



REQUEST FOR PROPOSAL

Leaders invites you to submit a proposal for auditing services for the

Date of issue	26/04/2020
Closing date:	10/05/2020
Leaders's budget on SME4SMARTCITIES	371987.85 EURO
Services:	Auditing Services for SME4SMARTCITIES project
Project no.	A_A.1.2_0355
Contracting Authority	Leaders 2nd floor, Adel Masri Bldg, Parliament square, Ramallah, Palestine TEL: 00970 (2) 2972930 FAX: 00970 (2) 2972931 Email: r.ghusain@leadersinternational.org



General Conditions:

1. The applier shall fully commit to the conditions in Annex 1
2. The applier shall commit to the code of ethics and professionalism
 - The auditor should perform his duties carefully and responsibly.
 - The auditor is committed to perform the work with high standards of professional and ethical competences and integrity in accordance to the applicable laws
 - The auditor shall seek to achieve the organization's interests professionally and independency.
 - The auditor should disclose on any conflict of interests that might occur during his work with the organization.
 - The auditor should respect the organization's legitimate objectives and seek to achieve those objectives.
 - The auditor should respect the values and beliefs of the employees working in the organization.
 - The auditor shall maintain confidentiality of the data and information related to the service provided, except some cases according to the law.
 - The auditor should not be a part of any illegal activity, or any activity that contradict with auditing service.
 - The auditor should not contribute with any activity that might have a conflict with the organization's interests.
 - Should not accept any gifts from anyone that might affect his judgements objectivity.
 - Should not receive any payment from the organization except for the auditing services have been done.
 - Should not be family related to any of the board members, or employees especially the financial department, even a second cousin.
 - Should not be in a partnership with any of the board members, or any of the employees in any kind of trade during the last 3 years till the date of the auditing assignment.
3. The auditor should be responsible for the quality and results of the auditing data.
4. The auditor should be committed to validity of his price offer for 120 days from the final date for price offers.
5. Offers will be evaluated according to quality and cost (40% for the financial offer and 60% for the technical offer).
6. The Organization has the right to call the price offer provider to conduct a meeting.
7. The Organization can cancel the tender at any time without disclosing the reasons, also without having any cost responsibilities to the price offer providers.
8. The organization is not obliged to accept the lowest prices.



Penalty Causes

- In case of not delivering the auditor the required reports, according to the call's documents before the deadline period according to the contract, financial penalty should be imposed with a range of 100 Euro on each day late, if the number days late exceeds 20% from the contract's amount, the organization can directly cancel the contract and force the auditing company to afford any costs and loses occurred because of the cancellation of the contract.
- In the case of the auditor has a lack of commitment to the call's documents conditions, the organization has the right to cancel the contract, and force the auditor to afford any expenses and loses of the cancellation of the contract, and the expenses of entering the arbitration proceedings if they had to, and also the expenses of the contract with a new auditor.

Special conditions to provide price offer:

1. The auditing company should

- Have a membership, registered and licensed to practice the auditing services from the profession board in Palestine.
- Have a file and registered in the income and value added taxes authorities.
- Have the experience in auditing Non- Governmental Institutions and Non-for Profit Organizations.
- Have the experience in implementing international auditing standards and implementing international standards of financial disclosures.
- Have the experience in issuing reports and financial data in Arabic and in English.
- Have the ability to issue tax bills for each service done.

2. The conditions of accepting price offer

The auditing company should provide the followings:

➤ **Technical offer and should include:**

- Information about the auditing company according to **ANNEX 2**
- Information about the auditing team according to **ANNEX 3**
- Plan and working methodology apply with the terms of reference according to **ANNEX 4**.
- Initial schedule for the expected visits dates.

➤ **Financial offer according to ANNEX 5 and should include:**

- CV for the auditing company and the auditing team.
- A copy of company registration.



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After having your Request for Proposal for Auditing Services for **SME4SMARTCITIES** Project dated April 26th 2020 read and examined, I/we hereby offer to execute and complete the services in conformity with all conditions in the Request for Proposal for the sum indicated in our financial proposal.

Furthermore, I/we hereby:

- Accept, without restrictions, all the provisions in the Request for Proposal and all annexes.
- Given that a contract is issued by the Contracting Authority, I/we hereby commit to perform all services described in the Terms of Reference, **Annex 1** within the time frame described in our Organization and Methodology.
- The above declarations will become an integral part of the Contract and misrepresentation will be regarded as grounds for termination.

Signature and stamp:

Signed by:

The Candidate: -----

Name of the company: -----

Address: -----

TEL #: -----

Email: -----

Name of contact person: -----

Mobile #: -----

Date:-----

ANNEX 1:

Terms of reference

- **BACKGROUND INFORMATION**

Leaders, headquartered in Brussels, is an international network of local organisations specialised in planning, managing, and monitoring innovation and economic development interventions in developing economies, fragile states, and post-conflict countries. It was established in 2004 with a vision to deliver prosperity and economic growth to people across the Middle East and North Africa.

Through its global network of partners, Leaders delivers professional project-management services with particular focus on private-sector development, job creation, innovation, entrepreneurship, and access to markets. It manages a multi-million active portfolio of development grants and service contracts; aiming to advance and transform developing economies while respecting environmental, ethical, and social values of those it serves.

- **SME4SMARTCITIES**

As cities continue to grow, so is the number of challenges they are facing. Environmental, economic or social emerging issues call for new and unproven urban solutions. The increasing need for urban innovation will result in the development of a significant number of smart cities initiatives, creating new business opportunities for Mediterranean SMEs.

The project aims to support our cities in becoming efficiently managed and more livable for communities, public authorities and SMEs have to work together to come up with the best technological solutions. SME4SMARTCITIES will make this collaboration possible by reinforcing the capacities of Mediterranean cities and SMEs.

On the one the hand, the project will help cities to be the front-runners of innovation, in particular through the use of Public Procurement of Innovative solutions. On the other hand, the project will support Mediterranean SMEs in order to guarantee that their products and services meet the expectations and needs of smart cities.

Please note that leaders are a partner within a consortium of Mediteranian countries executing this project.

- **Purposes And expected results**



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The objective of this call to audit the project expenses according to the EU regulation and forms (expenditure verification templates).

- **Purpose**

The purpose of this call is to fulfil the requirement by EU regarding the reporting and auditing.

- **Results to be achieved by the auditor**

1. Follow the expenditure verification procedure set by EU.
2. Report Control check-list template provided by EU.
3. Report individual report template provided by EU.
4. Report consolidated report template provided by EU.
5. Report list of findings template provided by EU.
6. Report suspected fraud template provided by EU.
7. Report of contracts template provided by EU.
8. Report any findings and suggestion needed during the audit work.

- **Responsibilities**

- To verify that the expenditure declared by the Lead Beneficiary relates to the eligible period or previous ones and it has been paid.
- To verify the compliance with applicable rules (including eligibility rules), also including procurement and visibility requirements
- To verify the compliance of the expenditures with the approved project and the signed Grant Contract (GC)
- To verify the adequacy of supporting documents
- To check the registration of the expenditure in the accounting records of the beneficiary and that the expenditure is determined according to the accounting standards and the usual cost accounting practices applicable to the **Lead Beneficiary**
- To check the record-keeping and archiving rules for the documentary evidence related to the implementation of the project
- A copy of the project reports and the EVRs shall be also submitted to the concerned Control Contact Point (CCP), in order to allow it to carry out checks, as the case may be. The EVR could also be made available by the **Auditor** in a specific section of the Monitoring and Information System (MIS)

- **Scope of the services**

All project expenditure shall be examined by the auditors appointed by the LB and partners, according to the control systems established at national level and to the requirements as laid down in article 32 of



the Reg. (EU) 897/2014.

Expenditure declared by the beneficiary in support of a payment request shall be examined by an auditor or by a competent public officer being independent from the beneficiary. The auditor or the competent public officer shall examine whether the costs declared by the beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the contract.

This examination shall be performed on the basis of an agreed-upon procedure which will be undertaken in accordance with:

- the International Standard on Related Services 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by International Federation of Accountants (IFAC)
- IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants.
- **The auditor shall meet the following requirements**
 - be a member of a national accounting or auditing body or institution which in turn is member of IFAC.
 - be registered as a statutory auditor in the public register of a public oversight body in a Member State in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council.
 - be registered as a statutory auditor in the public register of a public oversight body in a CBC partner country, provided this register is subject to principles of public oversight as set out in the legislation of the country concerned.

In addition, the Managing Authority shall perform its own verifications pursuant to point (a) of Article 26(5) and Article 26(6). For the purpose of carrying out verifications throughout the whole programme area, the Managing Authority may be assisted by the control contact points.

The Audit Authority shall ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the programme as referred to in Article 28. The group of auditors mentioned in Article 28(2) shall be set up within three months of the designation of the Managing Authority. It shall draw up its own rules of procedures. It shall be chaired by the Audit Authority appointed for the programme. Each participating country may authorize the Audit Authority to carry out directly its duties on its territory.

The auditors shall verify whether the costs declared by the LB and the partners and the revenue of the project are real, accurately recorded and eligible. in accordance. with this contract and issue the expenditure verification report, drafted according to the model and Instructions provided by the MA. The LB and the beneficiaries will use the template of contract with the auditors provided by the MA. Moreover, a consolidated report, including the results of the verifications carried out by all auditors, shall be drafted by the auditor of the LB. The LB and the partners shall grant the auditors all access rights



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necessary for the verification under the same conditions than the ones mentioned in Art. 16.4

All expenditures verification reports shall be uploaded to the electronic monitoring system together with each Request for Payment. A copy of the reports shall be submitted to the Control Contact Points, in order to allow them to carry out checks, as the case may be.

- **Timing**

The time will be agreed on after submitting the work plan

- **Reporting**

The auditor shall produce all the verification of expenditures for the following submitted reports:

Type of the report	Months covered by Deadline for submission the report	Deadline for submission
Interim Report	0 - 12	Within two months after the end of the reporting period
Interim Report	13 - 24	Within two months after the end of the reporting period
Project Final Report	25 - 36	Within three months after the end of the reporting period

- **Qualification requirements**

- Member of Board of Professional Auditing (BOPA).
- Member of Palestinian Association of Certified Public Accountants (PACPA).
- Holding IFAC license.



ANNEX 2:

Technical offer (Information about the auditing company)

- 1- A brief of the auditing company
- 2- The company's name, address
- 3- Date of establishment, registration number
- 4- Tax registration number
- 5- Chief audit
- 6- Auditing officer
- 7- Information about the auditing company's activities.
- 8- The implemented workload measurement in the last 5 years.

#	Customer's Name	Services Description	Amount
1			
2			
3			
4			
5			
6			
7			



ANNEX 3:

Technical offer (Information about the auditing team)

#	Name	Current job	Education degree	Years of experience	Job is nominated for



ANNEX 4:

Plan and work methodology

Initial auditing plan

- 1- General auditing objectives
 - Regulations and tests that follow
- 2- Detailed auditing objectives
 - Regulations and tests that follow
- 3- Data and information should be implemented
 - Should be implemented by the organization
- 4- Visits and hours
 - Initial expected visits schedule
 - Total hours expected to do



ANNEX 5:

Financial offer

Description	Currency	Amount
Price	EUR	
VAT or Other tax on services	EUR	
Total price incl. taxes	EUR	

Signature and stamp:

Signed by:

The Candidate: -----

Name of the company: -----

Address: -----

TEL #: -----

Email: -----

Name of contact person: -----

Mobile #: -----

Date:-----