Request for Proposal
External Audit Services for 2024 - 2027

I. WHAT WE ARE SEEKING:

Request for proposals for the Engagement of a Common Statutory Auditor for CGIAR Centers in India to perform the audit for the Financial Year 2022-23.

We are seeking a highly reputable and accredited accounting firm that can deliver exceptional services tailored to the individual requirements and legal obligations of each Center.

Since each of the nine Centers operates as an independent legal entity and has its own distinct mandate outlined in its Governing Instruments, it will be necessary to establish a separate agreement with each Centre.

II. WHO WE ARE:

CGIAR is a global research partnership whose mission is to create a world with sustainable and resilient food, land, and water systems that deliver diverse, healthy, safe, sufficient, and affordable diets and ensure improved livelihoods and greater social equality within planetary and regional environmental boundaries. One CGIAR is a dynamic reformulation of CGIAR’s partnerships, knowledge, assets, and global presence, aiming for greater integration and impact in the face of the interdependent challenges facing today’s world. As One CGIAR, scientific innovations for food, land, and water systems can be deployed faster, at a larger scale, and at a reduced cost, having a greater impact where they are needed the most. This will provide its beneficiaries worldwide with more sustainable ways to grow, catch, transport, process, trade, and consume safe and nutritious food.

The CGIAR System Organization is an international organization headquartered in Montpellier, France. The System Organization has a vital role in facilitating and overseeing the development, effective and efficient implementation of the CGIAR 2030 Research and Innovation Strategy. The System Organization enters into agreements with the trustee of the CGIAR Trust Fund, Funders, Centers, and other relevant entities for funding CGIAR Research and other activities of the CGIAR System. The Organization is committed to cultivating a work environment that reflects teamwork, gender equality, and respect for diversity. We endeavor to foster a multicultural environment that is free of any form of harassment and discrimination; and that
embraces and values individuals regardless of age, ethnicity, race, gender, national or social origin, marital status, or any other form of personal identity.

You can find further details on our website https://www.cgiar.org/

III. SCOPE OF THE ENGAGEMENT AND REQUIREMENTS

It is the intent of CGIAR to enter into a three-year agreement (2023-24 – 2025-26) with a qualified audit firm with offices in India that can demonstrate through the Request for Proposal process, their ability to:

- deliver quality India statutory audits for International Centers conducting operations in India
- provide Centers’ management and the AFRC standardized financial statements following a consistent and robust audit plan and approach,
- Demonstrate previous experience in auditing similar complex organizations.
- Provide advisory services to improve the consistency of India’s statutory compliance and legal country presence across CGIAR centers.

Scope

This RFP document is not intended to limit the bidder’s submissions but rather to provide a framework for CGIAR to evaluate each and determine which submission most closely addresses our needs. Bidders are encouraged to provide any additional information or innovative approaches not specifically outlined in this Proposal. Bidders will provide any reasonable additional information upon request by the CGIAR.

In their bid, the audit firm shall include the following:
How their India member firm shall examine records and the financial statements of the following entities to the degree necessary to express an audit opinion.

The following three Centers are confirmed to join the initial RFP call:
1) International Rice Research Institute (IRRI), Philippines
2) International Water Management Institute (IWMI), Sri Lanka
3) International Center for Living Aquatic Resources Management (ICLARM) also known as WorldFish, Malaysia

The following four centers are interested in joining the RFP call phase 2. The audit firm is encouraged to build incentives on its proposal based on the increased number of centers joining (e.g., rebates, discounts).

4) International Center for Agricultural Research in the Dry Areas (ICARDA), Egypt
IV. TERM OF ENGAGEMENT:

The successful firm will be appointed as CGIAR auditors with a one-year contract commencing the 2024 fiscal year, renewable up to 3 years, subject to satisfactory performance.

V. RESPONSIBILITIES

- Planning, managing and performing the India statutory
- Provide an audit opinion on each CGIAR Centers’ financial statements to ensure that the Boards receive adequate, independent, professional audit assurance that the annual financial statements are free from material misstatements, whether caused by error or fraud.
- Report on key findings of the audit and provide any commentary on the financial results of the year
- Prepare and present a Letter to Those Charged with Governance setting out any weaknesses or deficiencies in the accounting systems, areas for improvement, and regulatory or accounting compliance issues.
- Provide any other advice related to its role as an External Auditor.

VI. DELIVERABLES

For each Center:

1. Annual Financial Statement Audit
   a) Annual financial statements accompanied by the auditors’ report
   b) Auditors shall be delivered to the centers’ management based on each centers’ audit schedule. Please refer to Appendix C.
   c) Provide deliverables for statutory audits as described in Appendix C.
   d) The auditor will be responsible for reporting on the accuracy of internal Controls and the accuracy and propriety of transactions.
   e) Project-based accounting for all projects undertaken by the Branch/Liaison office in the financial year and incorporating the same in the financial year statement of the Branch Office

2. Income Tax Review
a) Scrutiny of monthly salary bills, payments to various contractors, and other allowances to ensure correct disbursements, correct deductions of income tax, and other statutory laws.
b) Checking and ensuring timely payment of various statutory dues, including TDS, GST, Government Service Tax

c) Prepare, finalise, certify, and file Income tax returns, GST, statutory returns, and documents.
d) Advising on the applicability of any other tax rules, laws, or regulations which might be applicable to CGIAR centers operating in India.

3. Goods and Services Tax

a) Calculation of GST and filing of the annual return.


a) Filing Annual returns and accounts within the prescribed time.
b) Filing of any changes to MCA regarding Board composition or an authorised representative
c) Fulfil any other regulatory requirements depending on each Center’s legal status.

5. Filing of information to DG Police

a) Filing information to DG Delhi office per Circular 35.
b) Appearance and filing, if any, to the DG office.

6. Management Letters

a) Provide the Board with a management letter that includes comments on the audit, identifies any discrepancies in the Board’s reporting systems, and suggestions for changes to reporting or governance.

VII. PROPOSAL CONTENT

Knowledge Skills and Related Experience

Bidders should demonstrate the following skills and experience for their local audit firm:
(External Audit Questionnaire in Appendix A)

- Formal qualifications in accounting and financial reporting
- Extensive experience in India audit and tax compliance, and governance requirements.
- Training and experience in applying IFRS and GAAP, especially related to the accounting of International Research Organisations.
- Excellent stakeholder management skills within the context of a politically sensitive environment
- Excellent written and verbal communication skills.
- Succession planning to ensure continuity when senior auditors retire or resign.

VIII. LOCATION & BUSINESS LANGUAGE:

The Audit firm must have a robust presence in India to participate in the delivery of this scope of work outlined in this RFP. It is essential that the local audit firm is authorized to work in that jurisdiction, has an office in New Delhi NCR, and is solely responsible for any taxes and fees related to such an operation.

CGIAR encourages respondents to support our inclusive culture and diversity when proposing teams they feel can best meet the requirements and not restrict the selection to one office, region, race, or gender.

CGIAR’s business language is English; all work must be delivered in English.

Bid Schedule and Dates:
The following schedule includes key milestones and associated completion dates and is provided primarily for planning purposes. The final work plan will be developed in consultation with the consultant.

<table>
<thead>
<tr>
<th>Indicative dates</th>
<th>Milestone</th>
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<tbody>
<tr>
<td>28-Jul-23</td>
<td>Publish bid notice / Invitation to bid</td>
</tr>
<tr>
<td>05-Aug-23</td>
<td>Firms' submission of a letter indicating expression of interest</td>
</tr>
<tr>
<td>10-Aug-23</td>
<td>Final day for proposal questions</td>
</tr>
<tr>
<td>14-Aug-23</td>
<td>Deadline for submission of proposals</td>
</tr>
<tr>
<td>25-Aug-23</td>
<td>Audit firm selected and informed</td>
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IX. HOW TO SUBMIT A PROPOSAL:

Please submit a technical proposal and completed questionnaire in Appendix A and a budget proposal as two separate documents to Mr. Gamini Halvitige, Head of Finance, IWMI (via G.HALVITIGE@CGIAR.ORG) and must be addressed to "Head of Finance, International Water Management Institute, 127, Sunil Mawatha, Pelawatte, Battaramulla, Sri Lanka". The proposal should be presented on letterhead and include the bidder's name,
address, and phone number as well as their official signature and stamp. Both documents can be attached to the same email.

The technical proposal will consist of no more than ten pages using Microsoft Word or a similar format, font size 11pt., and margins no smaller than one inch.

The financial proposal will be presented using Microsoft Excel or a similar format and consist of, at a minimum, the following line items: consultant time, resources, and travel, if applicable, including the audit fee payment terms, the conditions under which you may request variations in the fixed fee, and the basis on how fees will be determined in future years. The financial proposal will be presented in US dollars.

All proposals must be received no later than 14th August 2023
Only electronically submitted proposals will be considered. Late submissions will not be considered.

X. QUALITY ASSURANCE

The firm must demonstrate the efficiency, quality, and integrity of the proposed audit approach and the quality control procedures that will be adopted. Where a network of firms is submitting a proposal, the firm must provide the following:
- Details of the Experience and audit quality record of the lead partner and the firm
- Recent audit Quality Review Report
  Common audit methodology framework and Quality control policies and procedures.

Audit Fees
For each Center, please provide a fixed fee proposal (in US$) and the approach that will be used to determine fees for each subsequent year.
For 2024, provide a breakdown of the fees quoted by staff level as illustrated below. We encourage you to include a pricing structure such as rebates or discounts used as incentives for more centers to contract directly with your firm, as indicated in section III above.

<table>
<thead>
<tr>
<th>Staff Level</th>
<th>Number of Days</th>
<th>Daily Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Associate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Partner</td>
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<td></td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
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XI. EVALUATION CRITERIA
All proposals submitted will be reviewed and evaluated on a two-step basis. The technical and commercial proposals are assessed separately in the first round and then combined to determine the best value for the price. Appendix B shows a detailed breakdown of the evaluation criteria.

Only firms that meet the following mandatory criteria will be considered:

- The firm must be empaneled with the Comptroller and Auditor General of India
- The firm must be registered with the Institute of Chartered Accountants of India (ICAI) under the Chartered Accountants Act 1949 and the Chartered Accountants regulations.
- Valid Registration letter having particulars of partners, years of establishment etc., issued by ICAI must be submitted.
- The Accounting Firm and assigned staff must have experience in auditing similar International Organizations to CGIAR (in terms of size, global footprint, operations, trends & issues\(^1\))
- The Audit Partner and manager must possess a qualification from an accounting body recognized by ICAI and 10 - 15 years of relevant post-qualification experience. In addition, they must not have been subject to any disciplinary action by a professional body.

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\(^1\) See Annex C with a list of all centres and links to their respective websites
## Appendix A – External Audit Questionnaire

### Overall Capabilities of the Firm

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is the size of the firm from which all centers’ audits would be performed? Please provide information on the number for each level of professional staff in the firm, the partner/staff ratio, and the number of audits performed annually by the office.</td>
<td></td>
</tr>
<tr>
<td>2. Where the firm works within partnership networks, how many partners are there, and how many partners will be involved? Who will hold overall accountability for the results of the engagement?</td>
<td></td>
</tr>
<tr>
<td>3. What experience does the firm have in auditing non-profit organizations, especially those involved in agricultural research or similar endeavors?</td>
<td></td>
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### Composition of the Team

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Identify the partners and other key members of your team who will be assigned to the CGIAR centers engagement. Briefly describe their roles and experience with organizations of similar size in the charitable and Not-For-Profit sectors and their specific expertise in auditing organizations with international operations.</td>
<td></td>
</tr>
<tr>
<td>2. Has any team member had experience working with CGIAR Centers?</td>
<td></td>
</tr>
<tr>
<td>3. What is the time allocation for the various proposed professional team members? Please provide a time breakdown by interim and final audit phases.</td>
<td></td>
</tr>
</tbody>
</table>

### Proposed Methodology

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Please outline the External Audit Methodology you would propose for this engagement, including an indicative timetable, quality assurance procedures, and the reports to be delivered as a final output.</td>
<td></td>
</tr>
</tbody>
</table>
2. Please outline the planning process that would be undertaken in the first year and then for subsequent years.

3. Please outline the significant risks that you would consider requiring detailed focus when undertaking our External Audit.

4. Please outline your approach in the External Audit concerning branches and (other specific office types/services and locations). Please also outline your approach to remote and physical auditing, if any.

5. Please discuss how the External Audit will be controlled and coordinated and define the expected interface processes with management.

6. Please outline your approach to communicating results to various functions, including the Audit, Finance & Risk Committee.

7. Explain your experience in, or approach to placing reliance on the work performed by the internal audit units and how this experience will be optimized in the audit of CGIAR.

 Trade References

1. Please also provide details of up to three clients we can contact for references.

2. The accounting firm submits a copy of their most recent peer review.
Appendix B – Evaluation Criteria Technical Proposal

<table>
<thead>
<tr>
<th>Technical Qualifications</th>
<th>Weight %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Understanding the assignment</strong>&lt;br&gt;Demonstrated understanding of CGIAR’s requirements and expected outcomes.</td>
<td>10%</td>
</tr>
<tr>
<td>Firm’s experience and performance on comparable international NGO engagements&lt;br&gt;The quality and relevance of the examples of similar work and references for the review.&lt;br&gt;Type of clients/sectors, number of clients /clients spread.</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Training and Experience</strong>&lt;br&gt;Quality of the staff to be assigned to the engagement and the firm’s personnel available for technical consultation.&lt;br&gt;Key team members have experience auditing a not-for-profit/international organization reporting according to International Financial Reporting standards.</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Audit Approach and Strategy</strong></td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>70%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial/Financial Criteria</th>
<th>Weight %</th>
</tr>
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<tbody>
<tr>
<td>The proposed fee is realistic, and quality service can be delivered for the price quoted.&lt;br&gt;Value for money, in particular, the financial benefit this audit firm will bring to CGIAR</td>
<td>5%</td>
</tr>
<tr>
<td>Lowest Cost of All Bids / Cost of Bid for this firm (% x 35)</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30%</td>
</tr>
</tbody>
</table>