worked in the last ten years]:*  
\_\_\_\_\_  
\_\_\_\_\_
9. **Languages** *[For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]:* \_\_\_\_\_  
\_\_\_\_\_
10. **Employment record** *[Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]:*

From *[Year]*: \_\_\_ To *[Year]*: \_\_\_\_\_

Employer: \_\_\_\_\_

Positions held: \_\_\_\_\_

<p><b>11. Detailed tasks assigned</b></p> <p><i>[List all tasks to be performed under this assignment]</i></p>	<p><b>12. Work undertaken that best illustrates capability to handle the tasks assigned</b></p> <p><i>[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]</i></p> <p>Name of assignment or project: _____</p> <p>Year: _____</p> <p>Location: _____</p> <p>Client: _____</p> <p>Main project features: _____</p> <p>Positions held: _____</p> <p>Activities performed: _____</p>
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**13. Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

\_\_\_\_\_ Date: \_\_\_\_\_  
*[Signature of staff member or authorized representative of the staff]*      day/month/year

Full name of authorized representative: \_\_\_\_\_

## Form TECH 7: Staffing Schedule<sup>5</sup>



N°	Name of staff	Staff input (in the form of a bar chart) <sup>6</sup>													Total staff-month input		
		1	2	3	4	5	6	7	8	9	10	11	12	n	Home	Field <sup>7</sup>	Total
<b>Foreign</b>																	
1		[Home]															
		[Field]															
2																	
3																	
n																	

<sup>5</sup> For professional staff the input should be indicated individually; for support staff it should be indicated by category (e.g.: draftsmen, clerical staff, etc.).

<sup>6</sup> Days are counted from the start of the assignment. For each staff indicate separately staff input for home and field work.

<sup>7</sup> Field work means work carried out at a place other than the consultant's home office.

											<b>Subtotal</b>						
<b>Local</b>																	
1		[Home]															
		[Field]															
2																	
n																	
											<b>Subtotal</b>						
											<b>Total</b>						

 Full time input  
 Part time input

### Form TECH 8: Work Schedule

N°	Activity	Months <sup>8</sup>												
		1	2	3	4	5	6	7	8	9	10	11	12	n
1														
2														
3														
4														
n														

<sup>8</sup> Duration of activities shall be indicated in the form of a bar chart.



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## Section IV. Financial Proposal - Standard Forms

### Section 4. Financial Proposal – Standard Forms

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#### Form FIN-1: Financial Proposal Submission Form

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[Location, Date]

To,

State Project Director  
Fostering Climate Resilient Upland Farming System  
in the Northeast (FOCUS), Nagaland  
APC Office, Ground Floor  
Nagaland Civil Secretariat  
City: Kohima  
Country: India

Dear Sir/Madam:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures<sup>1</sup>]. This amount is exclusive of the local taxes, which shall be identified during negotiations and shall be added to the above amount.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Paragraph Reference 1.14 of the Data Sheet.

---

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

- 
- 1 Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2.
  - 2 If applicable, replace this paragraph with: “No commissions or gratuities have been or are to paid by us to agents relating to this Proposal and Contract execution.”

**Form FIN-2: Summary of Costs**

Item	Costs			
				<i>[Indicate Local Currency]</i>
Total Costs of Financial Proposal <sup>1</sup>				

1 Indicate the total costs, net of local taxes, to be paid by the Client in each currency. Such total costs must coincide with the sum of the relevant Subtotals indicated in all Forms FIN-3 provided with the Proposal.

FIN-1 Financial Proposal Submission Form

FIN-2 Financial Proposal

## Form FIN-1 Financial Proposal Submission Form

*[Location, date]*

To:

State Project Director  
Fostering Climate Resilient Upland Farming System  
in the Northeast (FOCUS), Nagaland  
APC Office, Ground Floor  
Nagaland Civil Secretariat  
City: Kohima  
Country: India

Dear Sirs:

We, the undersigned, offer to provide the consulting services for the " The Society for Climate Resilient for Agriculture in Nagaland (SoCRAN) ” in accordance with your request for proposal dated *[insert date of issuance of RFP]* and our technical proposal. Our attached financial proposal is for the sum of [ ] (Rupees only). This amount is exclusive of the local taxes, which shall be identified during negotiations and shall be added to the above amount.

Our financial proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the proposal, i.e. before the date indicated in paragraph 9 of the letter of invitation.

No commissions and gratuities to be paid by us to agents relating to this proposal and contract execution, if we are awarded the contract, are listed below<sup>9</sup>:

We understand you are not bound to accept any proposal that you may receive.

Yours sincerely,

Authorized signature *[In full and initials]*: \_\_\_\_\_

Name and title of signatory: \_\_\_\_\_

Name of firm: \_\_\_\_\_

Address: \_\_\_\_\_

<sup>9</sup> If applicable, replace this paragraph with: “no commissions or gratuities have been or are to be paid by us to agents relating to this proposal and contract execution.”

## Form FIN-2 Financial Proposal

Note \*: Please add columns as needed

Categories	Unit	Quantity per activity*			Total quant. per category	Unit rate	Total amount in INR per category	Total amount per activity*		
		1	2	n				1	2	n
		(a)	(b)	(x)	(d) = (a) + (b) + ... (x)	(e)	(f) = (d) * (e)	(g) = (a) * (e)	(h) = (b) * (e)	(z) = (x) * (e)
<b>(1) Remuneration in INR</b>										
Audit Manager	day									
Audit Leader	day									
Sr. Audit Assistant	day									
Junior Audit Assistant	day									
<b>Subtotal remuneration</b>										
<b>(2) Reimbursable</b>										
Subsistence allowance	Day									
Local transportation costs	Trip									
<b>(3) Miscellaneous expenses</b>										
<b>Subtotal 3: miscellaneous expenses</b>										
<b>Proposal amount</b>										

## **Section V. Terms of Reference**

## Terms of Reference (TOR)

***Internal Audit including handholding to PMU and DMU of Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland for the financial period 2021-22.***

### 1. Client

The client for this assignment is “The Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)”.

### 2. Background on project

The International Fund for Agricultural Development (IFAD) is aiding the borrower, the Republic of India for the purpose of financing the FOCUS (Nagaland) in the form of loan(s) and grant(s). A financing agreement has been signed between IFAD and the borrower dated 25<sup>th</sup> January 2018.

The overall objective of the project is, “To increase agricultural income of 137,000 households and to enhance their resilience to climate change”. This would be achieved through the development objective of increasing the environmental sustainability and profitability of farming systems practiced by highland farmers.

FOCUS-Nagaland covers 647 villages in 58 blocks of 8 districts in the state. The districts covered under the project are Kohima, Phek, Zunheboto, Wokha, Mokokchung, Kiphire, Longleng and Mon. The project is expected to be completed by 2024.

The FOCUS has three components, namely,

- (i) Improved *jhum* management;
- (ii) Value Chain and Market Access; and
- (iii) Project Management and Knowledge services.

The Project components emphasis to increase the agricultural income of those targeted households in the project districts and to enhance their resilience to climate change.

### 3. Background of the assignment and Objective

**Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland** to appoint an independent internal auditor to audit the accounts related to the project, in accordance with the IFAD Handbook on Financial Reporting and Auditing. The reporting entity as on each quarter ending. The auditor conducts its audit in terms of national auditing standards and in accordance with the IFAD Handbook on Financial Reporting and Auditing.

### 4. Overall objectives

The overall objective of the project is, “To increase agricultural income of 137,000 households and to enhance their resilience to climate change”. This would be achieved through the development objective of increasing the environmental sustainability and profitability of farming systems practiced by highland farmers.

## 5. Objectives of the assignment

The key objectives of **internal audit** are to (a) obtain an independent professional opinion on the continuing implementation and effectiveness of the internal control, risk and governance procedures and the financial management & procurement systems prescribed under the Project and adequacy thereof; and (b) internal audit of Project accounts. Based on this the auditor will give suggestions for improvement. The report of the internal auditors will form the basis for Management action.

The overall objective of Internal Audit is to provide the project management with independent assurance (i) that the internal controls established by management are designed appropriately and (ii) whether the overall financial management and arrangements including the system of internal controls as documented in the IFAD Handbook on Financial Reporting and Auditing, Project Implementation Manual (PIM) are in practice working effectively. In addition, it is expected that internal audit should play a role in assisting management in bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes,

## 7. Scope of work

The Internal Auditor shall be a member of the Institute of Chartered Accountants of India. He/She shall be responsible for ensuring the following:

- 1) that the project accounts have been prepared in accordance with the consistently applied national accounting standards.
- 2) that all books of accounts are updated, bank accounts reconciled and books of accounts are printed on a monthly basis.
- 3) that all necessary supporting documents, records have been separately filed in respect of all project activities and that clear nexus exist between supporting documents, accounting books and records and the periodic financial reports of the DMUs and the PMU.
- 4) review the internal control systems, its effectiveness in project implementation and suggest improvements if required.
- 5) review of the monthly/ quarterly expenditure statement submitted by the districts indicating the approved budget provision and expenditure during the month, cumulative expenditure against the activity / sub activity during the period and ensure that it is in accordance with the books of accounts.
- 6) review that the breakup of expenditure between IFAD and counterpart funding is in accordance with the IFAD financing agreement.
- 7) that all funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided. Relevant legal agreement includes the financing agreement and the agreement with other agencies.
- 8) that the records of all procurement, agreement, work / purchase orders, invoices, receipts, stock registers etc. are the properly maintained, duly linked and retained. The auditor should also review contract management and whether terms for payment to contractors are being adhered to.
- 9) review statutory compliances as may be applicable such as proper deduction and filing of TDS, Income tax, PF returns and other applicable



- 10) review the efficiency and timeliness of the funds flow mechanism at the PMU and DMUs and whether there are delays and which could impact the timely implementation of project. The auditor should also identify and report the reasons for such delays and possible remedial measures.
- 11) that the SOEs are submitted in timely manner, whether releases of funds are conditional to receipt of SOEs and reports exceptions if any.
- 12) that all project funds received under the project have been used with due attention to economy, efficiency and effectiveness and only for the purposes for which the financing was provided.
- 13) that adequate records are maintained regarding the assets created and assets acquired by the project, including description, details of cost, identification and location of assets. Carry out physical verification of a sample of assets created out of the project and comment on its utilization and whether they are adequately safeguarded. Verify that the inventory and fixed assets held by the entity exist, are complete, are properly accounted and are used for the project purposes;
- 14) that the accounting for the advances to JRMCS/FIGs and project implementing staff/units are properly recorded in the accounting books; whether systems are in place for monitoring the receipt of periodic financial reports and follow up on overdue reports are adequate. Exceptions should be identified and reported.
- 15) that the accounting records of the JRMCS/FIGs are properly kept with supporting documents and authorization of the approving committee; goods procured by the JRMCS/FIGs have followed a transparent procurement process and the basic tenets of economy, efficiency and social equity have been followed.
- 16) that the compliance report on audit and supervision mission observations pointed out in the reports relating to earlier audit is made and corrective actions taken on those points are furnished in the audit report of the subsequent phase.
- 17) Review if the national accounting systems are in line with international standards and identify gaps;
- 18) Indicate any weaknesses in financial and internal control systems and propose appropriate mitigation actions to remedy the shortcomings
- 19) Assess value for money (including opportunities to reduce costs through greater economy and efficiency within activities).
- 20) Review and evaluate the adequacy and effectiveness of key controls to manage and mitigate the key risks relating to: (i) Expenditures against approved AWPB; (ii) Payment authorization system; (iii) Petty cash management; (iv) Fixed asset management; (v) Procurement system.
- 21) Conduct interviews with relevant officers to understand systems operations;
- 22) Review the integrity of accountability mechanisms;
- 23) Review the financial and procedural manuals to ensure they are in line with Financing Agreement, IFAD General Conditions and Letter to the Borrower

- 24) Review the payment vouchers, petty cash vouchers, bank reconciliation statements, cash books, bin cards, fixed asset register;
- 25) Conduct physical inspection of assets;
- 26) Review the budget and expenditures documents

The Internal Auditor shall visit each JRMC/FIGs, district office and the PMU every quarter for conducting the audit and submit quarterly reports to the State Project Director (SPD) and also respective DPMs within 45 days of the end of the quarter.

Internal audit would cover the “**State Project Management Unit (PMU)**”, Kohima and the following 8 districts for the financial year 2021-22:

1. District Management Unit, (DMU) Kohima
2. District Management Unit, (DMU) Phek
3. District Management Unit, (DMU) Zunheboto
4. District Management Unit, (DMU) Wokha
5. District Management Unit, (DMU) Mokokchung
6. District Management Unit, (DMU) Longleng
7. District Management Unit, (DMU) Kiphire
8. District Management Unit, (DMU) Mon

## 9. Capacity building and transfer of knowledge

Internal auditor is also expected that auditor will play a role in assisting management in bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes besides handholding support to PMU and DMU.

All necessary supporting documents, records have been separately filed in respect of all project activities and that clear nexus exist between supporting documents, accounting books and records and the periodic financial reports of the DMUs and the PMU.

## 10. Reports and schedule of deliverables

The internal audit assignment has to be carried out quarterly and the report to be submitted within the timeline indicated below:

Quarter	Audit to be completed by	Audit report to be submitted by
April to June	15 <sup>th</sup> August	30 <sup>th</sup> August
July to September	15 <sup>th</sup> November	30 <sup>th</sup> November
October-December	15 <sup>th</sup> February	28 <sup>th</sup> February
January-March	31 <sup>st</sup> May	15 <sup>th</sup> June

The engagement of internal auditor is expected by 15<sup>th</sup> May 2021 and it is expected that the 1<sup>st</sup> quarter audit will be completed by 15<sup>th</sup> August 2021. During the financial year 2021-22 the internal audit will be carried out quarterly basis as per the table above. The timeline for reporting is 45 days from the end of quarter 1, 2 and 3 and 60 days for the 4 Quarter.

### 11. Consultant's qualifications and experience

The key experts (4 nos.) for the assignment and their qualifications and skills, general professional experience and specific professional experience with experience in the region and language are given below:

Sl. No	Key Professionals	Description of Services to be provided	Experience	No. of persons
1	Audit Manager - K1	Overall coordination, & planning, team leadership, reporting, liaison with client	Qualified Chartered Accountant with at least 7 years' experience as a partner with expertise in the area of audit planning, execution and reporting.	1 (One)
2	Audit Team Leader -K2	Responsibility to lead the audit teams in the field, planning and execution of the audits, discussion with heads of offices, consolidation /compilation	Qualified Chartered Accountants with at least 5 years' experience in major audit/internal audit with ability to lead the team.	1 (One)
3	Senior Audit Asst. K-3	Vouching and verification of PMU and DMU books of accounts	CA (Inter) with 3 years of experience in Accounting, audit and report writing.	1 (One)
4	Junior Audit Asst. K-4	Vouching and verification of PMU and DMUs/CBO books of accounts	Graduate/ CA (Inter) with 1 years of experience in Accounting, audit and report writing.	1 (One)

The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub-criteria and relevant percentage weights:

- 1) General qualifications [20%]
- 2) Adequacy for the assignment [70%]

- 3) Experience in region and language [10%]

## **12. Location and period of execution**

Internal audit would cover the “**State Project Management Unit (PMU)**”, Kohima and the following 8 districts for the financial year 2020-21:

1. District Management Unit, (DMU) Kohima
2. District Management Unit, (DMU) Phek
3. District Management Unit, (DMU) Zunheboto
4. District Management Unit, (DMU) Wokha
5. District Management Unit, (DMU) Mokokchung
6. District Management Unit, (DMU) Longleng
7. District Management Unit, (DMU) Kiphire
8. District Management Unit, (DMU) Mon

## **13. Project coordination**

Finance and Accounts Specialist will act and execute on behalf of the State Project Director. He will be responsible for managing the supervision of the consultant and the administration of the contract.

## **14. Services and facilities to be provided by client**

- Provide the auditor with access to all legal documents and correspondence with consultants, contractors and other persons or firms engaged by the project, and any other information associated with the project and deemed necessary by the auditor.
- Ensure that the accounting policies are consistently applied and disclosed.
- Ensure that appropriate internal controls are implemented to prevent misstatements and susceptibility to fraud.
- Ensure compliance with all relevant laws and regulations that pertain to the entity, as well as with the financing agreement between the borrower/[recipient] and IFAD.

## **15. Services and facilities to be provided by the consultant**

- Equipment and materials made available to the Consultant by the Client, or purchased by the Consultant wholly or partly with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultant shall make available to the Client an inventory of such equipment, vehicles and materials and shall dispose of such equipment, vehicles and materials in accordance with the Client’s instructions. While in

possession of such equipment, vehicles and materials, the Consultant, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

- Any equipment or materials brought by the Consultant or its Experts into the Client's country for the use either for the project or personal use shall remain the property of the Consultant or the Experts concerned, as applicable.
- that all funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided. Relevant legal agreement includes the financing agreement and the agreement with other agencies.

## **16. Reporting**

Review of the final draft Report – The draft audit observations will be discussed with the respective PMUs and DMU, their written responses considered by the auditors before finalization of the audit observations and issuance of the final audit report. The Internal Auditor will provide a report to the Project Steering Committee highlighting findings within 45 days of completing the audit to enable the management to take timely corrective action. Copies of the Internal Audit Report together with actions taken by Committee to address the audit observations will also be submitted to the Project Management. The Project Steering Committee will also ensure that the auditors have covered the scope of work and delivered all the reports and documents specified in the Terms of Reference

## **17 . Deduction of Audit Fees:**

If the selected audit firm has not employed audit personnel as per the qualifications prescribed in this ToR or has not done the audit in accordance with the periodicity prescribed in this ToR or has delayed the audit reports, the Project reserves the right to deduct proportionate quantum of amount from the audit fees.

\*\*\*\*\*

## **Annexure - 1 Main Audit Report**

### **Part A: Serious Observations**

*In this part, give details of serious audit observations such as ineligible expenses, major lapses in internal controls, systemic weaknesses, procurement procedures not followed etc.*

### **Part B: Other Observations**

*Observations that are not serious in nature, but nonetheless require the attention of the Project should be detailed in this part.*

*The Observation should also mention the best practices and how the error can be minimized at every level.*

### **Part C: Executive Summary to the project and Suggestions/Recommendations**

*Provide an Executive Summary of the observations in Part A and B along with suggestions/recommendations. Only those observations that are dealt with in either Part A or Part B should be included in this section Provide specific recommendations on internal control and systemic weaknesses.*

### **Part D: Matters Requiring Immediate Attention**

#### **1. Matter requiring Immediate Attention**

Auditor should point out the serious issue like cash defalcation, payment made without any approval and beyond the limit of devolution of powers, blank cheque signed, and any other matter which auditor deemed serious in nature.

#### **2. Persisting Irregularities**

Under this Para, Auditor should report the persisting irregularities which have been raised earlier but not complied.

#### **3. Books of Account**

Under this, Auditor should verify all the books of account maintained by the unit, identify the discrepancies in the books of accounts and also suggest their improvement.

#### **4. Internal Control System**

Under this Para, auditor should report on discrepancies of current internal control system and suggest remedial measures.

#### **5. Compliance with Finance Agreement, Project agreement, PIM, and FM Manual / delegation of power**

Under this Para, auditor should comment on deviation from Finance Agreement, Project agreement, PIM, and FM Manual.

#### **6. Procurement Procedures**

Under this paragraph auditor should report on procurement process which deviate from procurement guidelines.

#### **7. Computerized financial Management system (Tally)**

- Data entries in tally are up to date or not
- Payroll accounting in tally or not

- Verification of group, sub – group, head, sub head and ledger in tally and make suggestions on proper classification of accounts, if any.
- Cost Centre
- Chart of accounts and upload of approved annual budget in tally
- Verify the computerized balance with Manual Books of accounts (cash Books, Cheque register etc.)

#### **8. Advance to staff and others and its periodicity**

- Age of advance
- Settlement of advance within stipulated period with proper voucher
- Pending bill for settlement of advance
- Action on bills submitted for settlement against advance after one month.
- Statutory deduction/ payments like TDS/GST, Professional Tax etc and its compliance
- Deduction and date of deposit with any irregularities
- Employee benefit as per PIM
- Verify and certify the IUFRR from available books of records

#### **9. Check the accuracy of Quarterly IUFRR from tally data / BRS etc.**

10. **Tracking of financial variance** – Variance showing physical and financial achievement in the light of approved action plan and budget.

#### **11. Any other matter:**

Any other matter which auditor deemed fit for notice to the management.

#### **12. Suggestion with specific case for improvement**

#### **13. TA & DA**

- a) TA & DA submission by the Staff within stipulated time
- b) Settlement of TA & DA within stipulated time with proper voucher
- c) Settlement of TA & DA Advance.

#### **14. Fund Transfer to DMU/CBO**

- a) Observation on the Time taken by the PMU in transfer of funds.
- b) Whether a system has been developed for the fund transfer.
- c) Whether the DMUs/CBOs are clear about the Fund Mechanism

**SUGGESTIVE QUESTIONNAIRE FOR PMU/DMU/CBO  
(GIVE SHORT DETAILS OF DIVERGENCE):**

1. Whether Office has maintained proper records showing full particulars including quantitative details and situation of fixed assets?
2. Whether fixed assets have been physically verified during the year?
3. Whether the cash book is properly maintained and whether it conforms to computerized system of accounting?
4. Cash balance as on the date of audit
5. Whether expenditure has been made as per the delegation of financial power in PIM? Details of any divergence should be mentioned.
6. Whether bank book is properly prepared and whether the balance as per the pass book conforms to the balance as per the bank book?
7. Whether proper training programs are being conducted?
8. Whether the training expenditure is as per the Budget and whether the training report is submitted with each residential training or not?
9. Whether the books of accounts reconciled between PMU, DMU and CBOs ? If not, then reason and amount of such difference.
10. Whether any advance is given to the staff? If yes, whether advance register is maintained and updated till the date of audit and whether it is properly sanctioned and settled within specified days?
11. Whether there is proper internal control system followed?
12. Whether the office is paying TDS, VAT/GST, Professional Tax etc regularly and on time?
13. Whether any fraud on or by any office or person has been noticed or reported during the year? If yes, the nature and amount involved.
14. Whether log book of Vehicle hiring has been properly maintained or not?
15. Whether stock register is maintained? If yes, last entry of goods number/voucher page number of stock register and particulars of goods.
16. Whether 100% vouching is done? If yes, then give the total number of vouchers, component wise total expenditure during the reporting period and its variance from budget.
17. Whether all expenditure is made as per the budget? If not, amount of variance.

\*\*\*\*\*



## **Section VI. Standard Forms of Contract**

## Draft Contract for Consulting Services Small Assignments

### Contract

This contract (“contract”) is entered into this *[insert starting date of assignment]*, by and between the *[borrower/recipient or the implementing agency]* (“the client”) having its principal place of business at *[insert client’s address]*, and *[insert consultant’s name]* (“the consultant”) having its principal office located at *[insert consultant’s address]*.

Whereas, the client wishes to have the consultant perform the services hereinafter referred to, and whereas, the consultant is willing to perform these services now therefore the parties hereby agree as follows:

1. **Services**
  - (i) The consultant shall perform the services specified in Annex A, “terms of reference and scope of services”, which is made an integral part of this contract (“the services”).
  - (ii) The consultant shall provide the personnel listed in Annex B, “consultant’s personnel”, to perform the services.
  - (iii) The consultant shall submit to the client the reports in the form and within the time periods specified in Annex C, “consultant’s reporting obligations”.
2. **Term**

The consultant shall perform the services during the period commencing *[please insert start date of the assignment]* and continuing through *[please insert completion date of the assignment]*, or any other period as may be subsequently agreed by the parties in writing. The contract can be terminated (i) should the consultant be performing unsatisfactorily or (ii) to the discretion of the client as defined in clause 15.
3. **Payment**
  - A. Ceiling

For services rendered pursuant to Annex A, the client shall pay the consultant an amount not to exceed *[insert amount]* based on the financial offer attached in Annex D. This amount has been established based on the understanding that it includes all of the consultant’s costs and profits as well as any tax obligation that may be imposed on the consultant.
  - B. Schedule of payments

The schedule of payments is specified below:  
*[please indicate here the payment schedule]*  
*[add if applicable: Advance payment of [insert percentage up to 10%] of the contract price against an unconditional and irrevocable bank guarantee will be made.]*
  - C. Payment conditions

Payment shall be made in *[please indicate currency of payment]* no later than 30 days following submission by the consultant of invoices in duplicate to the coordinator designated in paragraph 4 and acceptance of the deliverables by the client.

**4. Project Administration**

A. Coordinator.

The client designates Mr./Ms. *[please insert name and job title]* as client's coordinator; the coordinator will be responsible for the coordination of activities under this contract, for acceptance and approval of the reports and of other deliverables by the client and for receiving and approving invoices for the payment.

B. Reports.

The reports listed in Annex C, “consultant's reporting obligations”, shall be submitted in the course of the assignment, and will constitute the basis for the payments to be made under paragraph 3.

**5. Performance Standards**

The consultant undertakes to perform the services with the highest standards of professional and ethical competence and integrity. The consultant shall promptly replace any employees assigned under this contract that the client considers unsatisfactory.

**6. Prohibition of Fraud and Corruption**

A. The consultant shall abide by and perform the contract in compliance with the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (hereinafter, “IFAD’s Anticorruption Policy”)<sup>10</sup>. Failure to comply with this policy may lead to termination of contract as set out in clause 15.

B. In accordance with IFAD’s Anticorruption Policy, the Fund has the right to sanction firms and individuals, including by declaring them ineligible, permanently or for a stated period of time, to participate in any IFAD-funded or IFAD-managed activity or operation (debarment). The Fund also has the right to recognize debarments by other International Financial Institutions in accordance with IFAD’s Anticorruption Policy.

C. The consultant will take appropriate measures to inform potential sub-contractors, sub-consultants, consultants, agents and any of its agents or personnel of their obligations under IFAD’s Anticorruption Policy and require their compliance with this policy in connection with their involvement in competing for, or executing, this contract.

D. The consultant is required to complete and sign the attached self-certification form. In particular, the consultant is obliged to disclose relevant prior sanctions and criminal convictions and any commissions

<sup>10</sup> The policy is accessible at: [www.ifad.org/anticorruption\\_policy](http://www.ifad.org/anticorruption_policy).

or fees paid or are to be paid to any agents or other party in connection with this procurement process or the execution of the contract.

- E. The consultant is required to fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to this contract or the relevant procurement process and to have such accounts, premises, records and documents audited and/or inspected by auditors or investigators appointed by the Fund or by the client.
- F. The consultant shall keep all records and documents, including electronic records, relating to this contract, its execution and/or the corresponding bidding process available for a minimum of three (3) years after completion of the execution of the contract.

**7. Prohibition of Sexual Harassment, Sexual Exploitation and Abuse**

The consultant expressly agrees to abide by and to perform the contract in compliance with IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse<sup>11</sup>, which is an integral part of these conditions of contract for purchase orders. The consultant shall take all appropriate measures to prevent and prohibit sexual harassment and sexual exploitation and abuse on the part of its personnel and subcontractors or anyone else directly or indirectly employed by the consultant or any of its subcontractors in the performance of the contract. The consultant shall immediately report to the client or IFAD any incidents of sexual harassment and sexual exploitation and abuse arising out of or in connection with the performance of the contract or prior to its execution, including convictions, disciplinary measures, sanctions or investigations. The client may take appropriate measures, including the termination of the contract, on the basis of proven acts of sexual harassment, sexual exploitation and abuse arising out of or in connection with the performance of the contract.

**8. Confidentiality**

The consultant shall not, during the term of this contract and within two years after its expiration, disclose any proprietary or confidential information relating to the services, this contract or the client's business or operations without the prior written consent of the client.

**9. Ownership of Material**

Any studies, reports or other material, graphic, software or otherwise, prepared by the consultant for the client under the contract shall belong to and remain the property of the client. The consultant may retain a copy of such documents and software<sup>12</sup>.

**10. Consultant Not to be Engaged in Certain Activities**

The consultant agrees that, during the term of this contract and after its termination, the consultants and any entity affiliated with the consultant, shall be disqualified from providing goods, works or services (other than consulting services that would not give rise to a conflict of interest) resulting

<sup>11</sup> The policy is accessible at <https://www.ifad.org/en/document-detail/asset/40738506>.

<sup>12</sup> Restrictions about the future use of these documents and software, if any, shall be specified at the end of paragraph 9.

- from or closely related to the consulting services for the preparation or implementation of the project.
- 11. Insurance** The consultant will be responsible for taking out any appropriate insurance coverage.
- 12. Assignment** The consultant shall not assign this contract or sub-contract any portion of it without the client's prior written consent.
- 13. Law Governing Contract and Language** The contract shall be governed by the laws of *[insert government]*, and the language of the contract shall be *[insert language]*.
- 14. Dispute Resolution<sup>13</sup>** Any dispute arising out of the contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the client's country.
- [or, in case the Client doesn't want to go to arbitration, the following can be mentioned subject to the agreement of the two parties]* “any dispute arising out of the contract, which cannot be amicably settled between the parties, shall be referred to the court of competent jurisdiction in the client’s country.”
- 15. Termination** The client may terminate this contract with at least ten (10) business days prior written notice to the consultant after the occurrence of any of the events specified in paragraphs a) through e) of this clause:
- a) If the consultant does not remedy a failure in the performance of its obligations under the contract within seven (7) business days after being notified, or within any further period as the client may have subsequently approved in writing;
  - b) If the consultant becomes insolvent or bankrupt;
  - c) if the consultant or any of its personnel or agents, or its sub-contractors, sub-consultants, suppliers, or any of their agents or personnel, is found to have engaged in prohibited practices as defined in the IFAD Revised Policy on Preventing Fraud and Corruption in Its Operations and Activities<sup>14</sup> in any IFAD-funded or IFAD-managed activity or operation, including in competing for, or performing its obligations under, the contract;
  - d) if the supplier is found to have engaged in acts of Sexual Harassment, Sexual Exploitation and Abuse arising out of or in connection with the performance of the contract;

<sup>13</sup> In case of a contract entered into with a foreign consultant, the following provision may be substituted for paragraph 14: “Any dispute, controversy or claim arising out of or relating to this contract or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force.”

<sup>14</sup> The policy is accessible at [www.ifad.org/anticorruption\\_policy](http://www.ifad.org/anticorruption_policy).

e) if the client, in its sole discretion and for any reason whatsoever, decides to terminate this contract.

For the client

For the consultant

Signed by \_\_\_\_\_

Signed by \_\_\_\_\_

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

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

## **List of Annexes**

Annex A: Terms of reference and scope of services

Annex B: Consultant's personnel

Annex C: Consultant's reporting obligations

Annex D: Financial offer of the consultant

Annex E: Consultant's self-certification form

## **Annex A: Terms of Reference and Scope of Services**

*[Please insert terms of reference. A template is available at [www.ifad.org/project-procurement](http://www.ifad.org/project-procurement).]*



## **Annex B: Consultant's Personnel**

*[List consultant's personnel]*

## **Annex C: Consultant's Reporting Obligations**

*[list format, frequency, and contents of reports; persons to receive them; dates of submission; etc.]*

## **Annex D: Financial Offer of the Consultant**

*[insert financial offer]*

## Annex E: Consultant's Self-Certification Form

This self-certification form is to be completed by the consultant. The consultant shall submit the completed form together with the signed contract agreement to *[insert name of procuring entity]*. Instructions for completing this form are provided below.

Full legal name of consultant:	
Full legal name of consultant's legal representative and position:	
Full name and number of contract:	
Project with which contract was signed:	
Country:	
Date:	

I hereby certify that I am the authorized representative of *[name of the consultant]*, as well as that the information provided herein is true and accurate in all material respects and understand that any material misstatement, misrepresentation or failure to provide the information requested in this self-certification may result in sanctions and remedies, including the suspension or termination of the contract between the consultant and the procuring entity, as well as the permanent ineligibility to participate in IFAD-financed and/or IFAD-managed activities and operations, in accordance with the IFAD Project Procurement Guidelines, the IFAD Procurement Handbook and other applicable IFAD policies and procedures, including **IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations** (accessible at [www.ifad.org/anticorruption\\_policy](http://www.ifad.org/anticorruption_policy)) and its **Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse** (accessible at <https://www.ifad.org/en/document-detail/asset/40738506>).

**Authorized signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed name of signatory:** \_\_\_\_\_

The consultant certifies that itself, including its director(s), partner(s), proprietor(s), key personnel, agents, sub-consultants, sub-contractors, consortium and joint venture partners have **NOT** engaged in fraudulent, corrupt, collusive, coercive or obstructive practices, in connection with the present procurement process and this contract.

The consultant declares that the following criminal convictions, administrative sanctions (including debarments under the Agreement for Mutual Enforcement of Debarment Decisions or the "Cross-Debarment Agreement")<sup>15</sup> and/or temporary suspensions have been imposed on the consultant and/or any of its directors, partners, proprietors, key personnel, agents, sub-consultants, sub-contractors, consortium and joint venture partners:

Nature of the measure (i.e., criminal conviction, administrative sanction or temporary suspension)	Imposed by	Name of party convicted, sanctioned or suspended (and relationship to consultant)	Grounds for the measure (i.e., fraud in procurement or corruption in contract execution)	Date and time (duration) of measure

If no criminal convictions, administrative sanctions or temporary suspensions have been imposed, indicate "none".

The consultant certifies that its director(s), proprietor(s), and personnel, and the personnel of its agents, sub-consultants, sub-contractors, consortium and joint venture partners are **NOT** subject to a criminal conviction, administrative sanctions or investigations for incidents of sexual harassment and sexual exploitation and abuse.

The consultant certifies that itself, its proprietor(s), agents, sub-consultants, sub-contractors, consortium and joint venture partners have **NO** actual, potential or reasonably perceived conflicts of interest and specifically that they:

- Do not have any actual or potential, and do not reasonably appear to have, at least one controlling partner in common with one or more other parties in the bidding process or the execution of the contract;
- Do not have any actual or potential, and do not reasonably appear to have the same legal representative as another consultant for purposes of this proposal or execution of the contract;
- Do not have any actual or potential, and do not reasonably appear to have a relationship, directly or through common third parties, that puts them in a position to have access to undue or undisclosed information about or influence over the proposal process and the execution of the contract, or influence the decisions of the procuring entity regarding the selection process for this procurement or during the execution of the contract;
- Do not participate and do not potentially or reasonably appear to participate in more than one proposal in this process; and

- Do not have any actual or potential, and do not reasonably appear to have, a business or family relationship with, a member of the procuring entity's board of directors or its personnel, the Fund or its personnel, or any other individual that was, has been or might reasonably be directly or indirectly involved in any part of (i) the preparation of the bidding document, (ii) the selection process for this procurement, or (iii) execution of the contract, unless the actual, potential or reasonably conflict stemming from this relationship has been explicitly authorized by the Fund in writing.

**[To be completed only if the previous boxes were not checked]**

The consultant declares the following actual, potential or reasonably perceived conflicts of interest, that may affect, or might reasonably be perceived by others to affect, impartiality in any matter relevant to the procurement process, including the selection process and the execution of the contract, with the understanding and acceptance that any action upon this disclosure shall be entirely under the Fund's discretion:

[provide detailed description of any actual, potential or reasonably perceived conflicts of interest including their nature and the personnel, proprietor(s), agents, sub-consultants, sub-contractors, consortium or joint venture partners affected.]

- The consultant certifies that **NO** gratuities, fees, commissions, gifts or anything else of value, other than those shown in the bid, have been paid or exchanged or are to be paid or exchanged with respect to the present procurement process and this contract.

**OR**

**[To be completed only if the previous box was not checked]**

The consultant declares that the following gratuities, fees, commissions, gifts or anything else of value have been exchanged, paid or are to be exchanged or paid with respect to the present procurement process and this contract:

- [Name of Recipient/Address/Date/Reason/Amount]
- [Name of Recipient/Address/Date/Reason/Amount]

- The consultant acknowledges and accepts to notify the procuring entity in the event of any material change in connection with this self-certification form throughout the duration of the contract.

<sup>15</sup> The Cross-Debarment Agreement was entered into by the World Bank Group, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank and the European Bank for Reconstruction and Development, additional information may be located at: <http://crossdebarment.org/>.

### **Instructions for completing the self-certification form**

The World Bank listing of ineligible firms and individuals is a searchable database that returns a positive or negative search results page upon submission of a name to be searched, in order to document the eligibility.

**The consultant should print out, date, and attach the results page(s) to the self-certification form, which should read, “no matching records found”.**

If (a) record(s) has/have been found – i.e. the results page(s) shows one or more individuals or entities, including the consultant itself are ineligible for contracts of the World Bank on the grounds of “cross-debarment”, the consultant should provide a detailed account of these sanctions and their duration as applicable or notify the procuring entity and in case the consultant believes the finding is a “false positive”.

The procuring entity will determine whether to proceed with the contract or allow the consultant to make a substitution. This determination will be made on a case by case basis and will require approval by IFAD regardless of the estimated value of the proposed contract.

All of these documents must be retained by the consultant as part of the overall record of the contract with the procuring entity for the duration of the contract and for a minimum period of three years following the completion of the contract.

**Section VII – Forms**



## 1. Notice of Intent to Award

*[This notice of intent to award (NOITA) shall be sent to each consultant that submitted a proposal and shall be addressed to the authorized representative as stated in the instructions to consultants.]*

*Delete all paragraphs written in red font and/or insert the relevant information.*

*Insert the date the NOITA is transmitted to consultants. The NOITA must be sent to all consultants simultaneously. This means on the same date and as close to the same time as possible.]*

For the attention of the consultant's authorized representative

Name: *[insert authorized representative's name]*

Address: *[insert authorized representative's address]*

Telephone/Fax numbers: *[insert authorized representative's telephone/fax numbers]*

Email Address: *[insert authorized representative's email address]*

**DATE OF TRANSMISSION:** *[insert date]*

**Procuring entity:** The Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)

Procurement title: ***Internal Audit including handholding to PMU and DMU of Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland for the financial period 2021-22.***

**Ref no:** APC-FOCUS/AUDIT (A)/03/2018-19

This notice of intent to award (NOITA) notifies you of our decision to award the above contract to *[insert the successful consultant]* subject to successful negotiations.

Please note that this notice does not constitute any contract between the procuring entity and the consultant and neither establishes any legal rights or obligations for the procuring entity or consultant.

***[Important: provide the results of the evaluation and the prices of each consultant [if applicable] in this NOITA].***

Name of consultant	Points scored	proposal price	Evaluated proposal price <i>(if applicable)</i>
<i>[insert name]</i>	<i>[insert points]</i>	<i>[insert proposal price]</i>	<i>[insert evaluated price]</i>
<i>[insert name]</i>	<i>[insert points]</i>	<i>[insert proposal price]</i>	<i>[insert evaluated price]</i>
<i>[insert name]</i>	<i>[insert points]</i>	<i>[insert proposal price]</i>	<i>[insert evaluated price]</i>
<i>[insert name]</i>	<i>[insert points]</i>	<i>[insert proposal price]</i>	<i>[insert evaluated price]</i>
<i>[insert name]</i>	<i>[insert points]</i>	<i>[insert proposal price]</i>	<i>[insert evaluated price]</i>

If your proposal has not been successful, you may request a debriefing in relation to the results of the evaluation of your proposal. If you decide to request a debriefing, your written request must be made within *[insert number of stated in the request for proposals and see the module M1 on debriefs in the IFAD Procurement Handbook for more information]* business days of receipt of this NOITA.

If your request for a debriefing is received within the deadline above, we will provide the debriefing within *[insert number stated in the request for proposals and see the module M1 on debriefs in the IFAD Procurement Handbook for more information]* business days of receipt of your request.

The debriefing may be in writing, by video conference call or in person. We shall promptly advise you in writing how the debriefing will take place and confirm the date and time.

The period within which you can protest the procurement proceedings lasts *[insert number stated in the request for proposals and see the module M2 on protests in the IFAD Procurement Handbook for more information]* business days after the date of transmission of this NOITA.

Yours sincerely,

Authorised Official

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## 2. Bank Guarantee Form for Advance Payment

To: *[insert name of client] [insert name of contract]*

Gentlemen:

In accordance with the payment provision included in the special conditions of contract, which amends clause 3 of the contract to provide for advance payment, *[insert name and address of consultant]* (hereinafter called “the Consultant”) shall deposit with the client a bank guarantee to guarantee its proper and faithful performance under the said clause of the contract in an amount of *[insert amount of guarantee in figures and words]*.

We, the *[insert bank or financial institution]*, as instructed by the Consultant, agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the client on its first demand without whatsoever right of objection on our part and without its first claim to the Consultant, in the amount not exceeding *[insert amount of guarantee in figures and words]*.

We further agree that no change or addition to or other modification of the terms of the contract to be performed thereunder or of any of the contract documents which may be made between the client and the Consultant, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment received by the Consultant under the contract until *[insert date]*.

Yours truly,

Signature and seal of the guarantors

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*[name of bank or financial institution]*

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*[address]*

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*[date]*

## Section VIII – Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations

### I. Introduction

1. The Fund recognizes that the prevention and mitigation of fraud and corruption in its activities and operations are core components of its development mandate and fiduciary duties. The Fund does not tolerate the diversion or waste of its resources through the practices defined in paragraph 6 below.
2. The objective of this policy is to establish the general principles, responsibilities and procedures to be applied by the Fund in preventing and addressing prohibited practices in its activities and operations.
3. This policy takes effect on the date of its issuance. It supersedes and replaces the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (EB 2005/85/R.5/Rev.1) dated 24 November 2005.

### II. Policy

#### A. General principles

4. The Fund has no tolerance towards prohibited practices in its activities and operations. All individuals and entities listed in paragraph 7 below must take appropriate action to prevent, mitigate and combat prohibited practices when participating in an IFAD-financed and/or IFAD-managed operation or activity.
5. The Fund endeavours to ensure that individuals and entities that help to prevent or report, in good faith, allegations of prohibited practices are protected against retaliation and to protect individuals and entities that are the subject of unfair or malicious allegations.

#### B. Prohibited practices

6. The following practices are considered to be prohibited practices when engaged in connection with an IFAD-financed and/or IFAD-managed operation or activity:
  - (a) A “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value in order to improperly influence the actions of another party;
  - (b) A “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation;
  - (c) A “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party;

- (d) A “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party in order to improperly influence the actions of that or another party;
- (e) An “obstructive practice” is: (i) deliberately destroying, falsifying, altering or concealing evidence that may be material to an investigation by the Fund or making false statements to investigators in order to materially impede an investigation by the Fund; (ii) threatening, harassing or intimidating any party in order to prevent that party from disclosing its knowledge of matters relevant to an investigation by the Fund or from pursuing such an investigation; and/or (iii) the commission of any act intended to materially impede the exercise of the Fund’s contractual rights of audit, inspection and access to information.

### **C. Scope**

- 7. This policy applies to all IFAD-financed and/or IFAD-managed operations and activities and to the following individuals and entities:
  - (a) IFAD staff and other persons working for IFAD as non-staff personnel (“IFAD staff and non-staff personnel”);
  - (b) staff and non-staff personnel”);
  - (c) Individuals and entities holding a commercial contract with the Fund and any of their agents or personnel (“vendors”);
  - (d) Public entities receiving IFAD financing or financing managed by the Fund and any of their agents or personnel (“government recipients”) and private entities receiving IFAD financing or financing managed by the Fund and any of their agents or personnel (“non-government recipients”) (all collectively referred to as “recipients”); and
  - (e) Individuals and entities, other than those referred to above, that receive, apply to receive, are responsible for the deposit or transfer of, or take or influence decisions regarding the use of proceeds from IFAD financing or financing managed by the Fund, including, but not limited to, implementing partners, service providers, contractors, suppliers, subcontractors, sub-suppliers, bidders, consultants and any of their agents or personnel. (All such individuals and entities are collectively referred to as “third parties”.)

### **D. Responsibilities**

#### **(i) Responsibilities of the Fund**

- 8. The Fund endeavours to prevent, mitigate and combat prohibited practices in its operations and activities. This may include adopting and maintaining:
  - (a) Communication channels and a legal framework designed to ensure that this policy is communicated to IFAD staff and non-staff personnel, vendors, recipients and third parties and that it is reflected in procurement documents and contracts relating to IFAD-financed and/or IFAD-managed activities and operations;
  - (b) Fiduciary controls and supervisory processes designed to support adherence to this policy by IFAD staff and non-staff personnel, vendors, recipients and third parties;

- (c) Measures relating to the receipt of confidential complaints, whistle-blower protection, investigations, sanctions and disciplinary measures which are designed to ensure that prohibited practices can be properly reported and addressed; and
- (d) Measures designed to ensure that the Fund can report individuals and entities that have been found to have engaged in prohibited practices to other multilateral organizations which may be exposed to similar actions by the same individuals and entities and to local authorities in cases where local laws may have been violated.

**(ii) Responsibilities of IFAD staff and non-staff personnel, vendors and third parties**

9. When participating in an IFAD-financed and/or IFAD-managed operation or activity, IFAD staff and non-staff personnel, vendors and third parties will:
- (a) Refrain from engaging in prohibited practices;
  - (b) Participate in due diligence checks and disclose, as required, information relating to themselves or any of their key personnel concerning relevant criminal convictions, administrative sanctions and/or temporary suspensions; information concerning agents engaged in connection with a procurement process or contract, including the commissions or fees paid or to be paid; and information concerning any actual or potential conflicts of interest in connection with a procurement process or the execution of a contract;
  - (c) Promptly report to the Fund any allegations or other indications of prohibited practices that come to their attention by virtue of their involvement in an IFAD-financed and/or IFAD-managed operation or activity;
  - (d) Fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and providing full access to any and all accounts, premises, documents and records (including electronic records) relating to the relevant IFAD-financed and/or IFAD-managed operation or activity, and by having such accounts, premises, documents and records audited and/or inspected by auditors and/or investigators appointed by the Fund; and
  - (e) Maintain strict confidentiality regarding any and all information received as a consequence of their participation in an IFAD investigation or sanctioning process.
10. When participating in an IFAD-financed and/or IFAD-managed operation or activity, vendors and third parties will maintain all accounts, documents and records relating to that operation or activity for an adequate period of time, as specified in the relevant procurement documents or contract.

**(iii) Responsibilities of recipients**

11. When participating in an IFAD-financed and/or IFAD-managed operation or activity, recipients will take appropriate action to prevent, mitigate and combat prohibited practices. In particular, they will:
- (a) Adopt appropriate fiduciary and administrative practices and institutional arrangements in order to ensure that the proceeds of any IFAD financing or financing managed by the Fund are used only for the purposes for which they were provided;

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- (b) During selection processes and/or prior to entering into a contractual relationship with a third party, conduct appropriate due diligence checks of the selected bidder or potential contractor, including by verifying whether the selected bidder or potential contractor is publicly debarred by any of the IFIs that are signatories to the Agreement for Mutual Enforcement of Debarment Decisions<sup>16</sup> and, if so, whether the debarment meets the requirements for mutual recognition under the Agreement for Mutual Enforcement of Debarment Decisions;
- (c) Take appropriate action to inform third parties and beneficiaries (defined as “persons whom the Fund intends to serve through its grants and loans”) of the present policy as well as the Fund’s confidential and secure e-mail address for the receipt of complaints concerning prohibited practices;
- (d) Include provisions in procurement documents and contracts with third parties which:
- (i) Require third parties to disclose, in the course of a procurement process and any time thereafter, information relating to themselves or any of their key personnel concerning relevant criminal convictions, administrative sanctions and/or temporary suspensions; information concerning agents engaged in connection with a procurement process or the execution of a contract, including the commissions or fees paid or to be paid; and information concerning any actual or potential conflicts of interest in connection with a procurement process or the execution of a contract;
  - (ii) Require third parties to promptly report to the Fund any allegations or other indications of prohibited practices that come to their attention by virtue of their involvement in an IFAD-financed and/or IFAD-managed operation or activity;
  - (iii) Inform third parties of the Fund’s jurisdiction to investigate allegations and other indications of prohibited practices and to impose sanctions on third parties for such practices in connection with an IFAD-financed and/or IFAD-managed operation or activity;
  - (iv) Require third parties to fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to the relevant IFAD- financed and/or IFAD-managed operation or activity and to have such accounts, premises, records and documents audited and/or inspected
  - (v) by auditors and/or investigators appointed by the Fund;
  - (vi) Require third parties to maintain all accounts, documents and records relating to an IFAD-financed and/or IFAD-managed operation or activity for an adequate period of time as agreed with the Fund;
  - (vii) Inform third parties of the Fund’s policy of unilaterally recognizing debarments imposed by other IFIs if such debarments meet the requirements for mutual

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<sup>16</sup> The Agreement for Mutual Enforcement of Debarment Decisions, dated 9 April 2010, was signed by five of the leading IFIs, namely, the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank and the World Bank Group. Section VIII Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations



recognition under the Agreement for Mutual Enforcement of Debarment Decisions;  
and

- (viii) Provide for early contract termination or suspension by the recipient if such termination or suspension is required as a consequence of a temporary suspension or sanction imposed or recognized by the Fund;
  - (e) Promptly inform the Fund of any allegations or other indications of Prohibited Practices that come to their attention;
  - (f) Fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to the relevant IFAD-financed and/or IFAD-managed operation or activity and to have such accounts, premises, documents and records audited and/or inspected by auditors and/or investigators appointed by the Fund;
  - (g) Maintain all accounts, documents and records relating to an IFAD-financed and/or IFAD-managed operation or activity for an adequate period of time, as specified in the relevant financing agreement; and
  - (h) Maintain strict confidentiality regarding any and all information received as a consequence of their participation in an IFAD investigation or sanctioning process.
12. Where the Fund finds that prohibited practices have occurred, recipients will: (a) Take appropriate corrective measures in coordination with the Fund; and (b) Give full effect to any temporary suspension or sanction imposed or recognized by the Fund, including by not selecting a bidder, not entering into a contract or suspending or terminating a contractual relationship.
13. Prior to the implementation of an IFAD-financed and/or IFAD-managed operation or activity, government recipients will inform the Fund of the arrangements that they have made for receiving and taking action in response to allegations of fraud and corruption relating to the IFAD-financed and/or IFAD-managed operation or activity, including by designating an independent and competent local authority to be responsible for receiving, reviewing and investigating such allegations.
14. When participating in an IFAD-financed and/or IFAD-managed operation or activity, government recipients will, in consultation with the Fund, take timely and appropriate action to launch a local investigation into allegations and/or other indications of fraud and corruption relating to the IFAD-financed and/or IFAD-managed operation or activity; inform the Fund of the actions taken in any such investigation at such intervals as may be agreed upon by the recipient and the Fund on a case-by-case basis; and, upon the completion of such investigation, promptly share the findings and results thereof, including the supporting evidence, with the Fund. Government recipients will work with the Fund to coordinate any actions other than investigations that they may wish to undertake in response to an alleged or otherwise indicated prohibited practice.
15. Government recipients are encouraged to have in place, in accordance with their laws and regulations, effective whistle-blower protection measures and confidential reporting channels in

order to appropriately receive and address allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed operations and activities.

## **E. Process**

### **(i) Reporting**

16. A designated confidential and secure e-mail address for the receipt of allegations of prohibited practices is available on the Fund's website.
17. In the event of uncertainty as to whether or not an act or omission constitutes a prohibited practice, the designated confidential and secure e-mail address may be used to seek guidance.
18. The Fund treats all reported allegations with strict confidentiality. This means that the Fund does not normally reveal the identity of a reporting party to anybody outside of the investigative, sanctioning or disciplinary process without the consent of the reporting party.
19. The Fund endeavours to provide protection from retaliation to any individuals or entities that have helped prevent or have reported to the Fund, in good faith, allegations or other indications of prohibited practices. IFAD staff and non-staff personnel are protected from retaliation under the Fund's Whistle-blower Protection Procedures.

### **(ii) Investigations**

20. Where the Fund has reason to believe that prohibited practices may have occurred, the Fund may decide to review and investigate the matter, irrespective of any investigative actions launched or planned by the recipient.
21. The purpose of an investigation conducted by the Fund is to determine whether an individual or entity has engaged in one or more prohibited practices in connection with an IFAD-financed and/or IFAD-managed operation or activity.
22. Reviews and investigations conducted by the Fund are, inter alia:
  - (a) Strictly confidential, meaning that the Fund does not disclose to anyone outside of the investigative, sanctioning or disciplinary process any evidence or information relating to the review or investigation, including the outcome of a review or investigation, unless such disclosure is allowed under the Fund's legal framework;
  - (b) Independent, meaning that no authority is allowed to interfere with an ongoing review or investigation or to otherwise intervene in, influence or stop such a review or investigation; and
  - (c) Administrative, as opposed to criminal, in nature, meaning that reviews and investigations conducted by the Fund are governed by the Fund's rules and procedures, not by local laws.
23. The office within the Fund that is mandated to conduct reviews and investigations into alleged or otherwise indicated prohibited practices is the Office of Audit and Oversight (AUO). Without prejudice to paragraphs 9(d) and 11(f), AUO may agree not to disclose to anybody outside of AUO any evidence or information that it has obtained on the condition that such evidence or information may be used solely for the purpose of generating new evidence or information, unless the provider of the evidence or information consents.

## **F. Sanctions and related measures**

Section VIII Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations

[SoCRAN] Internal Audit - FOCUS

Ref. No: APC-FOCUS/AUDIT (A)/03/2018-19

**(i) Temporary suspensions**

24. During the course of an IFAD review or investigation, or pending the conclusion of a sanctioning process, the Fund may decide, at any time, to temporarily suspend payments to IFAD non-staff personnel, non-government recipients, vendors or third parties or to temporarily suspend their eligibility to participate in IFAD- financed and/or IFAD-managed operations and activities for an initial period of six (6) months, subject to a possible extension of that suspension for an additional six (6) months.
25. IFAD staff may be temporarily suspended from their duties in accordance with the applicable human resources framework.

**(ii) Sanctions**

26. If the Fund determines that IFAD non-staff personnel, non-government recipients, vendors or third parties have engaged in prohibited practices, the Fund may impose administrative sanctions on such individuals or entities.
27. Sanctions are imposed on the basis of: (i) the findings and evidence presented by AUO, including mitigating and exculpatory evidence; and (ii) any evidence or arguments submitted by the subject of the investigation in response to the findings presented by AUO.
28. The Fund may apply any of the following sanctions or a combination thereof:
- (a) Debarment, which is defined as declaring an individual or entity ineligible, either indefinitely or for a stated period of time, to: (i) be awarded any IFAD- financed contract; (ii) benefit, financially or otherwise, from any IFAD- financed contract, including by being engaged as a subcontractor; and (iii) otherwise participate in the preparation or implementation of any IFAD- financed and/or IFAD-managed operation or activity;
  - (b) Debarment with conditional release, which is defined as a debarment that is terminated upon compliance with conditions set forth in the sanction decision;
  - (c) Conditional non-debarment, which is defined as requiring an individual or entity to comply with certain remedial, preventive or other measures as a condition for non-debarment on the understanding that a failure to comply with such measures within a prescribed period of time will result in an automatic debarment under the terms provided for in the sanction decision;
  - (d) Restitution, which is defined as a payment to another party or the Fund (with respect to the Fund's resources) of an amount equivalent to the amount of the diverted funds or the economic benefit obtained as a result of having engaged in a prohibited practice; and
  - (e) Letter of reprimand, which is defined as a formal letter of censure for the actions of an individual or entity which informs that individual or entity that any future violation will lead to more severe sanctions.
29. The Fund may extend the application of a sanction to any affiliate of a sanctioned party even if the affiliate has not been directly involved in the prohibited practice. An affiliate is defined as any individual or entity that is: (i) directly or indirectly controlled by the sanctioned party; (ii) under common ownership or control with the sanctioned party; or (iii) acting as an officer, employee or agent of the sanctioned party, including owners of the sanctioned party and/or those who exercise control over the sanctioned party.

30. For the purposes of IFAD-financed and/or IFAD-managed operations and activities, the Fund may consider as debarred individuals and entities that have been debarred by another IFI where:
- (i) that IFI is a signatory to the Agreement for Mutual Enforcement of Debarment Decisions;
  - and (ii) such debarment meets the requirements for mutual recognition under the Agreement for Mutual Enforcement of Debarment Decisions.<sup>17</sup>

**(iii) Disciplinary measures**

31. If the Fund finds that IFAD staff have engaged in prohibited practices, the Fund may apply disciplinary measures and may require restitution or other compensation in accordance with the applicable human resources framework.

**G. Referrals and information-sharing**

32. The Fund may, at any time, refer information or evidence relating to an ongoing or completed investigative, sanctioning or disciplinary process to the local authorities of a Member State. In determining whether such a referral is appropriate, the Fund takes into consideration the interests of the Fund, the affected Member States, the individuals or entities under investigation and any other persons, such as witnesses, who are involved in the case.
33. If the Fund obtains information or evidence indicating potential wrongdoing in connection with the operations and/or activities of another multilateral organization, the Fund may make such information or evidence available to the other organization for the purposes of its own investigative, sanctioning or disciplinary processes.
34. In order to facilitate and regulate the confidential exchange of information and evidence with local authorities and multilateral organizations, the Fund seeks to conclude agreements which establish the rules for such an exchange.

**H. Operational responses to Prohibited Practices**

**(i) Rejection of an award of contract**

35. The Fund may refuse to give its no-objection to the award of a contract to a third party if it determines that the third party, or any of its personnel, agents, subconsultants, subcontractors, service providers, suppliers and/or their employees, engaged in a prohibited practice while competing for the contract in question.

**(ii) Declaration of misprocurement and/or ineligibility of expenditures**

36. The Fund may, at any time, declare a misprocurement and/or the ineligibility of any expenditures associated with a procurement process or contract if it determines that a third party or a representative of the recipient has engaged in a prohibited practice in connection with the procurement process or contract at issue and that the recipient has not taken timely and appropriate action, satisfactory to the Fund, to address such practices when they occur.

**(iii) Suspension or cancellation of loan or grant**

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<sup>17</sup> The Fund may, in the future, decide to also recognize debarments imposed by entities that are not signatories to the Agreement for Mutual Enforcement of Debarment Decisions.

37. If the Fund determines that a recipient has not taken timely and appropriate action, satisfactory to the Fund, to address prohibited practices when they occur, the Fund may suspend or cancel, in whole or in part, the loan or grant affected by such practices.