



REQUEST FOR PROPOSAL

RFP No: 002/CMAA/ADS/CFR/2019

For

Audit Service for Mine Clearance and Land Reclamation Non-Technical Survey Project in Banteay Meanchey, Battambang and Pailin Provinces for 2017 and 2018 Contract

Letter of Invitation

Date: 01 Aug 2019

Dear Sir/Madam,

Subject: RFP for audit service for mine clearance and land reclamation non-technical survey projects in Banteay Meanchey, Battambang and Pailin province for 2017-2018 Contract.

1. You are requested to submit a proposal for the audit services of the projects stated in Annex III: Statement of Work.
2. To enable you to submit a proposal, attached are:
 - i. Instructions to Offerors (Annex I)
 - ii. General Conditions of Contract..... (Annex II)
 - iii. Statement of Work (SOW)..... (Annex III)
 - iv. Classification of Findings by risk severity..... (Annex IV)
 - v. Guidance on Formulating Audit Observation..... (Annex V)
 - vi. Financial Proposal Form..... (Annex VI)
 - vii. Proposal Submission Form(Annex VII)
 - viii. Payment Schedule.....(Annex VIII)
 - ix. Standard Form of Contract..... (Annex IX)
3. Your offer comprising of technical proposal and financial proposal, in separate sealed envelopes, should reach the following address no later than **19 August 2019 before 10:00am, local time, Cambodia.**

CMAA, New Building, St. 273 Corner 516, Sangkat Toul Sangker, Khan Reussey Keo, Phnom Penh.
4. If you request additional information, we would endeavor to provide information expeditiously, but any delay in providing such information will not be considered as reason for extending the submission date of your proposal. ✓ ✍



H.E. Prum Sophakmonkol
Secretary General CMAA

Instructions to Offerors

A. Introduction**1. General**

The CMAA is seeking suitably qualified audit company to provide the audit service for mine clearance and land reclamation non-technical survey projects in Banteay Meanchey, Battambang and Pailin provinces for 2017-2018 as per Statement of Work (SOW) attached in Annex-III.

2. Cost of proposal

The Offerors shall bear all costs associated with the preparation and submission of the Proposal, the CMAA will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

B. Solicitation Documents**3. Contents of solicitation documents**

Proposals must offer services for the total requirement. Proposals offering only part of the requirement will be rejected. The Offeror is expected to examine all corresponding instructions, forms, terms and specifications contained in the Solicitation Documents. Failure to comply with these documents will be at the Offeror's risk and may affect the evaluation of the Proposal.

4. Clarification of solicitation documents

A prospective Offeror requiring any clarification of the Solicitation Documents may notify the CMAA in writing to procurement@cmaa.gov.kh. The CMAA will respond in writing to any request for clarification of the Solicitation Documents that it receives earlier than **19 August 2019**. Written copies of the organization's response (including an explanation of the query but without identifying the source of inquiry) will be sent by email to all prospective Offerors that have received the Solicitation Documents.

5. Amendments of solicitation documents

At any time prior to the deadline for submission of Proposals, the CMAA may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Offeror, modify the Solicitation Documents by amendment.

All prospective Offerors that have received the Solicitation Documents will be notified in writing of all amendments to the Solicitation Documents.

In order to afford prospective Offerors reasonable time in which to take the amendments into account in preparing their offers, the CMAA may, at its discretion, extend the deadline for the submission of Proposals.

C. Preparation of Proposals

6. Language of the proposal

The Proposals prepared by the Offeror and all correspondence and documents relating to the Proposal exchanged by the Offeror and the CMAA shall be written in the English language. Any printed literature furnished by the Offeror may be written in another language so long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Proposal, the English translation shall govern.

7. Documents comprising the proposal

The Proposal shall comprise the following components:

- (a) Proposal submission form;
- (b) Operational and technical part of the Proposal, including documentation to demonstrate that the Offeror meets all requirements;
- (c) Price schedule, completed in accordance with clauses 8 and 9;

8. Proposal form

The Offeror shall structure the operational and technical part of its Proposal as follows:

(a) Management plan

This section should provide corporate orientation to include the year and state/country of incorporation and a brief description of the Offeror's present activities. It should focus on services related to the Proposal.

This section should also describe the organisational unit(s) that will become responsible for the contract, and the general management approach towards a project of this kind. The Offeror should comment on its experience in similar projects and identify the person(s) representing the Offeror in any future dealing with the CMAA.

(b) Resource plan

This should fully explain the Offeror's resources in terms of personnel and facilities necessary for the performance of this requirement. It should describe the Offeror's current capabilities/facilities and any plans for their expansion.

(c) Proposed methodology

This section should demonstrate the Offeror's responsiveness to the specification by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed warranty; and demonstrating how the proposed methodology meets or exceeds the specifications.

Technical and Financial proposals must be submitted in separate sealed envelopes. Operational and Technical Parts of the Proposal that contain any pricing information whatsoever on the services offered will be rejected. Pricing information shall be separated and only contained in the appropriate prices schedule.

It is mandatory that the Offeror's Proposal numbering system corresponds with the numbering system used in the body of this RFP. All references to descriptive material and brochures should be included in the appropriate response paragraph, though material/documents themselves may be provided as annexes to the Proposal/response.

Information which the Offeror considers proprietary, if any, should be clearly marked "proprietary" next to the relevant part of the text and it will then be treated as such accordingly.

9. Proposal prices

The Offeror shall indicate on an appropriate Price Schedule, an example of which is contained in these Solicitation Documents, the prices of services it proposes to supply under the contract.

10. Proposal currencies

All prices shall be quoted in US dollars.

11. Period of validity of proposals

Proposals shall remain valid for one hundred and twenty (120) days after the date of Proposal submission prescribed by the CMAA, pursuant to the deadline clause. A Proposal valid for a shorter period may be rejected by the CMAA on the grounds that it is non-responsive.

In exceptional circumstances, the CMAA may solicit the Offeror's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. An Offeror granting the request will not be required nor permitted to modify its Proposal.

12. Format and signing of proposals

The Offeror shall prepare two copies of the Proposal, clearly marking each "Original Proposal" and "Copy of Proposal" as appropriate. In the event of any discrepancy between them, the original shall govern.

The two copies of the Proposal shall be typed or written in indelible ink and shall be signed by the Offeror or a person or persons duly authorised to bind the Offeror to the contract. The latter authorisation shall be indicated by written power-of-attorney accompanying the Proposal.

A Proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the Offeror, in which case such corrections shall be initialed by the person or persons signing the Proposal.

13. Payment

UNDP shall effect payments to the Service Provider after acceptance by UNDP of the invoices submitted by the Service Provider to the CMAA, upon achievement of the corresponding milestones.

D. Submission of Proposals

14. Sealing and marking of proposals

The Offeror shall seal the Proposal in one outer and two inner envelopes, as detailed below.

(a) The outer envelope shall be:

- addressed to –

Procurement Unit, CMAA, New Building, St. 273 Corner 516, Sangkat Toul Sangker, Khan Reussey Keo, Phnom Penh

and,

- marked with –

“RFP: for Technical Support for the Information Management of the Land Reclamation Non-Technical Survey and Baseline Survey Project”

(b) **Both inner envelopes shall indicate the name and address of the Offeror. The first inner envelope shall contain the information specified in Clause 8 (*Proposal form*) above, with the copies duly marked “Original” and “Copy”. The second inner envelope shall include the price schedule duly identified as such.**

Note, if the inner envelopes are not sealed and marked as per the instructions in this clause, the CMAA will not assume responsibility for the Proposal’s misplacement or premature opening.

15. Deadline for submission of proposals

3. Proposals must be received by the CMAA at the address specified under clause *Sealing and marking of Proposals* no later than **19 August 2019 before 10:00am, local time, Cambodia.**

The CMAA may, at its own discretion extend this deadline for the submission of Proposals by amending the solicitation documents in accordance with clause *Amendments of Solicitation Documents*, in which case all rights and obligations of the CMAA and Offerors previously subject to the deadline will thereafter be subject to the deadline as extended.

16. Late Proposals

Any Proposal received by the CMAA after the deadline for submission of proposals, pursuant to clause *Deadline for the submission of proposals*, will be rejected.

17. Modification and withdrawal of Proposals

The Offeror may withdraw its Proposal after the Proposal's submission, provided that written notice of the withdrawal is received by the CMAA prior to the deadline prescribed for submission of Proposals.

The Offeror's withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of clause *Deadline for Submission of Proposals*. The withdrawal notice may also be sent by email but followed by a signed confirmation copy.

No Proposal may be modified subsequent to the deadline for submission of proposals.

No Proposal may be withdrawn in the Interval between the deadline for submission of proposals and the expiration of the period of proposal validity specified by the Offeror on the Proposal Submission Form.

E. Opening and Evaluation of Proposals

18. Opening of proposals

The CMAA will open the Proposals in the presence of a Committee formed by the first Vice President. The Committee shall include members from UNDP as observer(s).

19. Clarification of proposals

To assist in the examination, evaluation and comparison of Proposals, the CMAA may at its discretion, ask the Offeror for clarification of its Proposal over the phone or email. The request for clarification and the response shall be provided over the phone or email with the response then also sent in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

20. Preliminary examination

The CMAA will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the Offeror does not accept the correction

of errors, its Proposal will be rejected. If there is a discrepancy between words and figures the amount in words will prevail.

Prior to the detailed evaluation, the CMAA will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one which conforms to all the terms and conditions of the RFP without material deviations. The CMAA's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.

A Proposal determined as not substantially responsive will be rejected by the CMAA and may not subsequently be made responsive by the Offeror by correction of the non-conformity.

21. Evaluation of proposals

Quality and Cost Based Selection method with a weight of 70%:30% is applied for this evaluation. A two-stage procedure is utilised in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The price proposal of the Proposals will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 1,000 points in the evaluation of the technical proposals.

The technical proposal is evaluated on the basis of its responsiveness to the SOW.

In the Second Stage, CMAA will evaluate the proposed price and as a result CMAA will evaluate which offeror/s will be contracted subject to available funding.

Technical Evaluation Criteria

| Summary of Technical Proposal Evaluation Forms | | Score Weight | Points Obtainable |
|--|--|--------------|-------------------|
| 1. | Expertise of Firm/Organization | 20% | 200 |
| 2. | Proposed Methodology, Approach and Implementation Plan | 20% | 200 |
| 3. | Management Structure and Key Personnel | 60% | 600 |
| Total | | | 1000 |

The Technical Proposal Evaluation Forms are:

Form **1**: Expertise of Firm/Organization

Form **2**: Proposed Methodology, Approach and Implementation Plan

Form **3**: Management Structure and Key Personnel

Note: The score weights and points obtainable in the evaluation sheet are tentative and should be changed depending on the need or major attributes of technical proposal.

| Technical Proposal Evaluation Form 1 | | Points obtainable |
|---|--|----------------------|
| Expertise of the Firm/Organization | | |
| 1.1 | Experience in conducting audits for UN Agencies | 40 |
| 1.2 | Familiarity with the policies, rules and procedures (accounting procedures, procurement rules, HR policy) of the agencies of United Nations and the Royal Government of Cambodia | 40 |
| 1.3 | Have at least 5 year experienced in applying either ISA or INTOSAI audit standards | 40 |
| 1.4 | Proven record of the firm's human resources including number for each level of Professional staff, partner/ staff ratio. | 40 |
| 1.5 | Strong and relevant expertise and qualifications and good public reputation in the area of business | 40 |
| Total Form 1 | | 200 |

| Technical Proposal Evaluation Form 2 | | Points Obtainable |
|---|--|----------------------|
| Proposed Methodology, Approach and Implementation Plan | | |
| 2.1 | To what degree does the Offeror understand the task? | 40 |
| 2.2 | Have the important aspects of the task been addressed in sufficient detail? | 40 |
| 2.3 | Is the conceptual framework adopted appropriate for the task? | 40 |
| 2.4 | Is the scope of task well defined and does it correspond to the TOR? | 40 |
| 2.5 | Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project? | 40 |
| Total Form 2 | | 200 |

| Technical Proposal Evaluation Form 3 | | Points Obtainable | |
|---|--|----------------------|----|
| Management Structure and Key Personnel | | | |
| 3.1 | Audit manager (1 Post) | 100 | |
| | Master of Business Administration (MBA) with a specialization in accounting or finance or Certified public accountants (CPA) | | 20 |
| | At least 8 years of relevant professional experience | | 30 |
| | Experience in supervising and instructing the audit teams, certifying the financial statements, reviewing procurement processes, providing the audit rating, and conducting quality control. | | 30 |
| | Experience in conducting prior audits for UN Agencies | | 20 |
| 3.2 | Senior auditor (1 Posts) | 100 | |
| | Bachelor's degree in Accounting or related field or Certified public accountants (CPA) | | 20 |
| | At least 5 years of work experience as an auditor at a public accounting firm | | 30 |
| | Experience in supervising and instructing the audit teams, certifying the financial statements, reviewing procurement processes, providing the audit rating, and conducting quality control. | | 30 |
| | Experience in conducting prior audits for UN Agencies | | 20 |

| | | | |
|--|--|----|--------------------------------------|
| 3-3 | Auditors (4 Posts) | | 400 (50 points for each team member) |
| | Bachelor of Business Administration with a specialization in accounting or finance | 10 | |
| | At least 3 years of relevant professional experience | 20 | |
| | Experience in conducting prior audits for UN Agencies | 20 | |
| Note: Fluent Khmer is obligatory for Auditors since all the accounting documents of national Executing Agencies, Implementing Institutions are in the Khmer language. | | | |
| Total Form 3 | | | 600 |

Financial Evaluation Criteria

Proposal will receive the maximum score of 1,000 points. The score for each other Financial Proposal is inversely proportional to its total cost and will be computed as follows:

$$S_f = 1,000 \times F_m / F$$

where:

- S_f is the score of the Financial Proposal being evaluated,
- F_m is the total cost of the lowest priced Financial Proposal,
- F is the total cost of the Financial Proposal under consideration.

Total Score

Total score of the proposal is a sum of technical score and financial score using the abovementioned weight:

$$\text{Total score of the proposal} = (\text{technical score} \times 70\%) + (\text{financial score} \times 30\%)$$

F. Award of Contract

22. Award criteria, award of contract

The CMAA reserves the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors of the grounds for the CMAAs action.

Prior to expiration of the period of proposal validity and subject to available funding, the CMAA will award the contract to the qualified Offeror whose Proposal after being evaluated is considered to be the most responsive to the needs of the organisation and activity concerned.

23. CMAA's right to vary requirements at time of award

The CMAA reserves the right at the time of award of contract to vary the quantity of services and goods specified in the RFP without any change in price or other terms and conditions.

24. Signing of the contract

Within 7 days of receipt of the contract the successful Offeror shall sign and date the contract and return it to the CMAA.

General Conditions of Contract

1. LEGAL STATUS

The Service Provider shall be considered as having the legal status of an independent Service Provider vis-à-vis CMAA. The Service Provider's personnel shall not be considered in any respect as being the employees or agents of the CMAA or the United Nations.

2. SOURCE OF INSTRUCTIONS

The Service Provider shall neither seek nor accept instructions from any authority external to CMAA in connection with the performance of its services under this Contract. The Service Provider shall refrain from any action which may adversely affect the CMAA and shall fulfill its commitments with the fullest regard to the interests of the CMAA.

3. SERVICE PROVIDER'S RESPONSIBILITY FOR EMPLOYEES

The Service Provider shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4. ASSIGNMENT

The Service Provider shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Service Provider's rights, claims or obligations under this Contract except with the prior written consent of the CMAA.

5. SUB-CONTRACTING

There shall be no sub-contracting accepted.

6. OFFICIALS NOT TO BENEFIT

The Service Provider warrants that no official of the CMAA has received or will be offered by the Service Provider any direct or indirect benefit arising from this Contract or the award thereof. The Service Provider agrees that breach of this provision is a breach of an essential term of this Contract.

7. INDEMNIFICATION

The Service Provider shall indemnify, hold and save harmless, and defend, at its own expense, CMAA, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Service Provider, or the Service Provider's employees, officers, agents, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the

nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Service Provider, its employees, officers, agents, servants,. The obligations under this Article do not lapse upon termination of this Contract.

8. INSURANCE AND LIABILITIES TO THIRD PARTIES

8.1 The Service Provider shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.

8.2 The Service Provider shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.

8.3 The Service Provider shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Service Provider or its agents, servants, employees performing work or services in connection with this Contract.

8.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:

(i) Name CMAA as additional insured;

(ii) Include a waiver of subrogation of the Service Provider's rights to the insurance carrier against CMAA;

(iii) Provide that CMAA shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.

8.5 The Service Provider shall, upon request, provide CMAA with satisfactory evidence of the insurance required under this Article.

9. ENCUMBRANCES/LIENS

The Service Provider shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the CMAA against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Service Provider.

10. TITLE TO EQUIPMENT

Title to any equipment and supplies that may be furnished by the CMAA shall rest with the CMAA and any such equipment shall be returned to the CMAA at the conclusion of this Contract or when no longer needed by the Service Provider. Such equipment, when returned to the CMAA, shall be in the same condition as when delivered to the Service Provider, subject to normal wear and tear. The Service Provider shall be liable to compensate the CMAA for equipment determined to be damaged or degraded beyond normal wear and tear.

11. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS

The CMAA shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to products, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of this Contract. At the CMAA's request, the Service Provider shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to the CMAA in compliance with the requirements of the applicable law.

12. USE OF NAME, EMBLEM OR OFFICIAL SEAL OF THE CMAA

The Service Provider shall not advertise or otherwise make public the fact that it is a Service Provider with CMAA, nor shall the Service Provider, in any manner whatsoever use the name, emblem or official seal of the CMAA, or any abbreviation of the CMAA in connection with its business or otherwise.

13. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION

13.1 All maps, drawings, photographs, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Service Provider under this Contract shall be the property of the CMAA, shall be treated as confidential and shall be delivered only to CMAA authorized officials on completion of work under this Contract.

13.2 The Service Provider may not communicate at any time to any other person, Government or authority external to the CMAA, any information known to it by reason of its association with CMAA which has not been made public except with the authorization of CMAA; nor shall the Service Provider at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

14. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 Force majeure, as used in this Article, means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force which are beyond the control of the Parties.

14.2 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Service Provider shall give notice and full particulars in writing to the CMAA, of such occurrence or change if the Service Provider is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Service Provider shall also notify CMAA of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of this Contract. The notice shall include steps proposed by the Service Provider to be taken including any reasonable alternative means for performance that is not prevented by force majeure. On receipt of the notice required under this Article, CMAA shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including the granting to the Service Provider of a reasonable extension of time in which to perform its obligations under this Contract.

14.3 If the Service Provider is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, CMAA shall have the right to suspend or terminate this Contract on the same terms and conditions as are

provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

15. TERMINATION

- 15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16 "Settlement of Disputes" below shall not be deemed a termination of this Contract.
- 15.2 CMAA reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Service Provider, in which case CMAA shall reimburse the Service Provider for all reasonable costs incurred by the Service Provider prior to receipt of the notice of termination.
- 15.3 In the event of any termination by CMAA under this Article, no payment shall be due from CMAA/UNDP to the Service Provider except for work and services satisfactorily performed in conformity with the express terms of this Contract. The Service Provider shall take immediate steps to terminate the work and services in a prompt and orderly manner and to minimize losses and further expenditures.
- 15.4 Should the Service Provider be adjudged bankrupt, or be liquidated or become insolvent, or should the Service Provider make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Service Provider, CMAA may, without prejudice to any other right or remedy it may have, terminate this Contract forthwith. The Service Provider shall immediately inform CMAA of the occurrence of any of the above events.

16. SETTLEMENT OF DISPUTES

16.1. Amicable Settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof.

16.2. Arbitration

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration at a hearing in the presence of the Clearing for Results Project Team. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

17 TAXES

- 17.1 The Contractor authorizes the CMAA to deduct from the Contractor's invoice any amount representing taxes (excepting personal income tax), duties or charges, unless the Contractor has consulted with the CMAA before the payment thereof and CMAA has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide CMAA with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

18 CHILD LABOUR

- 18.1 The Service Provider represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.
- 18.2 Any breach of this representation and warranty shall entitle CMAA to terminate this Contract immediately upon notice to the Service Provider, at no cost to the CMAA.

19. MINES

- 19.1 The Service Provider represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.
- 19.2 Any breach of this representation and warranty shall entitle CMAA to terminate this Contract immediately upon notice to the Service Provider, without any liability for termination charges or any other liability of any kind of CMAA.

20. OBSERVANCE OF THE LAW

The Service Provider shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

21. AUTHORITY TO MODIFY

No modification or change in this Contract, no waiver of any of its provisions or any additional contractual relationship of any kind with the Service Provider shall be valid and enforceable against CMAA unless provided by an amendment to this Contract signed by the authorized official of the CMAA.

STATEMENT OF WORK

**Audit Service for Mine Clearance and Land Reclamation Non-Technical Survey project in
Banteay Meanchey, Battambang
and Pailin province for the 2017 and 2018 Contract**

Audit Service Timeframe: 09 September 2019 to 08 November 2019

Objective of audit

The objective of auditing the Service Provider is to enable auditors to give an opinion on the Service Provider's financial report for the CMAA projects. Thus the audit is:

- To review the systems and procedures surrounding the CMAA funded project expenditures
- To review the appropriateness of the accounting policies and procedures used in the preparation of financial statements and ensure compliance thereof,
- To assess the adequacy and effectiveness of internal controls,
- To review budgets and examine the allocation of funds as budgeted

The audit should thus provide reasonable assurance that the financial report gives a true and fair view and has been prepared in accordance with relevant accounting, reporting and other requirements, as outlined in the contract signed between the Service Provider and the CMAA.

Responsibilities of Service Provider

The management of the Service Provider is responsible for ensuring that proper accounting records are maintained for preparing the financial report, and for making available to the auditors, as and when required, all accounting records and other relevant records and related information. The responsibility for safeguarding the assets of the Project and for the prevention and detection of fraud, error and non-compliance with the Project contract agreement rests with the Service Provider.

Responsibilities of Auditors

The auditors will endeavor to plan their audit so that they have a reasonable expectation of detecting material misstatement in the financial statements and accounting records (including those resulting from fraud, error or non-compliance with the Contract/project Agreement). ***The auditors are to provide the CMAA with a general outline of his or her methodology.*** This may include the proposed analysis and review of internal controls and the extent to which these controls lead to reliance on Service Provider administration and financial systems to produce accurate reports. Thus, the auditors will have the responsibility to report on whether, in their opinion, the financial report gives a true and fair view and whether the financial report has been properly prepared in accordance with the accounting policies and other requirements of the service the Service Provider is contacted for. In arriving at the opinion the auditors are required to consider the following issues, and to report on any aspects with which they are not satisfied:

- Whether proper accounting records have been kept and adequate information has been received from field, Phnom Penh and Head quarters office (in case of an international Organization) relating to international procurement, DSA for expats etc) not visited by the auditors.
- Whether the financial report presented is in agreement with the accounting records and other relevant data.
- Whether all the information and explanations which the auditors consider necessary for the purpose of the audit have been obtained.

Scope of the Audit

The audit should be conducted in accordance with generally accepted auditing standards (GAAS) or International Standards on audit (ISA) and will include, as the auditors consider necessary, tests of transactions and of the existence, ownership and valuation of assets and liabilities. The audit will cover the following contracts:

1. Contract Amendment No.3 to Contract for Mine Clearance Services in Banteay Meanchey province from 1st March 2017 to 31st May 2018, 002/CMAA/BMC/CFR/2017 (CMAC)
2. Contract Amendment No. 3 to Contract for Mine Clearance Services in Battambang Province from 1st March 2017 to 31st May 2018, 001/CMAA/BTB/CFR/2017 (CMAC)
3. Contract for Mine Clearance Services in Banteay Meanchey Province from 1st January 2018 to 31st December 2018, 002/CMAA/BMC/CFR/2018 (CMAC)
4. Contract Amendment No.1 to Contract for Mine Clearance Services in Battambang province from 1st January 2018 to 31st December 2018, 001/CMAA/BTB/CFR/2018 (CMAC)
5. Contract Amendment No.1 to Contract for Mine Clearance Services in Pailin from 1st January 2018 to 31st August 2018, 003/CMAA/PLN/CFR/2018 (CMAC)
6. Contract for Mine Clearance Services in Pailin Province from 1st January 2018 to 31st May 2018, 003/CMAA/PLN/CFR/2017 (Halo Trust)
7. Contract for Non-Technical Survey Service in Banteay Meanchey Province from 1st April 2017 to 30st November 2017, 005/CMAA/BMC/CFR/2017 (CMAC)
8. Contract for Non-Technical Survey Services in Battambang province from 1st April 2017 to 31st December 2017, 004/CMAA/BTB/CFR/2017 (CMAC)
9. Contract Amendment No. 1 to Contract for Non-Technical Survey Services in BTB and BMC from 1st March 2018 to 30th November 2018, 004/CMAA/NTS/CFR/2018 (CMAC)
10. Contract for Non-Technical Survey Services in Pailin Province from 1st April 2017 to 31st August 2017, 006/CMAA/PLN/CFR/2017 (CMAC)

Finance

- The auditor will provide an opinion as to the overall financial situation of the project for the period reflecting the projects mentioned above. The auditors will expect to obtain sufficient

and appropriate evidence to enable them to draw reasonable conclusion there from. This would involve an assessment of:

- The accounting records maintained, which normally includes: a general ledger accounting system; bank statements and reconciliations; cash book; and, petty cash book.
- The budgetary control system: to ascertain the adequacy of the budgetary control system to monitor actual expenditure against budget on a regular basis; to determine that disbursements are in accordance with budgetary provisions, and that overspent of budget lines above 10% have been properly authorized.
- The internal control system, including approval and control of documents in the expenditure cycle: adequate segregation of duties; maintaining and reviewing of control accounts and trial balances; the performance of reconciliations.
- The cut-off procedures in Project periods to ensure that only actual disbursements are recorded in the financial report and that no advances were charged as expenditure, that any receivables and payables are disclosed.
- The audit work shall cover all cash funds held by the project and review procedures for safeguarding of cash.

Human resources

The audit work shall cover the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel and include performance appraisal, attendance control, calculation of salaries and entitlements, payroll preparation and payment, and management of personnel records.

Procurement

The audit work shall cover the competitiveness, transparency and effectiveness of the procurement activities of the project in order to ensure that the equipment and services purchased meet the requirement of the Service Provider and the CMAA and include assessment of the following:

- As applicable, delegations of authorities, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval and purchase orders;
- Receiving and inspection procedures to determine the conformity of equipment with the agreed specifications,
- Management and control over the variation orders.

Asset Management

The audit work shall cover equipment (vehicles, and demining and office equipment) purchased for use of the project. The procedures for receipt, storage, and disposal shall also be reviewed.

A review of the use of assets acquired or made available (loaned) under the Project is required in order to assess that their use is in compliance with the Project Agreement. This would involve an assessment that:

- Controls are in place to safeguard assets, including: an inventory of the CFR Project assets; assets are properly maintained; regular physical verification is carried out; assets are used for the intended purposes of the Project under which they have been acquired; and, logbooks are kept which record dates of travel, distance and purpose of the trip.
- Assets that are lost or damaged are reported to CMAA within the stipulated period. Further disposal of assets only takes place after prior authorization by CMAA.

If there are particular areas of concern which are not within the scope stated above, the auditors can be requested to carry out this additional service.

Fees

The auditor is to provide an estimate of the hours to be spent on the audit, and fees for completing the audit in accordance with this specification;

Other requirements

It is in the interest of both the Service Provider and auditor that the auditor sends an engagement letter, preferably before the commencement of the engagement, to help in avoiding misunderstandings with respect to the engagement.

The auditors should document matters which are important in providing evidence to support the audit opinion and evidence that the audit was carried out in accordance with ISA/GAASs. Thus, the auditor should prepare working papers which are sufficiently complete and detailed to provide an overall understanding of the audit and shared the document with the CMAA. The auditor is also expected to share audit observation, recommendation and management action plan with the CMAA in order for the CMAA to carry out/supervise audit reconciliation and implementation.

At least the team leader of the auditors should be a licensed CA/ACCA/CPA to carry out the audit function.

Appendix I: Sample Audit Report

Auditor's report to:

***The National Project Director and
The Resident Representative***

I. Certification for Statement of Expenditure

We have audited the accompanying Statement of Expenditure ("the statement") of the UNDP project number 00096246 [*Atlas award and project number*] for the period 1 January 2017 to 31 December 2018. The Project Management is responsible for the preparation of the statement for the project and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirement plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the statement of expenditure **presents fairly (Unqualified (clean or positive audit opinion))**, in all material respects the expenditure of _____ [*insert amount in US\$*] incurred by the project for the period 1 January 2017 to 31 December 2018 in accordance with UNDP accounting requirements.

Or (Qualified – a modified (negative) audit opinion

In our opinion, the statement of expenditure, **except for** (1), (2), (3), etc., presents fairly in all material respects the expenditure of _____ [*insert amount in US\$*] incurred by the project for the period 1 January 2017 to 31 December 2018 in accordance with UNDP accounting requirements.

Or (Adverse – a modified (negative) audit opinion

We noted material differences between _____ and the statement of expenditure. As such, we **do not express an opinion** on the statement of expenditure, of _____ [*insert amount in US\$*] incurred by the project _____ (insert official title of project) for the period 1 January 2017 to 31 December 2018.

Or (Disclaimer – a modified (negative) audit opinion

We were **unable to obtain sufficient appropriate audit evidence** and accordingly are unable to express an opinion on the statement of expenditure of _____ [*insert amount in US\$*] incurred by the project (insert official title of project) for the period 1 January 2017 to 31 December 2018.

Emphasis of Matter [if applicable] (Refer to ISA 706)

We draw attention to Note _____ [insert number] to the statement of expenditure which describes the uncertainty related to the _____ [insert the issue]. Our opinion is not qualified in respect of this matter.

AUDITOR'S NAME (Please print) _____

AUDITOR'S SIGNATURE _____

AUDITOR'S/FIRM ADDRESS _____

Date of issuance: _____

II. Certification for Statement of Assets

We have audited the accompanying Statement of Assets and Equipment ("the statement") of the project number _____ [CMAA award and project #] as at The Project Management is responsible for the preparation of the statement for the project and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe our audit provides a reasonable basis for our opinion.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the statement of assets and equipment **presents fairly (unqualified/clean opinion)**, in all material respects the inventory balance of the project amounting to _____ [insert amount in US\$] as at in accordance with UNDP requirements.

Or (Qualified opinion)

In our opinion, the attached statement of assets, except for the reasons indicated above in paragraphs (1), (2), (3), etc., presents fairly in all material respects the balance of inventory of _____ [insert amount in US\$] incurred by the project _____ [insert official title of project] as at in accordance with agreed upon accounting policies [if needed add: set out in the note to the schedule].

Or (Adverse opinion)

In our opinion, based on the significance of the matter discussed in paragraph (1), (2), (3) etc [there should be a separate Basis for Adverse Opinion Paragraph where the basis for adverse opinion is clearly explained] the statement of assets does not give a true and fair view of the expenditure of _____ [insert amount in US\$] incurred by the project _____ [insert official title of project] and audited by us as at 31 December 2014.

Or (Disclaimer of opinion)

Because of the significance of the matter described in paragraph (1),(2), (3), etc., we were unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion. Accordingly we are unable to express an opinion on the statement of assets of _____ - [insert amount in US\$] incurred by the project _____ [insert official title of project] and audited by us as at

Emphasis of Matter [if applicable] (Refer to ISA 706)

We draw attention to Note _____ [insert number] to the statement of assets which describes the uncertainty related to the _____ [insert the issue]. Our opinion is not qualified in respect of this matter.

AUDITOR'S NAME (Please print) _____

AUDITOR'S SIGNATURE _____

AUDITOR'S/FIRM ADDRESS _____

Date of issuance: _____

III. Certification of Statement of Cash Position (Statement of Cash Position is required only if there is separate bank account for each of the projects and/or petty cash) (Refer to ISA 700)

We have audited the accompanying Statement of Cash Position ("the statement") of the UNDP project number _____ [CMAA award and project #] as at Management of project is the responsible is the preparation of the statement for project and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan the audit and perform to obtain reasonable assurance about whether the statement is free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe our audit provides a reasonable basis for our opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the attached Statement of cash position **presents fairly (Unqualified opinion)** in all material respects, the cash and bank balance of the UNDP project _____ [insert official title of project] amounting to _____ [insert amount in \$US] as at in accordance with the CMAA requirements.

Or (Qualified opinion)

In our opinion, the attached statement of cash, except for the reasons indicated above in paragraphs (1), (2), (3), etc., presents fairly in all material respects the cash and bank balance amounting to _____ [insert amount in US\$] as at in accordance with the CMAA requirements.

Or (Adverse opinion)

In our opinion, based on the significance of the matter discussed in paragraph (1), (2), (3) etc [there should be a separate Basis for Adverse Opinion Paragraph where the basis for adverse opinion is clearly explained] the statement of cash does not give a true and fair view of the cash and bank balance of _____ [insert amount in US\$] audited by us as at

Or (Disclaimer of opinion)

Because of the significance of the matter described in paragraph (1),(2), (3), etc., we were unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion. Accordingly we are unable to express an opinion on the statement of cash in the amount of _____[insert amount in US\$] audited by us as at

Emphasis of Matter [if applicable] (Refer to ISA 706)

We draw attention to Note _____ to the statement of cash which describe the uncertainty related to [give explanation of the uncertainty]. Our opinion is not qualified in respect of this matter.

This report is intended solely for the information and use of UNDP and the Royal Government of Cambodia.

AUDITOR'S NAME (Please print) _____

AUDITOR'S SIGNATURE _____

AUDITOR'S/FIRM ADDRESS _____

Date of issuance: _____

Note: Audit opinions must be one of the following: (a) qualified, (b), unqualified, (c) adverse, or (d) disclaimer. If the audit opinion is other than "unqualified" the audit report must describe both the nature and amount of the possible effects on the UNDP financial statement (CDR) (Amount of qualification/**Net Financial Impact**). A definition of audit opinions is provided in Annex 4.

Appendix II: Definition of Audit Opinions

Unqualified (Clean or positive) Opinion

An unqualified opinion should be expressed when the auditor concludes that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.

Qualified Opinion- a negative audit opinion

A qualified opinion should be expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management, or limitation on scope is not so material and pervasive as to require an adverse opinion or a disclaimer of opinion. A qualified opinion should be expressed as being 'except for' the effects of the matter to which the qualification relates.

Disclaimer of opinion- a negative audit opinion

A *disclaimer of opinion* should be expressed when the possible effect of a limitation on scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence and accordingly is unable to express an opinion on the financial statements.

Adverse- a negative audit opinion

An adverse opinion should be expressed when the effect of a disagreement is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.

Appendix III: International Standard for Audit (ISA 450 and 710)

Guidance on Reporting Prior Year Modified opinion not corrected

Following the International Audit Standard (ISA) 450 and ISA 710 that came into effect on December 2010 there is a new requirement regarding a previous year modified audit opinion? This audit standard requires that auditors, when expressing an opinion on this year's statements, to take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.

Consequently, a previous year modified opinion that has not been properly resolved may cause the auditors to issue a modified opinion in their current year audit report. If proper attention is not paid to this aspect, the risk could be a significant accumulation of unresolved modified opinions from previous years that would lead the UN BoA to issue a modified audit opinion on UNDP financial statements.

Appendix IV: Classification of Findings by risk Severity

In addition to explaining and giving details about the "Effect, potential impact or risk" in the text of an audit observation, UNDP requires that the auditor also identifies the risk level in the audit report by using one of the following 3 pre-established risk levels:

- | | |
|---------------|--|
| High | Action that is considered imperative to ensure that UNDP is not exposed to high risks (i.e. failure to take action could result in major consequences and issues). |
| Medium | Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences). |
| Low | Action that is considered desirable and should result in enhanced control or better value for money. |

Appendix V: Guidance on Formulating Audit Observations

Parts of the note that follows are from an article in the *Internal Auditor*, April, 1999 by Brian M. Schwartz. The purpose of this note is to provide guidance on formulating audit observations and recommendations that are effective.

Effective audit observations should consist of 5 common elements:

- 1) Condition;
- 2) Criteria;
- 3) Cause;
- 4) Effect, potential impact or Risk; and
- 5) Recommendation.

Items 1 to 4 must be part of what constitutes an audit observation. Below are helpful tips on each of these areas.

CONDITION

The "Condition" refers to a conclusion, problem, or opportunity noted during the audit review. It directly addresses a control objective or some other standard of performance. Sample condition statements include:

- "The appropriate individual did not authorize this document."
- "The account has not been reconciled for three months."
- "The process can be streamlined to save six hours per day."

When documenting the condition, it is important to include the necessary level of detail in the description of the problem. Someone who has not participated in the audit, but has some basic understanding of the subject matter or function, should be able to comprehend any condition statement.

CRITERIA

This element describes the standard being used as the benchmark for evaluation. In other words, it depicts the ideal condition. The criteria may reference a specific policy, procedure, or government regulation. At other times, the criteria may simply be a matter of common sense or prudent business practice. For example, a criteria statement might state that "Per policy #1234, all loans greater than \$100,000 must be approved by the board of directors;" or "Payroll processing responsibilities should be segregated to control the authorization of master file changes."

CAUSE

As the name suggests, the cause statement explains why the identified problem occurred in the first place. The cause is probably the most critical attribute of the finding form. Without determining why the condition occurred, the situation cannot be properly remedied.

In documenting the cause, the auditor should identify the underlying reason behind the problem. A surface explanation that fails to uncover the root cause will not lead to an effective recommendation.

In addition, a quote from an appropriate individual could serve as the cause statement, i.e. why the condition has occurred. Some audit managers consider only a cause statement from management as appropriate, while others prefer a statement from the individual who actually performs the respective task. It is usually preferred to obtain both points of view, since such an approach is more likely to identify the root cause of the problem.

Possible Causes

In addition to explaining the and giving details about the "Cause" in the text of an audit observation, UNDP requires that the auditor also summarizes the cause statement in the audit report by using one of the following 9 pre-established cause statements:

1. **Lack of/or inadequate policies/procedures/guidelines**
2. **Lack of/or inadequate guidance/supervision at the project level**
3. **Inadequate guidance/monitoring at UNDP country office level**
4. **Lack of/or insufficient resources (specify: financial, human or, technical resources)**
5. **Inadequate planning**
6. **Inadequate training**
7. **Human error**
8. **Intentional overriding of internal controls**
9. **Inadequate management structure**

EFFECT, POTENTIAL IMPACT OR RISK

The effect statement describes the particular risk that could exist (the potential impact or risk) or that has already existed (the effect) as a result of the condition or problem. Basically, it answers the question, "so what?" Effect statements often discuss the potential for loss, noncompliance, or customer dissatisfaction created by the problem.

Management is likely to zero in on the information provided in this aspect of the audit observation, as it allows them to see how the condition will negatively impact their activities. As a result, the effect statement often serves as the catalyst for a positive change.

One note of caution is in order - the risk suggested by the effect statement should not be overblown or exaggerated. While auditors are responsible for pointing out risks associated with control breakdowns, the effect statement should remain reasonable, plausible and should not be worded as if the world were coming to an end. If auditees are to take the audit observation seriously and respect what an auditor has to say, an auditor talks about risk in realistic, not exaggerated, terms.

Risk Levels

In addition to explaining the and giving details about the "Effect, potential impact or risk" in the text of an audit observation, UNDP requires that the auditor also identifies the risk level in the audit report by using one of the following 3 pre-established risk levels:

RECOMMENDATION

| | |
|-------------|--|
| High | Action that is considered imperative to ensure that UNDP is not exposed to high risks (i.e. failure to take action could result in major consequences and issues). |
|-------------|--|

| | |
|---------------|--|
| Medium | Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences). |
| Low | Action that is considered desirable and should result in enhanced control or better value for money. |

This aspect suggests how the situation might be remedied. An effective recommendation directly relates to and targets the cause. It isn't enough to state in general terms that management should fix the problem; the recommendation statement should also explain how remediation is to be achieved.

A good recommendation maintains the proper balance between the risk presented and the cost to control it. Before making a recommendation, the auditor should consider the following questions:

Does the recommendation solve the problem and eliminate or reduce the risk?

- Can the recommendation be implemented within the current environment?
- Is the recommendation cost-effective?
- Will the recommendation act as a temporary bandage or a permanent solution?

Examples of effective recommendations include monthly or quarterly physical inventories of all assets and equipment with reconciliation to appropriate records.

ADDITIONAL TIPS

Whenever possible, similar findings should be combined into one form so that the case for implementing the recommendation is strengthened.

Playing devil's advocate can be an extremely helpful exercise. After completing the audit observation and recommendation, auditors should place themselves in the auditee's shoes and challenge/question the validity of the issue. If the issue cannot stand up to this exercise, it probably should not be included in the audit report.

Annex VI – Financial Proposal Form

FORM FOR SUBMITTING SERVICE PROVIDER'S FINANCIAL PROPOSAL¹

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery²)

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

The Financial Proposal must provide a detailed cost breakdown. Provide separate figures for each functional grouping or category.

A. Cost Breakdown per Output*

| | Deliverables <i>[list them as referred to in the RFP]</i> | Percentage of Total Price <i>(Weight for payment)</i> | Price <i>(Lump Sum, All Inclusive)</i> |
|---|---|---|--|
| 1 | Deliverable 1 | | |
| 2 | Deliverable 2 | | |
| 3 | | | |
| | Total | 100% | |

*This shall be the basis of the payment tranches

B. Cost Breakdown of Outputs/Tasks *[This is only an Example]:*

The Proposers are requested to provide the cost breakdown for the above given prices for each deliverable based on the following format. UNDP shall use the cost breakdown for the price reasonability assessment purposes as well as the calculation of price in the event that both parties have agreed to add new deliverables to the scope of Services.

| | NIM/NGO projects | Professional fee | Other costs | Price <i>(Lump Sum, All Inclusive)</i> |
|---|-------------------------|-------------------------|--------------------|--|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |

¹ This serves as a guide to the Service Provider in preparing the Proposal.

² Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

C. Cost Breakdown by Cost Component *[This is only an Example]:*

| Description of Activity | Total Period of Engagement | Total Person Remuneration/Unit Rate | Total |
|-----------------------------------|----------------------------|-------------------------------------|-------|
| I. Personnel Services | | | |
| 1. Services from Home Office | | | |
| a. Expertise 1 | | | |
| b. Expertise 2 | | | |
| 2. Services from Field Offices | | | |
| a. Expertise 1 | | | |
| b. Expertise 2 | | | |
| II. Out of Pocket Expenses | | | |
| 1. Travel Costs | | | |
| 2. Daily Allowance | | | |
| 3. Communications | | | |
| 4. Reproduction | | | |
| 5. Equipment Lease | | | |
| 6. Others | | | |
| III. Other Related Costs | | | |

*[Name and Signature of the Service Provider's
Authorized Person]
[Designation]
[Date]*

NOTE: WHEN SUBMITTING YOUR BID DOCUMENTS, PLEASE CAREFULLY PLACE THE TECHNICAL AND FINANCIAL PROPOSALS IN SEPARATE ENVELOPES.

[Please insert the company letter-head]

Annex VII

PROPOSAL SUBMISSION FORM

Dear Sir / Madam,

Having examined the Solicitation Documents, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide Professional services in respect of "Technical Support for the Information Management of the Non-Technical Survey and Baseline Survey Project" for the sum as may be ascertained in accordance with the Price Schedule attached herewith and made part of this Proposal.

We undertake, if our Proposal is accepted, to commence and complete delivery of all services specified in the contract within the timeframe stipulated.

We agree to abide by this Proposal for a period of 120 days from the date fixed for opening of Proposals in the Request for Proposal, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

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

Dated this day /month _____ of year _____

Signature _____

(In the capacity of)

Duly authorised to sign Proposal for and on behalf of _____

NOTE: WHEN SUBMITTING YOUR BID DOCUMENTS, PLEASE CAREFULLY PLACE THE TECHNICAL AND FINANCIAL PROPOSALS IN SEPARATE ENVELOPES. CMAA WILL NOT BE ABLE TO CONSIDER BIDS THAT CONTAIN THE TECHNICAL AND FINANCIAL PROPOSALS IN ONE ENVELOPE, AND/OR BIDS OF WHICH THE OPERATIONAL AND TECHNICAL PART CONTAINS ANY PRICING INFORMATION WHATSOEVER ON THE SERVICES OFFERED.

Not applicable

[Please insert the company letter-head]

Annex VIII

Payment Schedule

| DELIVERABLE | DUE DATES FOR SUBMISSION OF DELIVERABLES | AMOUNT PAYABLE |
|---|---|-----------------------|
| Upon signature of the contract | DD/MM/2019 | USD (20%) |
| Upon satisfactory submission of : 1) mobilization report 2) Preliminary findings presented 3) Draft version of the Audit report | DD/MM/2019 | USD (30%) |
| Upon satisfactory submission and acceptance by CMAA of The final project audit report is submitted and a presentation delivered to CMAA addressing consolidated findings, recommendations and lessons learnt (use the quality standard template of audit report). | DD/MM/2019 | USD (50%) |
| Each payment will be paid after receipt and approval of Certification of Payment and Performance by Project Director. | | USD(100%) |

STANDARD FORM OF CONTRACT

Contract No...

MEMORANDUM OF CONTRACT MADE (DD/MM/YYYY) __/__/201_, between the Cambodian Mine Action and Victim Assistance Authority (hereinafter referred to as "the CMAA") and [name] (hereinafter referred to as "the Service Provider") whose address is: in the framework of the Clearing for Results Project Phase II according to the provisions of the Project Document 25/01/2016 and the Standard Letter of Agreement dated 04/02/2011 between the Government of Cambodia and the United Nations Development Programme (hereinafter referred to as UNDP).

WHEREAS

- (a) the CMAA has requested the Service Provider to provide Technical Support for the Information Management of the Non-Technical Survey and Baseline Survey Project as defined in this Contract (hereinafter called the "Services");
- (b) the Service Provider, having represented to the CMAA that it has the required professional skills, and personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW, therefore, the CMAA and the Service Provider (hereinafter collectively the "Parties") agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) General Conditions of Contract;
 - (b) Statement of Work;
 - (c) The following Appendices:
 - Appendix A: Workplan (*final template will be confirmed before contract signing*)
 - Appendix B: Payment Schedule (*Appendix C- Annex III of RFP*)
2. The mutual rights and obligations of the CMAA and the Service Provider shall be as set forth in the Contract, in particular:
 - (a) the Service Provider shall carry out the Services in accordance with the provisions of the Contract;
 - (b) the CMAA shall make payments to the Service Provider in accordance with the provisions of the Contract;
 - (c) Payments under this Contract shall not exceed ([amount in words]) to be paid in US Dollars except as otherwise agreed between the CMAA and the Service Provider;

I have read and understood the details of this Contract and its documents mentioned in paragraph 1 above.

By: _____

By: _____

For the CMAA:

For the Service Provider:

Date: _____

Date: _____