*Version 1.0 /110621*

**INVITATION TO TENDER**

**Ethiopia**

**October 2023**

**Ref. No. ITT/IN-SCI-ET-2023-017**

**TERMS OF REFERENCE (TOR) FOR DONOR SPECIFIC AUDIT SERVICE FOR ONE YEAR ON THE BASES OF FRAMEWORK AGREEMENT**

**SUBMISSION DEADLINE: 12/11/2023**

**QUESTIONS / CLARIFICATIONS:** [**Zelalem.tadesse@savethechildren.org**](mailto:Zelalem.tadesse@savethechildren.org) **or tatek.wamisho@savethechildren.org**

**FORMAT FOR SUBMISSION:** [**BIDDER RESPONSE DOCUMENT**](#_PART_3_–)

[**PART**](#_PART_1_–) **1: INVITATION TO TENDER**

* + Introduction to SCI
  + Project Overview and Requirements
  + Award Criteria
  + Instructions & Key Information

[**PART 2: CORE REQUIREMENTS AND SPECIFICATION**](#_PART_2_–)

Detailed description of SCI’s specific requirements (e.g. volumes, delivery dates / locations, product specifications etc).

[**PART 3: BIDDER RESPONSE DOCUMENT**](#_PART_3_–)

Template to be used to submit response to this Invitation to Tender.

**PART 1 – INVITATION TO TENDER**

## **INTRODUCTION TO SAVE THE CHILDREN**

SCI is the world’s leading independent organisation for children. We save children’s lives; we fight for their rights; we help them fulfil their potential. We work together, with our partners, to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives.

**Our Vision** – a world in which every child attains the right to survival, protection, development and participation.

**Our Mission** – to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives.

We do this through a range of initiatives and programs, to:

* Provide lifesaving supplies & emotional support for children caught up in disasters (e.g. floods, famine & wars).
* Campaign for long term change to improve children’s lives.
* Improve children’s access to the food and healthcare they need to survive.
* Secure a good quality education for the children who need it most.
* Protect the world’s most vulnerable children, including those separated from their families because of war, natural disasters, extreme poverty or exploitation.
* Work with families to help them out of the poverty cycle so they can feed and support their children.

For more information on the work we undertake and recent achievements, visit our [website](http://www.savethechildren.net/).

## **PROJECT OVERVIEW**

|  |  |
| --- | --- |
| **Item** | **Description** |
| **Description of Goods / Services** | *Consultancy Service* |
| **Outcome of Tender** | ***Framework Agreement (Non-Fixed Price) – the successful Audit firm(s) will be awarded a ‘Framework Agreement’. Within the Framework Agreement, the terms of service shall be agreed, as will the conditions of service. The Framework Agreement does not commit SCI to any purchases or specific volumes of service. Any future purchases will be completed under separate contract/Purchase Orders which will be governed and linked to the original Framework Agreement.*** |
| **Duration of Award** | *One year* |

Further detail on the specific requirements of the project (e.g. volumes, dates, specifications etc.) can be found in [Part 2](#_PART_2_–) (Core Requirements & Specifications) of this Tender Pack.

## **AWARD CRITERA**

SCI is committed to running a fair and transparent tender process, and ensuring that all bidders are treated and assessed equally during this tender process. Bidder responses will be evaluated against four weighted categories of criteria: Essential Criteria, Sustainability Criteria, Capability Criteria, and Commercial Criteria.

### **ESSENTIAL CRITERIA**

Criteria that bidders **must** meet to progress to the next round of evaluation. If a bidder does not meet any of the Essential Criteria, they will be excluded from the tender process immediately. These criteria are scored as ‘Pass’ / ‘Fail’.

### **3.2 CAPABILITY CRITERIA (70%)**

Criteria are used to evaluate the bidders' ability, skill, and experience about the requirements. Bids will be evaluated against the same pre-agreed Criteria.

**3.3 SUSTAINABILITY CRITERIA (10%)**

Criteria used to evaluate the impact a supplier has on the environment, local economy, and community. Bids will evaluated against the same pre-agreed Criteria.

### **3.4 COMMERIAL CRITERIA (20%)**

Criteria used to evaluate the commercial competitiveness of a bid. Bids will be evaluated against the same pre-agreed Criteria.

## **VETTING**

Successful bidders must be successfully vetted. This involves checking bidders and key personnel against Global Watch Lists, Enhanced Due Diligence Lists and Politically Exposed Persons Lists.

The vetting of bidders will be completed after the award decision and prior to any contract being signed, or orders placed. If any information provided by the Bidder throughout the tender process is proved to be incorrect during the vetting process (or at any other point), SCI may withdraw their award decision.

## **BIDDER INSTRUCTIONS**

### **6.1 TIMESCALES**

|  |  |
| --- | --- |
| Activity | Date |
|  |  |
| Issue Invitation to Tender | <<October 22, 2023>> |
| Pre-Submission Clarification Meeting | <<November 01, 2023>> |
| Deadline for questions from Bidders | << November 02, 2023>> |
| Deadline for Bid Submission | << November 12, 2023>> |
| Bid Clarifications | << October 30, 2023>> |
| Award Contact | <<November 20, 2023>> |
|  |  |

The above dates are for indicative purposes only and are subject to change.

### **6.2 SUBMISSION FORMAT & BIDDER RESPONSE DOCUMENT**

Bidders wishing to submit a bid **must use the Bidder Response Document template in** [**Part 3**](#_PART_3_–) **of this Tender Pack**. Any bids received using different formats, or incomplete bids, will not be accepted.

This document allows bidders to submit all the required information and be evaluated fairly and equally against the Essential, Capability and Commercial Criteria. Bidders may also be required to submit supporting documentation. Further instructions can be found within the document in Part 3 of this pack.

Bids can be submitted by:

**Electronic Submission via Email**

* Email should be addressed to [**ethiopia.bidsubm@savethechildren.org**](mailto:ethiopia.bidsubm@savethechildren.org)
* Note – this is a sealed tender box which will not be opened until the tender has closed. Therefore, do not send tender related questions to this email address as they will not be answered.
* The subject of the email should be “ITT/IN-SCI-ET-2023-017 /Bidder Response – ‘Bidder Name’, ‘Date’’.
* All attached documents should be clearly labelled so it is clear to understand what each file relates to.
* Emails should not exceed 15mb – if the file sizes are large, please split the submission into two emails.
* Do not copy other SCI email addresses into the email when you submit it as this will invalidate your bid.

**N.B. Paper Submission – Not Allowed**

### **6.4 CLOSING DATE FOR BID SUBMISSION**

Your bid must be received, no later than **13/11/2023**

Bids must remain valid and open for consideration for a period of no less than 60 days.

### **6.5 KEY CONTACTS**

All questions relating to the tender should be sent via email to:

|  |  |
| --- | --- |
| Name | Email Address |
| Zelalem Tadesse  Tatek Wamisho | [Zelalem.tadesse@savethechildren.org](mailto:Zelalem.tadesse@savethechildren.org) or tatek.wamisho@savethechildren.org |

Please be advised local working hours are 8:00 AM- 5:00 PM Ethiopian Time.

Where the enquiry may have an impact on other bidders within the process, Save the Children will notify all other Bidders to maintain a fair and transparent process.

# **PART 2 – CORE REQUIREMENTS & SPECIFICATIONS**

* **Introduction**

Save the Children is the leading global independent organization for children. Save the Children believes every child deserves a future. Around the world, we work every day to give children a healthy start in life, the opportunity to learn and protection from harm. When crisis strikes, and children are most vulnerable, we are always among the first to respond and the last to leave. We ensure children’s unique needs are met and their voices are heard. We deliver lasting results for millions of children, including those hardest to reach.

We do whatever it takes for children – every day and in times of crisis – transforming their lives and the future we share.

Our vision: A world in which every child attains the right to survival, protection, development and participation.

Our mission: To inspire breakthroughs in the way the world treats children, and to achieve immediate and lasting change in their lives.

Our values: Accountability, ambition, collaboration, creativity and integrity. We are committed to ensuring our resources are used as efficiently as possible, in order to focus them on achieving maximum impact for children.

1. **Our Focal Areas of Intervention**

Five major program areas guide our work and contribute directly to the achievement of the government’s growth and transformation plan II (GTP II) and sustainable development goals (SDGs).

**Child Protection and Migration:** We work to stop violence against children in homes, in and around schools and in communities. We focus on children with heightened risk, including children on the move, those living in displacement and refugee camps, and girls at high risk of gender-based violence. We empower children to have agency to end violence, and work with and hold duty bearers to account for gender sensitive and inclusive protection systems and services. Through multi-sectoral programs or by ‘layering’ of complementary programs, we provide a package of services designed to address the needs of children and youth at all stages of migration.

**Health, Nutrition and WASH**: We support children to survive in hard-to-reach communities through development and humanitarian health, nutrition, and WASH interventions. We help them access quality health and nutrition services by supporting the primary health care system and empowering communities to increase demand.

**Education:** our prime focus in this particular sector is to enable vulnerable girls and boys to access pre-school and primary education in a safe and inclusive environment, increasing their chances of successful completion and accessing secondary and higher education in the future. We support school administrations and parent-teacher associations, create awareness of the communities, and support in quality education through provision of services and facilities for ensuring that the girls and boys do not drop out of the schools. We are closely working with the government and communities on the establishment and operationalization of early childhood care and education (ECCE) centres in different contexts as well as support the government to focus on gender sensitive and inclusive education programming.

**Food Security, Livelihoods and Resilience:** We assist farming and pastoralist families in increasing productivity through improved practices and technologies, adopting alternative livelihood strategies, and improving access to finance through a combination of interventions tailored to communities facing poverty and food insecurity.

**Child Rights Governance:** We work with civil society and children to remove the barriers that prevent them from realizing their rights. We also strengthen governance systems to ensure that the government fulfills its responsibilities to children; ensuring that all children’s rights are respected.

Award specific audits may cover accounts of local partner/s as well as respective SCI Country Office/Regional Office involved. The Auditor must give an opinion on the project expenses and financial reports submitted.

The audit should be carried out in accordance International Standards on Auditing (ISA) and in conformity with SCI accounting policies and will include such tests and controls as the auditor may consider necessary. In conducting the audit, special attention should be paid to the Audit instruction/requirement of the respective Donors. The audit report should also include documents as requested by the donors mentioned in the audit Terms of References shared by SCI Ethiopia, and be submitted in a non-editable format.

All audits will be conducted as per the specific TOR designed by various donors, for instance, EC has its own TOR that has mandatory requirements including a defined sample selection percentage and the audit process and reporting will vary as per the donor requirement which is reflected in the TOR.

Each audit should consist an entry meeting on first day of the audit to ensure clear focal points are identified within SCI to support the audit process and go through the audit TOR, and agree on deadlines. SCI will provide all documents required by the auditors provided that enough notice is given especially for collecting supporting documents of sampled transactions. Similarly, an exit meeting will be conducted with relevant stakeholders from the Audit firm as well as SCI team members to review draft findings before submission of draft audit report.

The first draft of audit report should be issued within 5 working days of the exit meeting. Similarly, the final audit report should be submitted to SCI within 5 working days of reception of the management response.

**MANAGEMENT LETTER**

In addition to the audit report, the auditor will also provide a management letter summarizing the observations on the accountability and internal control system issues. These would include:

* Comments and observations on the accounting records, systems and controls that were examined during the course of audit
* Specific deficiencies and areas of weakness in systems and controls and recommendation for improvement
* Any variance from the financial management guidelines and procedures and/or the Procurement Procedures of SCI
* Matters that have come to attention during the audit which might have significant impact on the implementation of the project
* Any other matter that the auditor considers significant to report to the management
* Include a high, medium or low prioritisation on all issues arising in the management letters. Ranks should be allocated according to the following criteria:
* A - a major weakness or a recurring issue that must be addressed soon
* B - an important matter that will significantly improve the control environment, the accounting system or the operations of the business but is not so serious or prevalent as to be considered a major weakness
* C - a minor (or isolated) weakness that should nevertheless be addressed to improve the control environment, the accounting system or the operations of the business.

The observations in the management letter must be accompanied by the implications, suggested recommendations from the auditors and the management comments of SCI on the observations/ recommendations. In all cases, a management letter must be issued. If no issues have arisen during the course of the audit, the auditors must issue a management letter stating that no issues have arisen.

**Guidance on contents of the EOI**:

The following instructions need to be followed when submitting Expressions of Interest (EoI):

* EoIs can be submitted in soft copies within the stated deadline. If being sent in soft copy, all pages need to be signed and scanned when sending.
* A cover letter expressing interest in the services and briefly stating which package is being applied for. (Maximum 2 pages)
* Organizational Structure

1. **Duration of contract:**

The FWA contract will be for a duration of one year from the date of contract signing with a possibility of extension for additional period

1. **FIRM’S INFORMATION FORM**

* Name and Address of consultant/consulting firm
* Description/profile of the consulting firm
* Experience of the Firm and Areas of Expertise/ relevant services carried out in the Last 5years which best illustrate qualification.
* Organization chart showing the firm’s structure.
* Capital of the firm (Financial Statements for the latest three years).
* Professional staff available (permanent and par-time)
* Additional information.
* Testimonials

# **PART 3 – BIDDER RESPONSE DOCUMENT**

1. **INTRODUCTION**

This document **MUST BE USED** by Bidders wishing to submit a bid. It is linked into 5 sections detailed below:

* [Section 1 – Essential Criteria](#_SECTION_2:_ESSENTIAL)
* Section 2 – Capability Questions
* [Section 3 – Sustainability Criteria](#_SECTION_4_–)
* [Section 4 – Commercial Questions](#_SECTION_4_–)
* [Section 5 – Bidder Submission Checklist](#_SECTION_5_–)

**The Bidder is required to sign a copy of the Check list in Section 4 as part of their submission**.

1. **INSTRUCTIONS**

Within each section there are instructions providing guidance to the bidder on what information is required. This guidance details the **MINIMUM** requirements expected by SCI. If a Bidder wishes to add further information, this is acceptable but the additional information should be limited to only items that are relevant to the tender.

* For the avoidance of doubt, bidders are required to complete all items within the Bidder Response Document unless clear instruction is provided otherwise.
* If a Bidder does not complete the entire Bidder Response document, their submission may be declared void.
* If a Bidder is unable to complete any element of the Bidder Response Document, they should contact Save the Children through the using the contact details provided for guidance.

By submitting a response, the bidder confirms that all information provided can be relied upon for validity and accuracy.

## **SECTION 1 - ESSENTIAL CRITERIA**

***INSTRUCTIONS – Bidders are required to complete all sections of the below table.***

|  |  |  |  |
| --- | --- | --- | --- |
| ***Item*** | **Question** | **Bidder Response** | |
| ***1*** | The technical proposal should not be considered for further evaluation unless it meets all the following mandatory criteria: | **Yes / No** | **Comments / Attachments** |
|  |  |
| ***2*** | The firm must have renewed registration certificates from the appropriate government authority. A VAT registration certificate is also mandatory. | **Yes / No** | **Comments** |
|  |  |
| ***3*** | The bidder confirms they are not a prohibited party under applicable sanctions laws or anti-terrorism laws or provide goods under sanction by the United States of America or the European Union and accepts that SCI will undertake independent checks to validate this. | **Yes / No** | **Comments** |
|  |  |
| ***4*** | Availability: Notice delay for availability is less than 4 weeks from the date of the reception of the donor specific audit TOR |  |  |
| ***5*** | The firm must have renewed registration certificates from the appropriate government authority. A VAT registration certificate is also mandatory. | **Yes / No** | **Comments** |
|  |  |
| **Requirement** | **Bidder Response / Attachments** |
| ***Company profile*** |  |
| ***Evidence for having similar experience in the area*** |  |

## 

## **QUALIFICATIONS OF AUDITOR AND CONFLICT OF INTEREST**

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

The auditors should be experienced in applying International Audit Standards applicable for the audit. The auditors must employ adequate staff with appropriate professional qualifications and suitable experience with the standards, with knowledge of local accounting procedures including experience in auditing the accounts of entities comparable in size and complexity to the entity being audited.

## **SECTION 2 – CAPABILITY QUESTIONS (100 pts converted to 70pts)**

***Instructions – Bidders are required to complete all sections of the below table.***

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Available**  **Points** | **Points**  **Awarded** |
| *\*Overall experience and grade of the audit firm in auditing.*  *If the firm is Grade A-------20*  *If the firm is C – B -----------15*  *Below-----------------------------5* | *20* |  |
| *\*\*The firm’s proven and demonstrated experience in auditing international non-profit organizations and SCI’s major donors like EC, DFID, NORAD, ECHO, and UN Agencies.*  *If it has Five of them--------------50*  *If it has Three of them------------30*  *If it has two or related and comparable donors -----------------15* | *50* |  |
| *\*\*\* Required personnel size and qualifications of the firm for each category of the three levels as indicated at the end of this table.* | *10* |  |
| *Audit firm’s experience with SCI (*  *15 marks if it has worked with SCI on three project audits or more,*  *10 marks if worked on 2 project audits and*  *5 if worked for 1 project audit or related and comparable organizations).* | *15* |  |
| *Affiliation with International Audit Firms* | *5* |  |
| *Total Technical Score* | *100* |  |

**Experience of the Audit Firm**

1. **20 points for grade A audit firms.**

2- **15 points for grade B audit firms.**

3- **5 points for grade C audit firms.**

**\*\*Experience in auditing International NGOs, and/or major Donors**

1. **10 points for experience in EC donor audit**
2. **10 points for experience in ECHO donor audit**
3. **10 points for experience in UN Agencies donor audit**
4. **5 points for experience in DFID donor audit**
5. **5 points for experience in DANIDA donor audit**
6. **10 points for experience in NORAD donor audit**

**\*\*\* Required personnel size and qualification for all.**

* Partner (principal) - FCCA, ACIS with over 10 years’ extensive experience (10)
* Audit Manager (1) - BA, ACCA/CPA with IT skill and minimum 10 years’ auditing experience (9)
* Senior Auditor (1) – BA, ACCA/CPA finalist level with IT skill and minimum five years’ auditing experience (8)
* Auditor (3) – BA or BSC with ACCA/CPA fundamental level with minimum five years auditing experience (7)
* Asst. or Junior Auditor (3) – BA with minimum of three years’ auditing experience or College Graduate with Diploma (CD) with minimum of 7 years auditing experience (6)

Notes for Qualifications:

BA - Bachelor of Arts Degree

BSC - Bachelor of Science Degree

ACCA - Associate Member of the Association of Chartered Certified Accountants

FCCA - Fellow of the Association of Chartered Certified Accountants

CPA - Certified Public Accountants

ACIS - Association of Certified Institute of Secretaries

N.B. Benchmark for the technical qualification will be 75%, i.e. Framework Agreement will be signed with those who score 75% and above in the technical evaluation for any future SCI audit need in accordance with their grades to be invited to compete on price, methodology and time.

Supply Chain will include standard application requirements.

Timeframe and methodology to be considered during financial proposal evaluation.

**SECTION 3 – SUSTAINABILITY QUESTIONS (10 Points)**

Save the Children elevate social, economic, and environmental sustainability to the core of our and our suppliers’ ways of working and decision-making. As part of our commitment to our community, we encourage working with those suppliers that contribute their part to the community.

* 10/10 - the bidder demonstrates they work closely with local communities delivering a positive impact (e.g. Voluntary service, financial or goods donation …etc.)
* 5/10 - the bidder demonstrates some low-level involvement/support of the local community.
* 0/10 - the bidder does not provide any support/development to the local community.

**N.B: supplier must attach the evidence that shows the company works closely with the local community**

**SECTION 4 – COMMERCIAL QUESTIONS (20pts)**

|  |  |  |  |
| --- | --- | --- | --- |
| **GOOD / SERVICE** | **Willing** | **Not-willing** | **Remark** |
| Willingness to provide Credit Facility-**10 pts** |  |  |  |
| Willingness to fix prices for at least 60 days-**5pts** |  |  |  |
| Willingness to be Flexible for proposed payment schedules -**5pts** |  |  |  |

***Note: The consultant can put its own remarks if they have a different thought for each requirement on the remark section.***

**SELECTION CRITERIA AND AWARD CRITERIA**

Bidders who Pass the essential criteria and score the capability, sustainability, and commercial evaluation with above 75% (out of 100%) will be considered technically qualified, Further due diligence will be undertaken as appropriate in order to determine the recommended consulting firms.

## **SECTION 5 – BIDDER SUBMISSION CHECKLIST**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **We, the Bidder, hereby confirm we have completed all sections of the Bidder Response Document:** | | | | | | |
| **No** | **Section** | | | **Please Tick** | | |
| 1. | Section 1– Essential Criteria | | |  | | |
| 2 | Section 2– Capability | | |  | | |
| 3. | Section 3 – & Sustainability Questions | | |  | | |
| 4. | Section 4 – Commercial Questions | | |  | | |
|  | | | | | | |
| **We, the Bidder, confirm we have uploaded all of the required information and supporting evidence:** | | | | | | |
| **Section** | | **Required Document / Evidence** | | | | **Please Tick** |
| **Section 1- Essential Criteria Evidence** | | Proof of qualification /Company Profile/ | | | |  |
| Past experience in the area of the assignment | | | |  |
|  | | | |  |
|  | | | |  |
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|  | | | |  |
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| **Section 2- Capability Criteria Evidence** | | Completed Bidder Response Document | | | |  |
| Supporting Documents | | | |  |
|  | | | |  |
|  | | | |  |
|  | | | |  |
| **Section 3- Sustainability Questions** | | Proof of sustainability letter | | | |  |
| **Section 4- Commercial Criteria Evidence** | | Completed Bidder Response Document | | | |  |
| Completed financial proposal | | | |  |
|  | | | |  |
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|  | | | | | | |
| **We, the Bidder, hereby confirm we compliance with the following policies and requirements:** | | | | | | |
| **Policy** | | | **Policy / Document** | | **Signature** | |
| Terms & Conditions of Bidding | | |  | |  | |
| Terms & Conditions of Purchase | | |  | |  | |
| Supplier Sustainability Policy  and the included mandatory policies | | | [Click Here to Access](https://www.savethechildren.net/sites/www.savethechildren.net/files/Supplier%20Sustainability%20Policy.pdf) | |  | |

|  |  |
| --- | --- |
| We confirm that Save the Children may in its consideration of our offer, and subsequently, rely on the statements made herein. | |
| Signature: | ………………………………………………….. |
| Name: | ………………………………………………….. |
| Title: | ………………………………………………….. |
| Company: | ………………………………………………….. |
| Date: | ………………………………………………….. |

**Annexes**

**Annex 1**

**Table-1: General/Relevant Experience of the Consulting Firm during the Last 5 Years**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| S. N | Name of the assignment | Name of the client | Address of the | Duration of the assignment | | | Total Cost of | Remarks |
|  |  |  | client |  | | | the assignment |  |
| From | To | Total |
|  |  |  |  | (Date) | (Date) | months | ETB (‘000) |  |
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**Annex 2**

**Table -2: Relevant Experience of the Consulting Firm's Professional Staff**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| S. No | Name of the | Qualification | Total years |  | Relevant experience | |  |  |  |
|  | staff | on | of  experience |  |  | |  |  |  |
| Name of assignment  Duration | Client | Position |  | Duration |  |
| From | To | Total month |
|  |  |  |  |  |  |  |  |  |  |
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