



TERMS OF REFERENCE FOR THE PROVISION OF INTERNAL AUDIT SERVICES.

1. PREAMBLE

These Terms of Reference (“TOR”) are meant to provide broad and basic guidelines to entities interested in providing Internal Audit Services to the Centre for Coordination of Agricultural Research and Development (CCARDESA)

2. BACKGROUND

The Centre for Coordination of Agricultural Research and Development for Southern Africa (CCARDESA) was established through a Charter, article 10 as a Sub Regional Organisation (SRO) headquartered in Gaborone, Botswana. CCARDESA is a subsidiary of SADC Secretariat which coordinates the implementation of agricultural research and development (R&D) in the SADC region. It enjoys substantial support from Member States of the Southern African Development Community (SADC), agricultural stakeholders in the SADC Region and development partners. Its main goal is to contribute to sustainable reduction in food insecurity and poverty in the SADC region as pronounced in the SADC’s regional Indicative Strategic Development Plan (RISDP), the Dar es Salaam declaration on food security, and the Comprehensive Africa Agriculture Development Programme (CAADP) developed by the African Union’s New Partnership for Africa’s Development (AU-NEPAD). CCARDESA operates within the framework of CAADP Pillar IV which has the objective of enhancing the livelihoods of African farmers and pastoralists and is spearheaded by the Forum for Agricultural Research in Africa (FARA); and increase smallholder productivity and competitiveness through the implementation of Pillar IV of CAADP for the SADC region based on the Framework for African Agricultural Productivity (FAAP).

CCARDESA is seeking to appoint a suitably qualified audit firm or Certified Auditor(s) to provide Internal audit Services on a fixed contractual basis for a period of three (3) years. As part of the procurement process, all proposals are required to quote for all functions as outlined in the Terms of Reference.

3. SERVICES AND SCOPE OF WORK REQUIRED

3.1. AUDIT FIRM OR AUDITOR EXPERIENCE

Experience and qualification of Internal Auditor or firm or Auditor or lead/key persons in the firm

The firm should possess the following experience and qualifications

- i. The firm must have a minimum of five (5) years' experience in providing Internal Audit Services.
- ii. The experience of the firm or auditor in internal audit services, including specialised skills, expertise and value added services should include, but not limited to:
 - Demonstration of the firm's substantial internal audit experience
 - Specialised skills, expertise and value added services in the field of internal audit, with emphasis on best practice methodology, tools and technology used.
 - Availability of forensic audit skills and tools
 - Availability of computer audit skills and tools
 - Names of at least three (3) clients indicating the type of services provided. Please provide client contactable references of such work and indicate for how long they have been clients. Please also indicate the size of the organisation to which the services were provided.
 - Experience in the internal audit of public interested entities, understanding of and sufficient exposure to sub regional, regional and international, organisations

3.2. SCOPE OF WORK

- i. The internal audit function must:
 - Prepare a rolling three year strategic Internal Audit Plan based on its assessment of key areas of risk for CCARDESA Secretariat, having taken into consideration the Secretariat's current operations, those in the strategic plan.
 - Prepare an annual Internal Audit Plan
 - The Plans should indicate the scope, cost and timelines of each audit in the annual internal audit.
 - Prepare audit reports directed to the Secretariat detailing its performance against the plan to allow effective monitoring and intervention, when necessary.
 - Co-ordinate with other internal and external providers of assurance to ensure proper coverage and minimal duplication of effort.
 - Assist in maintaining effective controls by evaluating those controls and developing recommendations for enhancement or improvement.
 - Ensure that the adequacy of established systems and procedures are assessed.

- ii. Assist in achieving the objectives of the Secretariat by evaluating and developing recommendations for the enhancement or improvement of the processes through which:
- Objectives and values are established and communicated
 - The accomplishment of objectives is monitored
 - Accountability is ensured
 - Corporate values are preserved
 - The adequacy and effectiveness of the system of internal control are reviewed and appraised;
 - The relevance, reliability and integrity of management, financial and operating data and reports are appraised,
 - Systems established to ensure compliance with policies, plans, procedures and regulations, which could have a significant impact on operations, are reviewed.
 - The means of safeguarding assets are reviewed and deemed as appropriate in verifying the existence of such assets.
 - The economy, efficiency and effectiveness with which resources are employed, are appraised
 - The results of operation or programmes are reviewed to ascertain whether results are consistent with CCARDESA's established objectives and goals whether the operations or programmes are being carried out as planned
 - The adequacy of established systems and procedures are assessed.
- iii. The audits that will need to be taken into account at the CCARDESA Secretariat are among others:
- Conducting special assignments and investigations on behalf of CCARDESA secretariat into any matter or activity affecting the probity, interest and operating efficiency of CCARDESA Secretariat
 - Audit designed to detect fraud
 - Systems processes audit
- iv. Fraud and irregularities
- In planning and conducting its work, the internal auditor should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any such defects must be reported immediately to Secretariat management, the Executive Director and the Audit, Risk & Compliance Committee, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities are uncovered.

4. EXPECTED OUTCOMES AND DELIVERABLES

i. Performing audit assignments

Each assignment should at least consist of the following:

- A pre-audit survey and an audit planning memorandum;
- Minutes of entrance meetings;

- A risk assessment document
- System descriptions, audit programmes and sampling methodology;
- Mechanisms for follow up on matters previously reported and feedback to the Secretariat
- Mechanisms to ensure that working papers are reviewed at the appropriate level,
- A record and review of work performed
- Audit findings and recommendations,
- Reporting (a draft internal audit report and a final internal audit report), and follow up on previous audit findings

ii. **Reporting and Approvals**

- The auditor is to deliver to the Chairperson of the Audit, Risk & Committee of the Board and the CCARDESA Executive Director signed copy of the final report.
- The Internal Auditor should produce reports in writing, within one month of completion of each audit, giving an opinion on the area reviewed and making recommendations where appropriate.
- Managers will be required to respond to each audit report, usually within one month of issue, stating their proposed action with a timetable for implementing agreed recommendations.
- Material recommendations will usually be followed up some six to twelve months later.
- Report Structure, the structure of the report should contain at least the following information:
 - Introduction
 - Audit objective and scope
 - Executive summary highlighting significant findings
 - Findings, recommendations and management responses (including implementation dates)

Conclusion

All audits are to be carried out according to the Audit plan approved by CCARDESA Secretariat management. In addition the Committee of the Board responsible for Audit will monitor implementation of audit recommendations.

5. PROJECT TEAM

The firm must demonstrate that all individuals who will be involved in rendering the required services are suitably qualified, experienced and skilled. The firm is required to show a tabulated summary of the project team, a minimum of which should show:

No.	Name	Role in project team	Qualifications	Number of years and summary of relevant experience
1				
2				
etc				

Experience of the firm or auditor in internal audit services, including specialised skills, expertise and value added services

6. OBJECTIVES OF THE INTERNAL AUDIT FUNCTION

The objectives of this bid are to appoint a suitable independent Internal Audit service provider that can maintain and support an appropriate internal audit services to CCARDESA Secretariat. In terms of the CCARDESA Finance Manual, CCARDESA Secretariat should have an effective Internal Audit function that should assist CCARDESA secretariat to accomplish its effectiveness of risk management control and governance processes. The risk management strategy including the fraud prevention plan must be used to direct the internal audit.

The Internal Auditor will review:

- Internal control processes
- The information systems environment
- The reliability and integrity of financial and operational information
- The effectiveness of operations
- Compliance with policies and regulations and contracts
- The safeguarding of assets
- The economical and efficient use of resources
- Achievement of established operational goals and objectives
- Compliance with laws, regulations and controls
- Conducting special assignments and investigations on behalf of CCARDESA secretariat into any matter or activity affecting the probity, interest and operating efficiency of CCARDESA Secretariat
- Audit designed to detect fraud

7. QUALITY ASSURANCE REVIEWS OF THE WORK

The auditor shall ensure that all work conforms to the Standards for the professional practice. Such work may further be subject to an external quality assurance as may be considered necessary.

8. INDEPENDENCE AND OBJECTIVITY OF STAFF

In carrying out the work, the auditor must ensure that their staff maintain their objectivity by remaining independent of the activities they audit.

The auditor shall:

- Have no executive or managerial powers, functions or duties except those relating to Internal Audit.
- Not be involved in the day to day operations of CCARDESA Secretariat.
- Not be responsible for the detailed development or implementation of new systems and procedures.
- Report to the Audit Committee Chair and Board Chairperson

9. DURATION OF CONTRACT

The duration of the contract is anticipated to run for a period of 3 years commencing on date of signing the Service Level Agreement. The 2nd and 3rd year will be subject to an evaluation of the 1st year's targets that were achieved.

10. LIAISON

The Internal Audit Service will liaise with the External Auditors to optimise the audit services provided to CCARDESA.

11. POWERS

The Internal Audit Service shall:

- have the right of access to all premises of CCARDESA and the right to inspect all correspondence, files, records, accounts and all other forms of information held by CCARDESA as are necessary for the performance of audit duties; and
- Have the right to require all officers of CCARDESA to supply such information and explanations as are necessary for the performance of audit duties.
- Have a direct access to the CCARDESA Board Chairperson.
- Comply with any requests from the external auditors for access to any further information, files or working papers obtained or prepared during audit work that they need to discharge their responsibilities.

12. SUBMISSION REQUIREMENTS AND FORMAT FOR THE BID

Each bidder must submit one (1) **unbound** original marked "ORIGINAL" and four **bound** copies marked "COPPY" of the technical and financial bids.

The Technical and Financial bids must be submitted in separate envelopes clearly marked "TECHINICAL" and "FINANCIAL" proposals respectively. The Technical bid must contain the compliance documents.

The proposals must consist of the following three parts:

PART A: Compliance documents

PART B: Technical proposal

PART C: Financial proposal

PART A: Compliance documents

Bidders will be required to submit the following compliance documents and information:

- i. Audit firm Partnership Agreement or equivalent or any proof of registration as an Audit Firm and/or Auditor in the country of origin, if it is a firm domiciled or registered in a foreign jurisdiction
- ii. Resolution of partners or authorised person confirming authority to submit tender bid and enter into any agreement arising out of and in connection with this tender
- iii. List of partners or auditors or audit firm as registered with the Botswana Accountancy Oversight Authority (BAOA) and certified/ authenticated by BAOA or equivalent in the country of origin
- iv. Valid tax clearance
- v. Valid registration or accreditation and licensing with the relevant and recognised regulatory authority or institution for Auditors, e.g. Institute of Internal Auditors.
- vi. Valid professional indemnity Insurance Cover from a reputable insurance company certified by a competent authority.
- vii. Audit firm profile and curriculum vitae for the proposed engagement team.

Bidders who fail to submit the information required above will be disqualified from this tender.

PART B- Technical Proposal

In this section the bidder should demonstrate an understanding of CCARDESA's requirement in responding to this bid. The bidder is required to provide concise information relating to how the services/requirements will be delivered/ met (with reference to the services and scope of work required section above at paragraph 3). Examples and past experience or references should be specified in responding to the aforementioned points.

Auditor Or Audit Firm experience

With reference to the Services and Scope of Work Required section above, please provide full details of current and past experience in providing Internal Audit Services.

Project team

With reference to the Services and Scope of Work Required section above, please provide comprehensive CVs of all persons (auditors or audit firm team members) who will be involved in the execution of this service. This should include the following in tabulated form:

- Evidence of qualifications and competencies of the organisation and staff.
- Relevant skills and experience.
- A description of roles and responsibilities of each individual relating to the required services

- All submitted certificates must be valid and certified
- Detailed CV's of the auditors/s or team member in the firm who will be responsible for managing the internal audits and the person who will be signing the audit plan and reports.
- The relevant individuals must be registered with BAOA and or BICA
- Registration with any recognised or relevant regulatory body.

PART C- Financial Proposal

It is understood and noted that internal audits are based on hourly rates and that budget are compiled once the appointed auditors has assessed the likely extent of the work. Bidders are required to submit a table of hourly rates which should be inclusive of overheads and VAT. While it is accepted that it may be difficult for a prospective bidder to be firm about the extent of the work based solely on the Terms of Reference; to assist with assessments, audit firm bidders must provide a typical distribution of time for members of the audit on services in this TBD.

The financial proposal should be submitted in a separate sealed envelope in line with Submission requirements under paragraph above.

The Tender Bid price shall:

- a) Remain fixed for the entire duration of the contract, and may only be adjusted in relation to the Botswana Consumer price Index (CPI)
- b) Be in Botswana currency, PULA (BWP) and inclusive of Value Added Tax (VAT); and
- c) Remain valid for ninety (90) days from the closing date.

13. TENDER BID EVALUATION PROCESS AND CRITERIA

i. EVALUATION PROCESS

Bids will be evaluated in three (3) stages: namely :

- Stage 1: Compliance
- Stage 2: Technical
- Stage 3: Financial

Bidders are to note the following:

- Failure to meet any or all of the requirements of stage 1 will automatically disqualify the bidder from moving to stage 2 of the evaluation
- Failure to achieve a minimum score of 70% in stage 2 will disqualify the bidder from moving to stage 3 of the evaluation.
- The total score shall be obtained by weighing the Technical and Financial scores on a ratio of 70:30 respectively, and adding the Technical and Financial scores together to obtain the combined score.

- CCARDESA may call any shortlisted bidder for a presentation regarding any aspect of its bid. A presentation by any bidder will not constitute an award/undertaking to award the contract.
- Upon conclusion of the evaluation, CCARDESA may select the preferred bidder, who may have attained the highest overall score, based on the evaluation criteria.
- CCARDESA reserves the right to award or not to award the contract at all.

ii. EVALUATION CRITERIA

STAGE I: COMPLIANCE

COMPLIANCE DOCUMENTS		YES	NO
a)	Audit firm partnership Agreement or equivalent or any proof of registration as an audit Firm and/or Auditor in the country of origin, if it is a firm domicile or registered in a foreign jurisdiction.		
b)	Resolution of partners or authorised person confirming authority to submit tender bid and enter into any agreement arising out of and in connection with this tender.		
c)	List of partners or auditors or audit firm as registered with the Botswana Accountancy Oversight Authority (BAOA) and certified/authenticated by BAOA.		
d)	Valid Tax clearance certificate		
e)	Valid registration or accreditation and licensing with the relevant and recognised regulatory authority or institution for auditors, e.g. Institute of Internal Auditors		
f)	Valid professional Indemnity Insurance Cover from a reputable insurance company certified by a competent authority		

STAGE 2: TECHNICAL COMPETENCE

The technical sub-criteria and their weights are as follows:

TECHNICAL SUB-CRITERIA	SCORE
Relevant experience of the bidder / firm	20
Project team, with points awarded for: <ul style="list-style-type: none"> • Relevance of experience • Skills and Qualifications • Suitably sized team 	20
Technical response to Terms of Reference questions, with points awarded for; <ul style="list-style-type: none"> • Methodology – A clear and well defined methodology and general approach • Scope – A comprehensive and well define Scope • Quality Assurance – A clearly define and Quality Assurance Plan 	40
Project/Work plan, with points awarded for: <ul style="list-style-type: none"> • Details in the project plan 	20

<ul style="list-style-type: none"> • Reasonability of project plan • Handback requirements 	
Total	100

Minimum eligible technical score is 70%

STAGE 3: FINANCIAL

Financial evaluation will be considered for bidders who have scored at least 70%. The lowest qualifying tender bid price will be given the first chance for contract negotiations and awarding of the contract.

iii. OTHER/SPECIAL CONDITIONS

i. Cancellation of procurement process

CCARDESA reserves the right to amend, modify or withdraw this tender, or amend, modify or terminate any of the procedures or requirements set out herein at any time and from time to time, without prior notice and without liability to compensate or reimburse any person.

ii. Rejection

CCARDESA will reject a proposal for the award of a contract if the bidder has committed a corrupt or fraudulent act in competing for his contract.

iii. Negotiation and contracting

- CCARDESA has the right to enter into negotiations with one or more bidders regarding any terms and conditions, including price, of a proposed contract.
- CCARDESA shall not be obliged to accept the lowest or any quotation, offer or proposal.
- CCARDESA reserves the right to award the contract or not to award the contract at all
- CCARDESA reserves the right to select another preferred bidder in the event that negotiations with the originally selected preferred bidder prove unsuccessful and/or are unduly delayed.
- No agreement will be deemed to be reached with any bidder, unless and until a definitive Agreement and other related transaction documents are concluded between CCARDESA and the preferred bidder.

iv. Price adjustments

Should there be need for Change of Scope during the contract term; CCARDESA reserves the right to negotiate the contractual price.

v. Additional information requirements

- CCARDESA may request for additional information during the evaluation process, which information should be provided within the stipulated time.
- CCARDESA will only receive additional information if such information is in response to a specific request by CCARDESA.

HOW TO APPLY

- i. Firm(s) who meet the requirements of the TORs and the commercial and contractual conditions, and if the auditor find any ambiguity, omission or internal contradictory, or any feature that is unclear or that appears restrictive, they should seek clarification before the closing date of submission. **All clarifications should be addressed to the Finance & Administration Manager, email address smukuze@ccardesa.org or Tel: +267 391 4997 or Cell: +267 72984475**
- ii. Firm(s) should ensure that they submit a full proposal including all the supporting documents requested. It is essential to ensure accuracy in the curriculum vitae of key engagement team members submitted. The curriculum vitae should be signed by the individual team members and dated. Non-compliance with important requirements will result in rejection of the proposal.
- iii. Once the proposals are received by CCARDESA and opened, auditors are not required or permitted to change the substance, the key personnel and so forth.
- iv. The process of proposal evaluation shall be confidential
- v. The Financial proposal should be in Botswana Pula comprising audit fees, any disbursements and Value added tax only
- vi. Bidders are requested to submit one (1) ORIGINAL and three (4) COPIES clearly marked "ORIGINAL" or "COPY" for each technical and Financial proposal, and,
- vii. Bidders are reminded to clearly mark technical and financial proposals in separate envelopes.

The proposals which should be clearly marked "**Proposal for the provision of Internal Audit services**" should be submitted on or before **3rd November 2023** and addressed to the following:

THE EXECUTIVE DIRECTOR

CCARDESA Secretariat
 Ground Floor, Red Brick Building
 Plot 4701 Station Exit Road
 Gaborone
 Botswana
 Tel: +267 391 4997