

Government of Nagaland
Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)

APC/FOCUS-IFAD Cell
Nagaland Civil Secretariat,
Kohima-797 001

No APC/FOCUS/Audit/03/2018-19

Dated:20.08.2019

REQUEST FOR PROPOSAL

Society for Climate Resilient for Agriculture in Nagaland (SoCRAN) supported by IFAD intends to hire the Services of Chartered Accountant for Internal audit including handholding support to PMU and DMU.

The willing and interested Firms may download the details from www.focus.nagaland.gov.in and submit the proposal on or before 19/09/2019 upto 2.15 p.m. The proposal with required documents shall be sent to State Project Director through speed post/registered post/courier only in a closed envelope super-scribed as “Proposal for Internal audit including handholding support to PMU and DMU”

The State Project Director reserves the right to accept or reject any or all proposal without assigning any reason thereof.

Date: 20/08/2019
Place: Kohima

State Project Director
FOCUS-IFAD

STANDARD PROCUREMENT DOCUMENT

Request for Proposals Consulting Services

Loan No. 2000002173
RFP No.: **PMU/C/3/1**

Consulting Services for: *Internal Audit including handholding support to PMU and DMU of Fostering of Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland for the financial period 2019-20.*

Client: The Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)
Country: India

Project: Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS)

Issued on: **20-08-2019**

Standard Procurement Document

SUMMARY

PART I – SELECTION PROCEDURES AND REQUIREMENTS

Section 1: Request for Proposals (RFP) Letter

This Section is a template of a letter for a Request for Proposals from the Client addressed to all consulting firm inviting it to submit a proposal for a consulting assignment. The RFP letter includes reference to the selection method and applicable Procurement Regulations or policies of the financing institution that govern the selection and award process.

Section 2: Instructions to Consultants and Data Sheet

This Section consists of two parts: “Instructions to Consultants” and “Data Sheet”. “Instructions to Consultants” contains provisions that are to be used without modifications. “Data Sheet” contains information specific to each selection and corresponds to the clauses in “Instructions to Consultants” that call for selection-specific information to be added. This Section provides information to help consultants prepare their proposals. Information is also provided on the submission, opening and evaluation of proposals, contract negotiation and award of contract. Information in the Data Sheet indicates whether a Full Technical Proposal (FTP) or a Simplified Technical Proposal (STP) shall be used.

Section 3: Technical Proposal – Standard Forms

This Section includes the forms for FTP and STP that are to be completed by the shortlisted consultants and submitted in accordance with the requirements of Section 2.

Section 4: Financial Proposal – Standard Forms

This Section includes the financial forms that are to be completed by the consultants, including the consultant’s costing of its technical proposal, which are to be submitted in accordance with the requirements of Section 2.

Section 5: Eligible Countries

This Section contains information regarding eligible countries.

Section 6: Fraud and Corruption

This section includes the fraud and corruption provisions which apply to this selection process.

Section 7: Terms of Reference (TORs)

This Section describes the scope of services, objectives, goals, specific tasks required to implement the assignment, and relevant background information; provides details on the required qualifications of the key experts; and lists the expected deliverables. This Section shall not be used to over-write provisions in Section 2.

SELECTION OF CONSULTANTS

Request for Proposals

Selection of Consulting Services for:

*Internal Audit including handholding support to PMU and DMU of
Fostering of Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland **for the**
financial period 2019-20.*

Loan No.2000002173

RFP No: PMU/3/1

Client: The Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)
Country: India

**Project: Fostering Climate Resilient Upland Farming System in the Northeast
(FOCUS) Nagaland.**

Issued on: 20-08-2019

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PART I

Section 1. Request for Proposal Letter Consulting Services

Name of Assignment: *Internal Audit including handholding support to PMU and DMU of Fostering of Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland for the financial period 2019-20.*

RFP Reference No.: PMU/C/3/1

Loan No.: 2000002173

Country:India

Date: 20/08/2019

Dear Sir/Madam,

1. The PMU, (SOCRAN) (hereinafter called “Client”) through The Government of India/Nagaland has received financing from the International Fund for Agricultural Development (IFAD) in the form of a [“loan”] (hereinafter called [“loan”] toward the cost of **Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS)**. The Client, an implementing agency of the **Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)**, intends to apply a portion of the proceeds of this loan to eligible payments under the contract for which this Request for Proposals is issued. Payments by the IFAD will be made only at the request of the PMU, (SOCRAN) and upon approval/NOC by the IFAD, and will be subject, in all respects, to the terms and conditions of the loan/financing agreement. The loan/financing agreement prohibits a withdrawal from the loan account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the IFAD, is prohibited by a decision of the United Nations Security council taken under Chapter VII of the Charter of the United Nations. No party other than the **Society for Climate Resilient for Agriculture in Nagaland (SoCRAN)** shall derive any rights from the loan/financing agreement or have any claims to the proceeds of the loan.
 - i. The Client now invites proposals to provide the following consulting services (hereinafter called “Services”): Internal Audit of Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland for the financial period 2019-20. Internal Audit will be allotted to One CA Firm for all 8 DMUs and PMU.

More details on the Services are provided in the Terms of Reference (Section 7).

2. This Request for Proposals (RFP) has been addressed to the following shortlisted Consultants:

[N. A.]

3. It is not permissible to transfer this RFP to any other firm.
4. A firm will be selected under Quality and Cost Based Selection (QCBS) procedures and in a [Simplified Technical Proposal (STP)] format as described in this RFP, in accordance with the policies of the IFAD detailed in the *IFAD Project Procurement Guidelines and Procurement Handbook* which can be found at the following website: www.ifad.org
5. The eligibility criteria are as follows:
 - The Firm should be registered with ICAI
 - The Firm should have minimum Five Years of experience in audit work.
 - The Firm should have last three years average turnover minimum of Rs.10,00,000/- (Rupees Ten Lacs) supported by Financial statements and IT returns.
 - The Firm should be empanelled with CAG in financial year covered under audit i.e. for the period 2019-20.
 - The Firm should have minimum 10 audit work of State/ Central Govt./ Govt. sponsored developmental project experience.
 - Supporting Documents for Eligibility Criteria: The firm must submit required supporting documents to establish the minimum eligibility criteria. All the documents provided/ enclosed must be signed and stamped/ sealed by any partner/ proprietor of the CA Firm.
 - The firm or any partners of the firm should not be black listed by any PSU's or Govt. Co. or any other organisation in respect of any assignment or behaviour. Any partner/qualified employee of the firm whose name is included in the First or Second Schedule of the Chartered Accountants Act. 1949 will not be considered in the evaluation and the firm will provide and undertaking that such partner/ employee will not be involved in the audit, directly or indirectly.

The RFP includes the following documents:

Section 1 – Request for Proposals Letter

Section 2 - Instructions to Consultants and Data Sheet

Section 3 - Technical Proposal (STP) - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 – Eligible Countries

Section 6 – Fraud and Corruption

Section 7 - Terms of Reference

Section 8 - Standard Forms of Contract (Lump-Sum)

6. Details on the proposal's submission date, time and address are provided in ITC 17.7 and ITC 17.9.

Yours sincerely

State Project Director
Fostering Climate Resilient Upland Farming System
in the Northeast (FOCUS), Nagaland
APC Office, Ground Floor
Nagaland Civil Secretariat
City: Kohima
Country: India

Section 2. Instructions to Consultants and Data Sheet

[Notes to the Client: this part of Section 2, Instructions to Consultants, shall not be modified. Any necessary changes, acceptable to the IFAD, to address specific country and project issues, to supplement, but not over-write, the provisions of the Instructions to Consultants (ITC), shall be introduced through the Data Sheet only. "Notes to the Client" should be deleted from the final RFP issued to the shortlisted Consultants].

Instructions to Consultants

A. General Provisions

1. Definitions

- (a) "Affiliate(s)" means an individual or an entity that directly or indirectly controls, is controlled by, or is under common control with the Consultant.
- (b) "Applicable Regulations" means IFAD Procurement Guidelines and Procurement Handbook.
- (c) "Applicable Law" means the laws and any other instruments having the force of law in the Client's country, or in such other country as may be specified in the **Data Sheet**, as they may be issued and in force from time to time.
- (d) "IFAD" means the International Fund for Agricultural Development (IFAD).
- (e) "Borrower" means the Government, Government agency or other entity that signs the *loan/financing agreement* with the IFAD.
- (f) "Client" means the implementing agency that signs the Contract for the Services with the selected Consultant.
- (g) "Consultant" means a legally-established professional consulting firm or an entity that may provide or provides the Services to the Client under the Contract.
- (h) "Contract" means a legally binding written agreement signed between the Client and the Consultant and includes all the attached documents listed in its Clause 1 (the General Conditions of Contract (GCC), the Special Conditions of Contract (SCC), and the Appendices).
- (i) "Data Sheet" means an integral part of the Instructions to Consultants (ITC) Section 2 that is used to reflect specific country and assignment conditions to

- supplement, but not to over-write, the provisions of the ITC.
- (j) “Day” means a calendar day, unless otherwise specified as “Business Day”. A Business Day is any day that is an official working day of the Borrower. It excludes the Borrower’s official public holidays.
 - (k) “Experts” means, collectively, Key Experts, Non-Key Experts, or any other personnel of the Consultant, Sub-consultant or Joint Venture member(s).
 - (l) “Government” means the government of the Client’s country.
 - (m) “in writing” means communicated in written form (e.g. by mail, e-mail, fax, including, if specified in the Data Sheet, distributed or received through the electronic-procurement system used by the Client) with proof of receipt;
 - (n) “Joint Venture (JV)” means an association with or without a legal personality distinct from that of its members, of more than one Consultant where one member has the authority to conduct all business for and on behalf of any and all the members of the JV, and where the members of the JV are jointly and severally liable to the Client for the performance of the Contract.
 - (o) “Key Expert(s)” means an individual professional whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract and whose CV is taken into account in the technical evaluation of the Consultant’s proposal.
 - (p) “ITC” (this Section 2 of the RFP) mean the Instructions to Consultants that providestheshortlisted Consultants with all information needed to prepare their Proposals.
 - (q) “Non-Key Expert(s)” means an individual professional provided by the Consultant or its Sub-consultant and who is assigned to perform the Services or any part thereof under the Contract and whose CVs are not evaluated individually.
 - (r) “Proposal” means the Technical Proposal and the

Financial Proposal of the Consultant.

- (s) “RFP” means the Request for Proposals to be prepared by the Client for the selection of Consultants, based on the SPD - RFP.
- (t) “SPD - RFP” means the Standard Procurement Document -Request for Proposals, which must be used by the Client as the basis for the preparation of the RFP.
- (u) “Services” means the work to be performed by the Consultant pursuant to the Contract.
- (v) “Sub-consultant” means an entity to which the Consultant intends to subcontract any part of the Services while the Consultant remains responsible to the Client during the whole performance of the Contract.
- (w) “Terms of Reference (TORs)” (this Section 7 of the RFP) means the Terms of Reference that explains the objectives, scope of work, activities, and tasks to be performed, respective responsibilities of the Client and the Consultant, and expected results and deliverables of the assignment.

2. Introduction

- 2.1 The Client named in the **Data Sheet** intends to select a Consultant from those listed in the Request for Proposals (RFP), in accordance with the method of selection specified in the **Data Sheet**.
- 2.2 The shortlisted Consultants are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the **Data Sheet**, for consulting services required for the assignment named in the **Data Sheet**. The Proposal will be the basis for negotiating and ultimately signing the Contract with the selected Consultant.
- 2.3 The Consultants should familiarize themselves with the local conditions and take them into account in preparing their Proposals, including attending a pre-proposal conference if one is specified in the **Data Sheet**. Attending any such pre-proposal conference is optional and is at the Consultants’ expense.
- 2.4 The Client will timely provide, at no cost to the Consultants, the inputs, relevant project data, and reports

required for the preparation of the Consultant's Proposal as specified in the **Data Sheet**.

3. Conflict of Interest

3.1 The Consultant is required to provide professional, objective, and impartial advice, at all times holding the Client's interests paramount, strictly avoiding conflicts with other assignments or its own corporate interests, and acting without any consideration for future work.

3.2 The Consultant has an obligation to disclose to the Client any situation of actual or potential conflict that impacts its capacity to serve the best interest of its Client. Failure to disclose such situations may lead to the disqualification of the Consultant or the termination of its Contract and/or sanctions by the IFAD.

3.2.1 Without limitation on the generality of the foregoing, the Consultant shall not be hired under the circumstances set forth below:

a. Conflicting Activities

(i) Conflict between consulting activities and procurement of goods, works or non-consulting services: a firm that has been engaged by the Client to provide goods, works, or non-consulting services for a project, or any of its Affiliates, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any of its Affiliates, shall be disqualified from subsequently providing goods or works or non-consulting services resulting from or directly related to the consulting services for such preparation or implementation.

b. Conflicting Assignments

(ii) Conflict among consulting assignments: a Consultant (including its Experts and Sub-consultants) or any of its Affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Consultant for the same or for another Client.

c. Conflicting Relationships

(iii) Relationship with the Client's staff: a Consultant (including its Experts and Sub-consultants) that has a close business or family relationship with a professional staff of the Borrower (or of the Client, or of implementing agency, or of a recipient of a part of the IFAD's financing) who are directly or

indirectly involved in any part of (i) the preparation of the Terms of Reference for the assignment, (ii) the selection process for the Contract, or (iii) the supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the IFAD throughout the selection process and the execution of the Contract.

**4. Unfair
Competitive
Advantage**

4.1 Fairness and transparency in the selection process require that the Consultants or their Affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, the Client shall indicate in the **Data Sheet** and make available to all shortlisted Consultants together with this RFP all information that would in that respect give such Consultant any unfair competitive advantage over competing Consultants.

**5. Fraud and
Corruption**

5.1 The IFAD requires compliance with the IFAD's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in Section 6.

5.2 In further pursuance of this policy, Consultants shall permit and shall cause its agents (where declared or not), subcontractors, sub-consultants, service providers, suppliers, and their personnel, to permit the IFAD to inspect all accounts, records and other documents relating to any short-listing process, Proposal submission, and contract performance (in the case of award), and to have them audited by auditors appointed by the IFAD.

6. Eligibility

6.1 The IFAD permits consultants (individuals and firms, including Joint Ventures and their individual members) from all countries to offer consulting services for IFAD-financed projects.

6.2 Furthermore, it is the Consultant's responsibility to ensure that its Experts, joint venture members, Sub-consultants, agents (declared or not), sub-contractors, service providers, suppliers and/or their employees meet the eligibility requirements as established by the IFAD in the Applicable Regulations.

6.3 As an exception to the foregoing ITC 6.1 and ITC 6.2 above:

a. Sanctions

6.3.1 A Consultant that has been sanctioned by the IFAD, pursuant to the IFAD's Anti-Corruption Guidelines and in accordance with its prevailing sanctions policies and procedures as set forth in the WBG's Sanctions Framework as described in Section VI, Fraud and Corruption, paragraph 2.2 d. shall be ineligible to be shortlisted for, submit proposals for, or be awarded a IFAD-financed contract or benefit from a IFAD-financed contract, financially or otherwise, during such period of time as the IFAD shall have determined.

b. Prohibitions

6.3.2 Firms and individuals of a country or goods manufactured in a country may be ineligible if so indicated in Section 5 (Eligible Countries) and:

- (a) as a matter of law or official regulations, the Borrower's country prohibits commercial relations with that country, provided that the IFAD is satisfied that such exclusion does not preclude effective competition for the provision of Services required; or
- (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's Country prohibits any import of goods from that country or any payments to any country, person, or entity in that country.

c. Restrictions for State-Owned Enterprises

6.3.3 State-owned enterprises or institutions in the Borrower's country may be eligible to compete and be awarded a contract only if they can establish, in a manner acceptable to the IFAD, that they: (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not under supervision of the Client.

d. Restrictions for Public Employees

6.3.4 Government officials and civil servants of the Borrower's country are not eligible to be included as Experts, individuals, or members of a team of Experts in the Consultant's Proposal unless:

- (i) the services of the government official or

civil servant are of a unique and exceptional nature, or their participation is critical to project implementation; and

- (ii) their hiring would not create a conflict of interest, including any conflict with employment or other laws, regulations, or policies of the Borrower.

e. Borrower Debarment

- 6.3.5 A firm that is under a sanction of debarment by the Borrower from being awarded a contract is eligible to participate in this procurement, unless the IFAD, at the Borrower's request, is satisfied that the debarment; (a) relates to fraud or corruption, and (b) followed a judicial or administrative proceeding that afforded the firm adequate due process.

B. Preparation of Proposals

7. General Considerations

- 7.1 In preparing the Proposal, the Consultant is expected to examine the RFP in detail. Material deficiencies in providing the information requested in the RFP may result in rejection of the Proposal.

8. Cost of Preparation of Proposal

- 8.1 The Consultant shall bear all costs associated with the preparation and submission of its Proposal, and the Client shall not be responsible or liable for those costs, regardless of the conduct or outcome of the selection process. The Client is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultant.

9. Language

- 9.1 The Proposal, as well as all correspondence and documents relating to the Proposal exchanged between the Consultant and the Client shall be written in the language(s) specified in the **Data Sheet**.

10. Documents Comprising the Proposal

- 10.1 The Proposal shall comprise the documents and forms listed in the **Data Sheet**.
- 10.2 If specified in the **Data Sheet**, the Consultant shall include a statement of an undertaking of the Consultant to observe, in competing for and executing a contract, the Client country's laws against fraud and corruption (including bribery).
- 10.3 The Consultant shall furnish information on

commissions, gratuities, and fees, if any, paid or to be paid to agents or any other party relating to this Proposal and, if awarded, Contract execution, as requested in the Financial Proposal submission form (Section 4).

**11. Only
One Proposal**

11.1 The Consultant (including the individual members of any Joint Venture) shall submit only one Proposal, either in its own name or as part of a Joint Venture in another Proposal. If a Consultant, including any Joint Venture member, submits or participates in more than one proposal, all such proposals shall be disqualified and rejected. This does not, however, preclude a Sub-consultant, or the Consultant's staff from participating as Key Experts and Non-Key Experts in more than one Proposal when circumstances justify and if stated in the **Data Sheet**.

12. Proposal Validity

12.1 **The Data Sheet** indicates the period during which the Consultant's Proposal must remain valid after the Proposal submission deadline.

12.2 During this period, the Consultant shall maintain its original Proposal without any change, including the availability of the Key Experts, the proposed rates and the total price.

12.3 If it is established that any Key Expert nominated in the Consultant's Proposal was not available at the time of Proposal submission or was included in the Proposal without his/her confirmation, such Proposal shall be disqualified and rejected for further evaluation, and may be subject to sanctions in accordance with ITC 5.

**a. Extension of
Validity Period**

12.4 The Client will make its best effort to complete the negotiations within the proposal's validity period. However, should the need arise, the Client may request, in writing, all Consultants who submitted Proposals prior to the submission deadline to extend the Proposals' validity.

12.5 If the Consultant agrees to extend the validity of its Proposal, it shall be done without any change in the original Proposal and with the confirmation of the availability of the Key Experts, except as provided in ITC 12.7.

12.6 The Consultant has the right to refuse to extend the validity of its Proposal in which case such Proposal will

not be further evaluated.

b. Substitution of Key Experts at Validity Extension

12.7 If any of the Key Experts become unavailable for the extended validity period, the Consultant shall seek to substitute another Key Expert. The Consultant shall provide a written adequate justification and evidence satisfactory to the Client together with the substitution request. In such case, a substitute Key Expert shall have equal or better qualifications and experience than those of the originally proposed Key Expert. The technical evaluation score, however, will remain to be based on the evaluation of the CV of the original Key Expert.

12.8 If the Consultant fails to provide a substitute Key Expert with equal or better qualifications, or if the provided reasons for the replacement or justification are unacceptable to the Client, such Proposal will be rejected with the prior IFAD's no objection.

c. Sub-Contracting

12.9 The Consultant shall not subcontract the whole of the Services.

13. Clarification and Amendment of RFP

13.1 The Consultant may request a clarification of any part of the RFP during the period indicated in the **Data Sheet** before the Proposals' submission deadline. Any request for clarification must be sent in writing, or by standard electronic means, to the Client's address indicated in the **Data Sheet**. The Client will respond in writing, or by standard electronic means, and will send written copies of the response (including an explanation of the query but without identifying its source) to all shortlisted Consultants. Should the Client deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure described below:

13.1.1 At any time before the proposal submission deadline, the Client may amend the RFP by issuing an amendment in writing or by standard electronic means. The amendment shall be sent to all shortlisted Consultants and will be binding on them. The shortlisted Consultants shall acknowledge receipt of all amendments in writing.

13.1.2 If the amendment is substantial, the Client may extend the proposal submission deadline to give the shortlisted Consultants reasonable time to take an amendment into account in their Proposals.

13.2 The Consultant may submit a modified Proposal or a modification to any part of it at any time prior to the proposal submission deadline. No modifications to the Technical or Financial Proposal shall be accepted after the deadline.

14. Preparation of Proposals Specific Considerations

14.1 While preparing the Proposal, the Consultant must give particular attention to the following:

14.1.1 If a shortlisted Consultant considers that it may enhance its expertise for the assignment by associating with other consultants in the form of a Joint Venture or as Sub-consultants, it may do so with either (a) non-shortlisted Consultant(s), or (b) shortlisted Consultants if permitted in the **Data Sheet**. In all such cases a shortlisted Consultant must obtain the written approval of the Client prior to the submission of the Proposal. When associating with non-shortlisted firms in the form of a joint venture or a sub-consultancy, the shortlisted Consultant shall be a lead member. If shortlisted Consultants associate with each other, any of them can be a lead member.

14.1.2 The Client may indicate in the **Data Sheet** the estimated Key Experts' time input (expressed in person-month) or the Client's estimated total cost of the assignment, but not both. This estimate is indicative and the Proposal shall be based on the Consultant's own estimates for the same.

14.1.3 If stated in the **Data Sheet**, the Consultant shall include in its Proposal at least the same time input (in the same unit as indicated in the **Data Sheet**) of Key Experts, failing which the Financial Proposal will be adjusted for the purpose of comparison of proposals and decision for award in accordance with the procedure in the **Data Sheet**.

14.1.4 For assignments under the Fixed-Budget selection method, the estimated Key Experts' time input is not disclosed. Total available budget, with an indication whether it is inclusive or exclusive of taxes, is given in the **Data Sheet**, and the Financial Proposal shall not exceed this budget.

15. Technical

15.1 The Technical Proposal shall be prepared using the

Proposal Format and Content

Standard Forms provided in Section 3 of the RFP and shall comprise the documents listed in the **Data Sheet**. The Technical Proposal shall not include any financial information. A Technical Proposal containing material financial information shall be declared non-responsive.

15.1.1 Consultant shall not propose alternative Key Experts. Only one CV shall be submitted for each Key Expert position. Failure to comply with this requirement will make the Proposal non-responsive.

15.2 Depending on the nature of the assignment, the Consultant is required to submit a Full Technical Proposal (FTP), or a Simplified Technical Proposal (STP) as indicated in the **Data Sheet** and using the Standard Forms provided in Section 3 of the RFP.

16. Financial Proposal

16.1 The Financial Proposal shall be prepared using the Standard Forms provided in Section 4 of the RFP. It shall list all costs associated with the assignment, including (a) remuneration for Key Experts and Non-Key Experts, (b) reimbursable expenses indicated in the **Data Sheet**.

a. Price Adjustment

16.2 For assignments with a duration exceeding 18 months, a price adjustment provision for foreign and/or local inflation for remuneration rates applies if so stated in the **Data Sheet**.

b. Taxes

16.3 The Consultant and its Sub-consultants and Experts are responsible for meeting all tax liabilities arising out of the Contract unless stated otherwise in the **Data Sheet**. Information on taxes in the Client's country is provided in the **Data Sheet**.

c. Currency of Proposal

16.4 The Consultant may express the price for its Services in the currency or currencies as stated in the **Data Sheet**. If indicated in the **Data Sheet**, the portion of the price representing local cost shall be stated in the national currency.

d. Currency of Payment

16.5 Payment under the Contract shall be made in the currency or currencies in which the payment is requested in the Proposal.

C. Submission, Opening and Evaluation

17. Submission,

17.1 The Consultant shall submit a signed and complete

**Sealing, and
Marking of
Proposals**

Proposal comprising the documents and forms in accordance with ITC 10 (Documents Comprising Proposal). Consultants shall mark as “CONFIDENTIAL” information in their Proposals which is confidential to their business. This may include proprietary information, trade secrets or commercial or financially sensitive information. The submission can be done by Speed Post/ Registered Post or by Courier If specified in the **Data Sheet**, the Consultant has the option of submitting its Proposals electronically.

17.2 An authorized representative of the Consultant shall sign the original submission letters in the required format for both the Technical Proposal and, if applicable, the Financial Proposal and shall initial all pages of both. The authorization shall be in the form of a written power of attorney attached to the Technical Proposal.

17.2.1 A Proposal submitted by a Joint Venture shall be signed by all members so as to be legally binding on all members, or by an authorized representative who has a written power of attorney signed by each member’s authorized representative.

17.3 Any modifications, revisions, interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Proposal.

17.4 The signed Proposal shall be marked “ORIGINAL”, and its copies marked “COPY” as appropriate. The number of copies is indicated in the **Data Sheet**. All copies shall be made from the signed original. If there are discrepancies between the original and the copies, the original shall prevail.

17.5 The original and all the copies of the Technical Proposal shall be placed inside a sealed envelope clearly marked “**TECHNICAL PROPOSAL**”, “[Name of the Assignment]”, [reference number], [name and address of the Consultant], and with a warning “**DO NOT OPEN UNTIL [INSERT THE DATE AND THE TIME OF THE TECHNICAL PROPOSAL SUBMISSION DEADLINE].**”

17.6 Similarly, the original Financial Proposal (if required for the applicable selection method) and its copies shall be placed inside of a separate sealed envelope clearly marked “**FINANCIAL PROPOSAL**” “[Name of the Assignment]”,

[reference number], [name and address of the Consultant], and with a warning “**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**”

- 17.7 The sealed envelopes containing the Technical and Financial Proposals shall be placed into one outer envelope and sealed. This outer envelope shall be addressed to the Client and bear the submission address, RFP reference number, the name of the assignment, the Consultant’s name and the address, and shall be clearly marked “Do Not Open Before [insert the time and date of the submission deadline indicated in the Data Sheet]”.
- 17.8 If the envelopes and packages with the Proposal are not sealed and marked as required, the Client will assume no responsibility for the misplacement, loss, or premature opening of the Proposal.
- 17.9 The Proposal or its modifications must be sent to the address indicated in the **Data Sheet** and received by the Client no later than the deadline indicated in the **Data Sheet**, or any extension to this deadline. Any Proposal or its modification received by the Client after the deadline shall be declared late and rejected, and promptly returned unopened.

18. Confidentiality

- 18.1 From the time the Proposals are opened to the time the Contract is awarded, the Consultant should not contact the Client on any matter related to its Technical and/or Financial Proposal. Information relating to the evaluation of Proposals and award recommendations shall not be disclosed to the Consultants who submitted the Proposals or to any other party not officially concerned with the process, until the Notification of Intention to Award the Contract. Exceptions to this ITC are where the Client notifies Consultants of the results of the evaluation of the Technical Proposals.
- 18.2 Any attempt by shortlisted Consultants or anyone on behalf of the Consultant to influence improperly the Client in the evaluation of the Proposals or Contract award decisions may result in the rejection of its Proposal, and may be subject to the application of prevailing IFAD’s sanctions procedures.
- 18.3 Notwithstanding the above provisions, from the time of the Proposals’ opening to the time of Contract award publication, if a Consultant wishes to contact the Client or

the IFAD on any matter related to the selection process, it shall do so only in writing.

19. Opening of Technical Proposals

19.1 The Client's evaluation committee shall conduct the opening of the Technical Proposals in the presence of the shortlisted Consultants' authorized representatives who choose to attend (in person, or online if this option is offered in the **Data Sheet**). The opening date, time and the address are stated in the **Data Sheet**. The envelopes with the Financial Proposal shall remain sealed and shall be securely stored with a reputable public auditor or independent authority until they are opened in accordance with ITC 23.

19.2 At the opening of the Technical Proposals the following shall be read out: (i) the name and the country of the Consultant or, in case of a Joint Venture, the name of the Joint Venture, the name of the lead member and the names and the countries of all members; (ii) the presence or absence of a duly sealed envelope with the Financial Proposal; (iii) any modifications to the Proposal submitted prior to proposal submission deadline; and (iv) any other information deemed appropriate or as indicated in the **Data Sheet**.

20. Proposals Evaluation

20.1 Subject to provision of ITC 15.1, the evaluators of the Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded and the IFAD issues its "no objection", if applicable.

20.2 The Consultant is not permitted to alter or modify its Proposal in any way after the proposal submission deadline except as permitted under ITC 12.7. While evaluating the Proposals, the Client will conduct the evaluation solely on the basis of the submitted Technical and Financial Proposals.

21. Evaluation of Technical Proposals

21.1 The Client's evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and the RFP, applying the evaluation criteria, sub-criteria, and point system specified in the **Data Sheet**. Each responsive Proposal will be given a technical score. A Proposal shall be rejected at this stage if it does not respond to important aspects of the RFP or if it fails to achieve the minimum technical score indicated in the **Data Sheet**.

22. Financial

22.1 Following the ranking of the Technical Proposals, when

Proposals for QBS

the selection is based on quality only (QBS), the top-ranked Consultant is invited to negotiate the Contract.

22.2 If Financial Proposals were invited together with the Technical Proposals, only the Financial Proposal of the technically top-ranked Consultant is opened by the Client's evaluation committee. All other Financial Proposals are returned unopened after the Contract negotiations are successfully concluded and the Contract is signed.

23. Public Opening of Financial Proposals (for QCBS, FBS, and LCS methods)

23.1 After the technical evaluation is completed and the IFAD has issued its no objection (if applicable), the Client shall notify those Consultants whose Proposals were considered non-responsive to the RFP and TOR or did not meet the minimum qualifying technical score, advising them the following:

- (i) their Proposal was not responsive to the RFP and TOR or did not meet the minimum qualifying technical score;
- (ii) provide information relating to the Consultant's overall technical score, as well as scores obtained for each criterion and sub-criterion;
- (iii) their Financial Proposals will be returned unopened after completing the selection process and Contract signing; and
- (iv) Notify them of the date, time and location of the public opening of the Financial Proposals and invite them to attend.

23.2 The Client shall simultaneously notify in writing those Consultants whose Proposals were considered responsive to the RFP and TOR, and that have achieved the minimum qualifying technical score, advising them the following:

- (i) their Proposal was responsive to the RFP and TOR and met the minimum qualifying technical score;
- (ii) provide information relating to the Consultant's overall technical score, as well as scores obtained for each criterion and sub-criterion;
- (iii) their Financial Proposal will be opened at the

public opening of Financial Proposals; and

- (iv) notify them of the date, time and location of the public opening and invite them for the opening of the Financial Proposals.

23.3 The opening date should allow the Consultants sufficient time to make arrangements for attending the opening and shall be no less than seven (7) Business Days from the date of notification of the results of the technical evaluation, described in ITC 23.1 and 23.2.

23.4 The Consultant's attendance at the opening of the Financial Proposals (in person, or online if such option is indicated in the **Data Sheet**) is optional and is at the Consultant's choice.

23.5 The Financial Proposals shall be opened publicly by the Client's evaluation committee in the presence of the representatives of the Consultants and anyone else who chooses to attend. Any interested party who wishes to attend this public opening should contact the client as indicated in the **Data Sheet**. Alternatively, a notice of the public opening of Financial Proposals may be published on the Client's website, if available. At the opening, the names of the Consultants, and the overall technical scores, including the break-down by criterion, shall be read aloud. The Financial Proposals will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded. Copies of the record shall be sent to all Consultants who submitted Proposals and to the IFAD.

24. Correction of Errors

24.1 Activities and items described in the Technical Proposal but not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, and no corrections are made to the Financial Proposal.

a. Time-Based Contracts

24.1.1 If a Time-Based contract form is included in the RFP, the Client's evaluation committee will (a) correct any computational or arithmetical errors, and (b) adjust the prices if they fail to reflect all inputs included for the respective activities or items included in the Technical Proposal. In case of discrepancy between (i) a partial amount (sub-total) and the total amount, or (ii) between the amount derived by multiplication of unit price

with quantity and the total price, or (iii) between words and figures, the former will prevail. In case of discrepancy between the Technical and Financial Proposals in indicating quantities of input, the Technical Proposal prevails and the Client's evaluation committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity, and correct the total Proposal cost.

- b. Lump-Sum Contracts** 24.1.2 If a Lump-Sum contract form is included in the RFP, the Consultant is deemed to have included all prices in the Financial Proposal, so neither arithmetical corrections nor price adjustments shall be made. The total price, net of taxes understood as per ITC 25, specified in the Financial Proposal (Form FIN-1) shall be considered as the offered price. Where there is a discrepancy between the amount in words and the amount figures, the amount in words shall prevail.
- 25. Taxes** 25.1 The Client's evaluation of the Consultant's Financial Proposal shall exclude taxes and duties in the Client's country in accordance with the instructions in the **Data Sheet**.
- 26. Conversion to Single Currency** 26.1 For the evaluation purposes, prices shall be converted to a single currency using the selling rates of exchange, source and date indicated in the **Data Sheet**.
- 27. Combined Quality and Cost Evaluation**
- a. Quality and Cost-Based Selection (QCBS)** 27.1 In the case of QCBS, the total score is calculated by weighting the technical and financial scores and adding them as per the formula and instructions in the **Data Sheet**. The Consultant with the Most Advantageous Proposal, which is the Proposal that achieves the highest combined technical and financial scores, will be invited for negotiations.
- b. Fixed-Budget Selection(FBS)** 27.2 In the case of FBS, those Proposals that exceed the budget indicated in ITC 14.1.4 of the **Data Sheet** shall be

rejected.

27.3 The Client will select the Consultant with the Most Advantageous Proposal, which is the highest-ranked Technical Proposal that does not exceed the budget indicated in the RFP, and invite such Consultant to negotiate the Contract.

c. Least-Cost Selection

27.4 In the case of Least-Cost Selection (LCS), the Client will select the Consultant with the Most Advantageous Proposal, which is the Proposal with the lowest evaluated total price among those Proposals that achieved the minimum qualifying technical score, and invite such a Consultant to negotiate the Contract.

D. Negotiations and Award

28. Negotiations

28.1 The negotiations will be held at the date and address indicated in the Data Sheet with the Consultant's representative(s) who must have written power of attorney to negotiate and sign a Contract on behalf of the Consultant.

28.2 The Client shall prepare minutes of negotiations that are signed by the Client and the Consultant's authorized representative.

a. Availability of Key Experts

28.3 The invited Consultant shall confirm the availability of all Key Experts included in the Proposal as a pre-requisite to the negotiations, or, if applicable, a replacement in accordance with ITC 12. Failure to confirm the Key Experts' availability may result in the rejection of the Consultant's Proposal and the Client proceeding to negotiate the Contract with the next-ranked Consultant.

28.4 Notwithstanding the above, the substitution of Key Experts at the negotiations may be considered if due solely to circumstances outside the reasonable control of and not foreseeable by the Consultant, including but not limited to death or medical incapacity. In such case, the Consultant shall offer a substitute Key Expert within the period of time specified in the letter of invitation to negotiate the Contract, who shall have equivalent or better qualifications and experience than the original candidate.

b. Technical Negotiations

28.5 The negotiations include discussions of the Terms of Reference (TORs), the proposed methodology, the Client's inputs, the special conditions of the Contract, and finalizing

the “Description of Services” part of the Contract. These discussions shall not substantially alter the original scope of services under the TOR or the terms of the contract, lest the quality of the final product, its price, or the relevance of the initial evaluation be affected.

c. Financial Negotiations

28.6 The negotiations include the clarification of the Consultant’s tax liability in the Client’s country and how it should be reflected in the Contract.

28.7 If the selection method included cost as a factor in the evaluation, the total price stated in the Financial Proposal for a Lump-Sum contract shall not be negotiated.

28.8 In the case of a Time-Based contract, unit rates negotiations shall not take place, except when the offered Key Experts and Non-Key Experts’ remuneration rates are much higher than the typically charged rates by consultants in similar contracts. In such case, the Client may ask for clarifications and, if the fees are very high, ask to change the rates after consultation with the IFAD. The format for (i) providing information on remuneration rates in the case of Quality Based Selection; and (ii) clarifying remuneration rates’ structure under this Clause, is provided in Appendix A to the Financial Form FIN-3: Financial Negotiations – Breakdown of Remuneration Rates.

29. Conclusion of Negotiations

29.1 The negotiations are concluded with a review of the finalized draft Contract, which then shall be initialed by the Client and the Consultant’s authorized representative.

29.2 If the negotiations fail, the Client shall inform the Consultant in writing of all pending issues and disagreements and provide a final opportunity to the Consultant to respond. If disagreement persists, the Client shall terminate the negotiations informing the Consultant of the reasons for doing so. After having obtained the IFAD’s no objection, the Client will invite the next-ranked Consultant to negotiate a Contract. Once the Client commences negotiations with the next-ranked Consultant, the Client shall not reopen the earlier negotiations.

30. Standstill Period

30.1 The Contract shall be awarded not earlier than the expiry of the Standstill Period. The duration of the Standstill Period is specified in the **Data Sheet**. Where only one Proposal is submitted, the Standstill Period shall not apply.

31. Notice of

31.1 When a Standstill Period applies, it shall commence when

Intention to Award

the Client has transmitted to each Consultant whose financial proposal was opened, the Notification of Intention to Award the Contract to the successful Consultant. The Notification of Intention to Award shall contain, at a minimum, the following information:

- (a) the name and address of the Consultant with whom the client successfully negotiated a contract;
- (b) the contract price of the successful Proposal;
- (c) the names of all Consultants included in the short list, indicating those that submitted Proposals;
- (d) where the selection method requires, the price offered by each Consultant as read out and as evaluated;
- (e) the overall technical scores and scores assigned for each criterion and sub-criterion to each Consultant;
- (f) the final combined scores and the final ranking of the Consultants;
- (g) a statement of the reason(s) why the recipient's Proposal was unsuccessful, unless the combined score in (f) above already reveals the reason;
- (h) the expiry date of the Standstill Period; and
- (i) instructions on how to request a debriefing and/or submit a complaint during the Standstill Period.

32. Notification of Award

32.1 Prior to the expiration of the Proposal Validity Period and upon expiry of the Standstill Period, specified in ITC 30.1 or any extension thereof, or upon satisfactorily addressing a complaint that has been filed within the Standstill Period, the Client shall publish the Contract Award Notice which shall contain, at a minimum, the following information:

- (a) name and address of the Client;
- (b) name and reference number of the contract being awarded, and the selection method used;
- (c) names of the consultants that submitted proposals, and their proposal prices as read out at financial proposal opening, and as evaluated;
- (d) names of all Consultants whose Proposals were rejected or were not evaluated, with the reasons therefor; and
- (e) the name of the successful consultant, the final total

contract price, the contract duration and a summary of its scope.

32.2 The Contract Award Notice shall be published on the Client's website with free access if available, or in at least one newspaper of national circulation in the Client's Country, or in the official gazette. The Client shall also publish the contract award notice in UNDB online

33. Debriefing by the Client

33.1 On receipt of the Client's Notification of Intention to Award referred to in ITB 31.1, an unsuccessful Consultant has three (3) Business Days to make a written request to the Client for a debriefing. The Client shall provide a debriefing to all unsuccessful Consultants whose request is received within this deadline.

33.2 Where a request for debriefing is received within the deadline, the Client shall provide a debriefing within five (5) Business Days, unless the Client decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the standstill period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the standstill period shall not end earlier than five (5) Business Days after the last debriefing takes place. The Client shall promptly inform, by the quickest means available, all Consultants of the extended standstill period

33.3 Where a request for debriefing is received by the Client later than the three (3)-Business Day deadline, the Client should provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of Public Notice of Award of contract. Requests for debriefing received outside the three (3)-day deadline shall not lead to extension of the standstill period.

33.4 Debriefings of unsuccessful Consultants may be done in writing or verbally. The Consultant shall bear their own costs of attending such a debriefing meeting

34. Award of Contract

34.1 The Contract shall be signed promptly upon Notification of Award.

34.2 The Consultant is expected to commence the assignment on the date and at the location specified in the **Data Sheet**.

Section 2. Instructions to Consultants

E. Data Sheet

ITC Reference	A. General
1 (b)	The date of the Applicable Regulations is: IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects, IFAD Project Procurement Guidelines and its Handbook dated 2010
2.1	Name of the Client: The Society for Climate Resilient for Agriculture in Nagaland (SoCRAN) Method of selection: Quality and Cost Based Selection (QCBS) as per the Applicable Regulations.
2.2	Financial Proposal to be submitted together with Technical Proposal: Yes The name of the assignment is: <i>Internal Audit including handholding to PMU and DMU of Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland for the financial period 2019-20.</i>
2.3	A pre-proposal conference will be held: No
2.4	The Client will provide the following inputs, project data, reports, etc. to facilitate the preparation of the Proposals: _____ “N/A”] _____
4.1	<i>Not Applicable</i>
B. Preparation of Proposals	
9.1	This RFP has been issued in the English language.

	<p>Proposals shall be submitted in English language.</p> <p>All correspondence exchange shall be in English language.</p>
10.1	<p>The Proposal shall comprise the following:</p> <p><u>For SIMPLIFIED TECHNICAL PROPOSAL (STP):</u></p> <p>1st Inner Envelope with the Technical Proposal:</p> <p>(1) TECH-1</p> <p>(2) TECH-2</p> <p>(3) TECH-3</p> <p>(4) TECH-4</p> <p>AND</p> <p>2nd Inner Envelope with the Financial Proposal</p> <p>(1) FIN-1</p> <p>(2) FIN-2</p> <p>(3) FIN-3</p>
10.2	<p>Statement of Undertaking is required</p> <p>No</p>
11.1	<p>Participation of Sub-consultants, Key Experts and Non-Key Experts in more than one Proposal is permissible</p> <p>No</p>
12.1	<p>Proposals must remain valid for 90 days after the proposal submission deadline: 20/09/2019 Valid upto (19/12/2019)</p>
13.1	<p>Clarifications may be requested no later than 10 days prior to the submission deadline. i.e on or before 10/09/2019.</p> <p>The contact information for requesting clarifications is:</p> <p>State Project Director Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland APC Office, Ground Floor Nagaland Civil Secretariat</p>

	<p>City: Kohima Country: India</p> <p><u>E mail : spdfocus@gmail.com Or chachei2018@gmail.com</u></p>
14.1.1	<p>Shortlisted Consultants may associate with</p> <p>(a) non-shortlisted consultant(s): No</p> <p>Or</p> <p>(b) other Consultants: No</p>
14.1.2 (do not use for Fixed Budget method)	<p><i>The minimum fee estimated for this Internal audit is Rs. 5,00,000/- (Rupees five Lakh) only excluding of GST. GST will be borne by project at prescribed rate. The minimum fee does not include other expenses (Travelling, TA, DA etc.).</i></p> <p><i>The minimum fee is an indicative figure however financial proposal with lower than the established minimum fee will be treated as non-responsive and the firms proposal would disqualify.</i></p>
14.1.3	<p><i>“Not applicable”.</i></p>
14.1.4 and 27.2 use for Fixed Budget method	<p>Not applicable</p>
15.2	<p>The format of the Technical Proposal to be submitted is: STP</p> <p>Submission of the Technical Proposal in a wrong format may lead to the Proposal being deemed non-responsive to the RFP requirements.</p>
16.1	<p><i>(1) a per diem allowance, including hotel, for experts for every day of absence from the home office for the purposes of the Services;</i></p> <p><i>(2) Cost of travel by the most appropriate means of transport and the most direct practicable route;</i></p>

16.2	<p>A price adjustment provision applies to remuneration rates: NO</p> <p>No</p>
16.3	<p>GST will be borne by the Client at prescribed rate</p>
16.4	<p>The Financial Proposal shall be stated in the following currencies:</p> <p>Indian Rupees only</p>
<p>C. Submission, Opening and Evaluation</p>	
17.1	<p>The Consultants shall not have the option of submitting their Proposals electronically.</p>
17.4	<p>The Consultant must submit:</p> <p>(a) Technical Proposal: one (1) original</p> <p>(b) Financial Proposal: one (1) original.</p>
17.7 and 17.9	<p>The Proposals must be submitted no later than:</p> <p>Date: 19/09/2019</p> <p>Time: 2.15 P.M. (14:15 Hrs in 24 hr format)</p> <hr/> <p>The Proposal submission address is:</p> <p>State Project Director Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland APC Office, Ground Floor Nagaland Civil Secretariat City: Kohima Country: India</p>
19.1	<p>An online option of the opening of the Technical Proposals is offered: No</p> <p>The opening shall take place at:</p> <p>Same as the Proposal Submission Address mentioned above.</p>

	<p>Date: 19/09/2019</p> <p>Time 2.45 P.M. (14:45 Hrs in 24 hr format)</p>																																						
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21.1 [for STP]	<p>Criteria, sub-criteria, and point system for the evaluation of the Simplified Technical Proposals:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: right;"><u>Points</u></th> </tr> </thead> <tbody> <tr> <td>(i) Specific experience of the consultants relevant to the assignment:</td> <td style="text-align: right;">[20 points]</td> </tr> <tr> <td>(ii) Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference (TORs):</td> <td style="text-align: right;">[30 points]</td> </tr> <tr> <td> a) Work-plan consistent with the TOR</td> <td style="text-align: right;">[15 points]</td> </tr> <tr> <td> b) Organization, staffing and team composition is balanced and has an appropriate skills mix according to the TOR.</td> <td style="text-align: right;">[15 points]</td> </tr> <tr> <td colspan="2"><i>[Notes to Consultant: the Client will assess whether work plan is realistic and implementable; overall team composition is balanced and has an appropriate skills mix as per the requirement of the TOR; and the work plan has right input of Experts]</i></td> </tr> <tr> <td>(ii) Key Experts' qualifications and competence for the Assignment:</td> <td></td> </tr> <tr> <td colspan="2"><i>{Notes to Consultant: each position number corresponds to the same for the Key Experts in Form TECH-6 to be prepared by the Consultant}</i></td> </tr> <tr> <td> a) Position-K-01 : Team Leader FCA</td> <td style="text-align: right;">(1) [13 points]</td> </tr> <tr> <td> b) Position-K-02 : FCA/ACA Sr. Acct.</td> <td style="text-align: right;">(1) [8 points]</td> </tr> <tr> <td> c) Position-K-03 : FCA/ACA Sr. Acct</td> <td style="text-align: right;">(1) [8 points]</td> </tr> <tr> <td> d) Position-K-04 : ACA/ Sr. Acct</td> <td style="text-align: right;">(1) [7 points]</td> </tr> <tr> <td> e) Position-K-05 : FCA/ACA Sr. Acct</td> <td style="text-align: right;">(1) [7 points]</td> </tr> <tr> <td> f) Position -K-06 : FCA/ACA Sr. Acct</td> <td style="text-align: right;">(1) [7 points]</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total points for criterion (iii): [50 points]</td> </tr> <tr> <td colspan="2"><i>The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub-criteria and relevant percentage weights:</i></td> </tr> <tr> <td>1) General qualifications</td> <td style="text-align: right;">[20%]</td> </tr> <tr> <td>2) Adequacy for the assignment</td> <td style="text-align: right;">[60%]</td> </tr> <tr> <td>3) Experience in region and language</td> <td style="text-align: right;">[20%]</td> </tr> </tbody> </table>		<u>Points</u>	(i) Specific experience of the consultants relevant to the assignment:	[20 points]	(ii) Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference (TORs):	[30 points]	a) Work-plan consistent with the TOR	[15 points]	b) Organization, staffing and team composition is balanced and has an appropriate skills mix according to the TOR.	[15 points]	<i>[Notes to Consultant: the Client will assess whether work plan is realistic and implementable; overall team composition is balanced and has an appropriate skills mix as per the requirement of the TOR; and the work plan has right input of Experts]</i>		(ii) Key Experts' qualifications and competence for the Assignment:		<i>{Notes to Consultant: each position number corresponds to the same for the Key Experts in Form TECH-6 to be prepared by the Consultant}</i>		a) Position-K-01 : Team Leader FCA	(1) [13 points]	b) Position-K-02 : FCA/ACA Sr. Acct.	(1) [8 points]	c) Position-K-03 : FCA/ACA Sr. Acct	(1) [8 points]	d) Position-K-04 : ACA/ Sr. Acct	(1) [7 points]	e) Position-K-05 : FCA/ACA Sr. Acct	(1) [7 points]	f) Position -K-06 : FCA/ACA Sr. Acct	(1) [7 points]	Total points for criterion (iii): [50 points]		<i>The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub-criteria and relevant percentage weights:</i>		1) General qualifications	[20%]	2) Adequacy for the assignment	[60%]	3) Experience in region and language	[20%]
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Total points for criterion (iii): [50 points]																																							
<i>The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub-criteria and relevant percentage weights:</i>																																							
1) General qualifications	[20%]																																						
2) Adequacy for the assignment	[60%]																																						
3) Experience in region and language	[20%]																																						

	<p>Total points for the criteria: 100</p> <p>The minimum technical score (St) required to pass is: 75 points</p>
	<p>Public Opening of Financial Proposals</p>
23.4	<p>An online option of the opening of the Financial Proposals is offered:</p> <p>No</p>
23.5	<p>Following the completion of the evaluation of the Technical Proposals, the Client will notify all Consultants of the location, date and time of the public opening of Financial Proposals.</p> <p>Alternatively, a notice of the public opening of Financial Proposals may be published on the Client's website, if available.</p>
25.1	<p>For the purpose of the evaluation, the Client will exclude: (a) all local identifiable indirect taxes such as sales tax, excise tax, GST or similar taxes levied on the contract's invoices; and (b) all additional local indirect tax on the remuneration of services rendered by non-resident experts in the Client's country. If a Contract is awarded, at Contract negotiations, all such taxes will be discussed, finalized (using the itemized list as a guidance but not limiting to it) and added to the Contract amount as a separate line, also indicating which taxes shall be paid by the Consultant and which taxes are withheld and paid by the Client on behalf of the Consultant.</p>
26.1	<p>Not Applicable</p>
27.1 (QCBS only)	<p>The lowest evaluated Financial Proposal (Fm) is given the maximum financial score (Sf) of 100.</p> <p>The formula for determining the financial scores (Sf) of all other Proposals is calculated as following:</p> <p>$Sf = 100 \times Fm / F$, in which "Sf" is the financial score, "Fm" is the lowest price, and "F" the price of the proposal under consideration.</p> <p>The weights given to the Technical (T) and Financial (P) Proposals are:</p> <p>T = 0.8, and</p> <p>P = 0.2</p> <p>Proposals are ranked according to their combined technical (St) and financial (Sf) scores</p>

	using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) as following: $S = S_t \times T\% + S_f \times P\%$.
	D. Negotiations and Award
28.1	<p>Expected date and address for contract negotiations:</p> <p>Date: 30/09/2019 (Expected)</p> <p>Address:</p> <p>State Project Director Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland APC Office, Ground Floor Nagaland Civil Secretariat City: Kohima 797001 Country: India</p>
30.1 Standstill Period	NA
32.2	The publication of the contract award information will be done as follows: The award of contract will be uploaded in project website www.focus.nagaland.org.in
34.2	Expected date for the commencement of the Services: 15/10/2019

Section 3. Technical Proposal – Standard Forms

CHECKLIST OF REQUIRED FORMS

Required for STP ✓	FORM	DESCRIPTION	<i>Page Limit</i>
STP			
✓	TECH-1	Technical Proposal Submission Form.	N.A.
✓	TECH-2	Consultant organization profile, experience and specific experience related to the assignment	
✓	TECH-3	Work Schedule, Organisation and staffing plan for Deliverables	N.A.
✓	TECH-4	Team Composition, Key Experts Inputs, and attached Curriculum Vitae (CV)	N.A.

All pages of the original Technical and Financial Proposal shall be initialled by the same authorized representative of the Consultant who signs the Proposal.

FORM TECH-1**TECHNICAL PROPOSAL SUBMISSION FORM**

{Location, Date}

To: *[Name and address of Client]*

Dear Sirs:

We, the undersigned, offer to provide the consulting services for *[Insert title of assignment]* in accordance with your Request for Proposals (RFP) dated *[.....]* and our Proposal. “We are hereby submitting our Proposal, which includes this Technical Proposal and a Financial Proposal sealed in a separate envelope”

We hereby declare that:

- (a) All the information and statements made in this Proposal are true and we accept that any misinterpretation or misrepresentation contained in this Proposal may lead to our disqualification by the Client and/or may be sanctioned by the IFAD.
- (b) Our Proposal shall be valid and remain binding upon us for the period of time specified in the Data Sheet, ITC 12.1.
- (c) We have no conflict of interest in accordance with ITC 3.
- (d) We meet the eligibility requirements as stated in ITC 6, and we confirm our understanding of our obligation to abide by the IFAD’s policy in regard to Fraud and Corruption as per ITC 5.
- (e) We are not subject to, and not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the IFAD. Further, we are not ineligible under the Client’s country laws or official regulations or pursuant to a decision of the United Nations Security Council;
- (f) In competing for (and, if the award is made to us, in executing) the Contract, we undertake to observe the laws against fraud and corruption, including bribery, in force in the country of the Client./
- (g) Except as stated in the Data Sheet, ITC 12.7, we undertake to negotiate a Contract on the basis of the proposed Key Experts. We accept that the

substitution of Key Experts for reasons other than those stated in ITC 12 and ITC 28.4 may lead to the termination of Contract negotiations.

- (h) Our Proposal is binding upon us and subject to any modifications resulting from the Contract negotiations.

We undertake, if our Proposal is accepted and the Contract is signed, to initiate the Services related to the assignment no later than the date indicated in ITC 34.2 of the Data Sheet.

We understand that the Client is not bound to accept any Proposal that the Client receives.

We remain,

Yours sincerely,

Authorized Signature {In full and initials}: _____

Name and Title of Signatory: _____

Name of Consultant (company's name): _____

In the capacity of: _____

Address: _____

Contact information (phone and e-mail): _____

FORM TECH-2

A – SP's Organization

[Provide here a brief (two pages) description of the background and organization of your firm/entity and each associate for this assignment.]

Brief Data Sheet of CA Firm for Internal Audit			
Sl. No.	Particulars		To be filled up by CA firms
1	Name of Firm		
2	CAG Empanelment Number (Please attach Empanelment Certificate as per instructions)		
3	CAG Empanelment Year		
4	Registration No. & Date: (Please attach Registration Certificate)		
5	Year of incorporation		
6	Total number of years of Experience from the incorporation of the Firm.		

2. **Financial:** Provide previous three financial years turn over and net worth of the firm on the basis of the audited accounts of the previous three financial years as follows.

Particulars	Amount in Lakh (INR)
Turnover 2015-16	
Turnover 2016-17	
Turnover 2017-18	
Average Turnover	

B - Consultant's Experience

Internal Audit consultancy Assignments of major audit

Information of at least last 5 years

Sl. No.	Name of Assignment	Type of Assignment	Fees Received

Internal Audit consultancy Assignments of Village level or block level community organizations

Information of at least last 5 years

Sl. No.	Name of Assignment	Type of Assignment	Fees Received

Key Staff Profile

- a) Total number of full time chartered accountants (partners with the firm)

Sl. No.	Name of Chartered Accountant (Partner)	Education	Total years of experience

b) Total number of paid Chartered Accountants with the firm

Sl. No.	Name and position	Education	Total years of experience

c) Total number of Senior Audit Assistant with the firm

Sl. No.	Name and position	Education	Total years of experience

d) Total number of Junior Audit Assistant with the firm

Sl. No.	Name and position	Education	Total years of experience

B – SP’s Experience

[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment for the last 5 years]

Assignment name:	Approx. value of the contract (INR):
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total No of staff-days/months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (INR):
Start date (month/year): Completion date (month/year):	N ^o of professional staff-months provided by associated SPs:
Name of associated SPs, if any:	Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as FCA/ACA):
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

Firm’s Name: _____

FORM TECH-3 DESCRIPTION OF WORK PLAN FOR PERFORMING THE ASSIGNMENT

*You are suggested to present your **Technical Proposal 15 pages, inclusive of charts and diagrams**) divided into the following two chapters:*

- a) **Work Plan, and***
- b) **Organization and Staffing,***

b) Work Plan. In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the work schedule to be submitted by the consultants.

c) Organization and Staffing. In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.

FORM TECH-4

TEAM COMPOSITION

S. No.	NAME	POSITION	EXPERIENCE

CURRICULUM VITAE (CV)

Position Title and No.	{e.g., K-1, TEAM LEADER }
Name of Expert:	{Insert full name }
Date of Birth:	{day/month/year }
Country of Citizenship/Residence	

Education: {List college/university or other specialized education, giving names of educational institutions, dates attended, degree(s)/diploma(s) obtained }

Employment record relevant to the assignment: {Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous clients and employing organization(s) who can be contacted for references. Past employment that is not relevant to the assignment does not need to be included. }

Period	Employing organization and your title/position. Contact information for references	Country	Summary of activities performed relevant to the Assignment
[e.g., May 2005-present]	[e.g., Ministry of, advisor/consultant to... For references: Tel...../e-mail.....; Mr. Hbbbb, deputy minister]		

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Membership in Professional Associations and Publications:

Language Skills (indicate only languages in which you can work): _____
Adequacy for the Assignment:

Detailed Tasks Assigned on Consultant’s Team of Experts:	Reference to Prior Work/Assignments that Best Illustrates Capability to Handle the Assigned Tasks
{List all deliverables/tasks as in TECH- 5 in which the Expert will be involved}	

Expert’s contact information: (e-mail, phone.....)

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience, and I am available to undertake the assignment in case of an award. I understand that any misstatement or misrepresentation described herein may lead to my disqualification or dismissal by the Client, and/or sanctions by the IFAD.

{ day/month/year }

 Name of Expert

 Signature

 Date

{ day/month/year }

 Name of authorized
 Representative of the Consultant
 (the same who signs the Proposal)

 Signature

 Date

Section 4. Financial Proposal – Standard Forms

Form FIN-1: Financial Proposal Submission Form

[Location, Date]

To: [Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures¹]. This amount is exclusive of the local taxes, which shall be identified during negotiations and shall be added to the above amount.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Paragraph Reference 1.14 of the Data Sheet.

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

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

1 Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2.

2 If applicable, replace this paragraph with: “No commissions or gratuities have been or are to paid by us to agents relating to this Proposal and Contract execution.”

Form FIN-2: Summary of Costs

Item	Costs			
				<i>[Indicate Local Currency]</i>
Total Costs of Financial Proposal ¹				

- ¹ Indicate the total costs, net of local taxes, to be paid by the Client in each currency. Such total costs must coincide with the sum of the relevant Subtotals indicated in all Forms FIN-3 provided with the Proposal.

1.

Form FIN-3: Breakdown of Costs by Activity¹

Group of Activities (Phase):² _____	Description:³ _____			
Cost component	Costs [Indicate Local Currency]			
	No. of experts	Unit cost (per day)	No. of days	Total professional fees
Remuneration (Audit Leader)				
Remuneration (Sr. Audit Assistant)				
Remuneration (Sr. Audit Assistant)				
Remuneration (Jr. Audit Assistant)	_____		_____	
Remuneration (Jr. Audit Assistant)	_____		_____	
Remuneration (Jr. Audit Assistant)	_____		_____	
Subtotals	_____		_____	

- 1 Form FIN-3 shall be filled at least for the whole assignment. In case some of the activities require different modes of billing and payment (e.g.: the assignment is phased, and each phase has a different payment schedule), the Internal Auditor shall fill a separate Form FIN-3 for each group of activities. For each currency, the sum of the relevant Subtotals of all Forms FIN-3 provided must coincide with the Total Costs of Financial Proposal indicated in Form FIN-2.
- 2 Names of activities (phase) should be the same as, or correspond to the ones indicated in the second column of Form TECH-8.
- 3 Short description of the activities whose cost breakdown is provided in this Form.

Form FIN-5: Breakdown of Reimbursable Expenses (Lump-Sum)

(This Form FIN-5 shall only be used when the Lump-Sum Form of Contract has been included in the RFP. Information to be provided in this Form shall only be used to establish payments to the External Auditor for possible additional services requested by the Client)

N°	Description¹	Unit	Number	Unit Cost²
___	Per diem allowances	Day		
___	travel expenses	Trip		

___	Total			

- 1 Delete items that are not applicable or add other items according to Paragraph Reference 3.6 of the Data Sheet.
- 2 Indicate unit cost and currency.

Section 5. Eligible Countries

In reference to ITC6.3.2, for the information of shortlisted Consultants, at the present time firms, goods and services from the following countries are excluded from this selection:

NONE

Section 6 - IFAD Policy – Corrupt and Fraudulent Practices

(Section VI shall not be modified)

1.1 IFAD's Anti-Corruption Guidelines and this annex apply with respect to procurement under IFAD financed projects/programmes.

2.1 It is IFAD's policy to require that Borrowers (including beneficiaries of IFAD loans), consultants, and their agents (whether declared or not), sub-contractors, sub-consultants, service providers, or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement process, selection and execution of IFAD-financed Agreements, and refrain from Fraud and Corruption. [footnote: In this context, any action taken by a consultant or any of its personnel, or its agents, or its sub-consultants, sub-contractors, services providers, suppliers, and/or their employees, to influence the selection process or Agreement execution for undue advantage is improper.].

2.2 In pursuance of this policy, the IFAD:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party¹;
 - (ii) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation²;
 - (iii) "collusive practices" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party³;
 - (iv) "coercive practices" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party⁴;

¹ For the purpose of this sub-paragraph, "another party" refers to a public official acting in relation to the selection process or Agreement execution. In this context "public official" includes IFAD staff and employees of other organizations taking or reviewing selection decisions.

² For the purpose of this sub-paragraph, "party" refers to a public official; the terms "benefit" and "obligation" relate to the selection process or Agreement execution; and the "act or omission" is intended to influence the selection process or Agreement execution.

³ For the purpose of this sub-paragraph, "parties" refers to participants in the procurement or selection process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish prices at artificial, non-competitive levels, or are privy to each other's bid prices or other conditions.

- (v) “obstructive practice” is
- (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an IFAD investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
 - (b) acts intended to materially impede the exercise of the IFAD’s inspection and audit rights;
- (b) will reject a proposal for award if it determines that the consultant recommended for award or any of its personnel, or its agents, or its sub-consultants, sub-contractors, services providers, suppliers, and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the Agreement in question;
- (c) In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement and cancel the portion of the Loan allocated to the project/programme, if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the Loan were engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the selection process or the implementation of the Agreement in question, without the Borrower having taken timely and appropriate action satisfactory to the IFAD to address such practices when they occur, including by failing to inform the IFAD in a timely manner they knew of the practices;
- (d) Pursuant to IFAD's Policy and Guidelines and in accordance with IFAD's prevailing sanctions policies and procedures, may sanction a firm or an individual at any time, either indefinitely or for a stated period of time: (i) to be awarded an IFAD-financed Agreement, and (ii) to be a nominated⁵ sub-consultant, supplier, or service provider of an otherwise eligible firm being awarded an IFAD-financed contract and (iii) to receive the proceeds of any loan financed by IFAD.
- (e) requires that a clause be included in bidding/request for proposals documents and in contracts financed by an IFAD loan, requiring (i) bidders, consultants, contractors and supplies, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the IFAD to inspect⁶ all accounts,

⁴For the purpose of this sub-paragraph, “party” refers to a participant in the selection process or Agreement execution.

⁵ A nominated sub-consultant, supplier, or service provider is one which has been either (i) included by the consultant in its proposal because it brings specific and critical experience and know-how that are accounted for in the technical evaluation of the consultant’s proposal for the particular services; or (ii) appointed by the Borrower.

⁶Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by IFAD or persons appointed by IFAD to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is

records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by IFAD.

not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

**Appendix 7: Draft TERMS OF REFERENCE (TOR) OF INTERNAL AUDIT INCLUDING
HANDHOLDING SUPPORT TO PMU AND DMU
OF
/Fostering of Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland/**

1. Background

The International Fund for Agricultural Development (IFAD) is aiding the borrower/recipient, the Republic of India for the purpose of financing the FOCUS (Nagaland) in the form of loan(s) and grant(s). A financing agreement or agreements has/have been signed between IFAD and the borrower/[recipient]; dated 25th January 2018. refer to **appendix 1**.

The overall objective of the project is, “To increase agricultural income of 137,000 households and to enhance their resilience to climate change”. This would be achieved through the development objective of increasing the environmental sustainability and profitability of farming systems practiced by highland farmers.

FOCUS-Nagaland covers 650 villages in 58 blocks of 8 districts in the state. The districts covered under the project are Kohima, Phek, Zunheboto, Wokha, Mokokchung, Kiphre, Lungleng and Mon. The project is expected to be completed by 2024.

The FOCUS has three components, namely,

- (i) Improved *jhum* management;
- (ii) Value Chain and Market Access; and
- (iii) Project Management and Knowledge services.

The Project components emphasis to increase the agricultural income of those targeted households in the project districts and to enhance their resilience to climate change.

Fostering Climate Resilient Upland Farming System in the Northeast (FOCUS), Nagaland to appoint an independent internal auditor to audit the accounts related to the project, in accordance with the IFAD Handbook on Financial Reporting and Auditing. The reporting entity as on each quarter ending. The auditor conducts its audit in terms of national auditing standards and in accordance with the IFAD Handbook on Financial Reporting and Auditing.

2. Objective

The key objectives of **internal audit** are to (a) obtain an independent professional opinion on the continuing implementation and effectiveness of the internal control procedures and the financial management & procurement systems prescribed under the Project and adequacy thereof; and (b) internal audit of Project accounts. Based on this the auditor will give suggestions for improvement. The report of the internal auditors will form the basis for Management action.

The overall objectives of Internal Audit is to provide the project management with independent assurance (i) that the internal controls established by management are designed appropriately and (ii) whether the overall financial management and arrangements including the system of internal controls as documented in the IFAD Handbook on Financial Reporting and Auditing, Project Implementation Manual (PIM) are in practice working effectively. In addition, it

is expected that internal audit should play a role in assisting management in bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3. Responsibilities of the borrower, SOCRAN/FOCUS.

i. General

- Provide the auditor with access to all legal documents and correspondence with consultants, contractors and other persons or firms engaged by the project, and any other information associated with the project and deemed necessary by the auditor.
- Ensure that the accounting policies are consistently applied and disclosed.
- Ensure that appropriate internal controls are implemented to prevent misstatements and susceptibility to fraud.
- Ensure compliance with all relevant laws and regulations that pertain to the entity, as well as with the financing agreement between the borrower/[recipient] and IFAD.

4. Scope of the Internal Audit

The Internal Auditor shall be a member of the Institute of Chartered Accountants of India. He/She shall be responsible for ensuring the following:

- 1) that the project accounts have been prepared in accordance with the consistently applied national accounting standards.
- 2) that all books of accounts are updated, bank accounts reconciled and books of accounts are printed on a monthly basis.
- 3) that all necessary supporting documents, records have been separately filed in respect of all project activities and that clear nexus exist between supporting documents, accounting books and records and the periodic financial reports of the DMUs and the PMU.
- 4) review the internal control systems, its effectiveness in project implementation and suggest improvements if required.
- 5) review of the monthly/ quarterly expenditure statement submitted by the districts indicating the approved budget provision and expenditure during the month, cumulative expenditure against the activity / sub activity during the period and ensure that it is in accordance with the books of accounts.
- 6) review that the breakup of expenditure between IFAD and counterpart funding is in accordance with the IFAD financing agreement.
- 7) that all funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided. Relevant legal agreement includes the financing agreement and the agreement with other agencies.
- 8) that the records of all procurement, agreement, work / purchase orders, invoices, receipts, stock registers etc. are the properly maintained, duly linked and retained. The auditor should also review contract management and whether terms for payment to contractors are being adhered to.

- 9) review statutory compliances as may be applicable such as proper deduction and filing of TDS, Income tax, PF returns and other applicable
- 10) review the efficiency and timeliness of the funds flow mechanism at the PMU and DMUs and whether there are delays and which could impact the timely implementation of project. The auditor should also identify and report the reasons for such delays and possible remedial measures.
- 11) that the SOEs are submitted in timely manner, whether releases of funds are conditional to receipt of SOEs and reports exceptions if any.
- 12) that all project funds received under the project have been used with due attention to economy, efficiency and effectiveness and only for the purposes for which the financing was provided.
- 13) that adequate records are maintained regarding the assets created and assets acquired by the project, including description, details of cost, identification and location of assets. Carry out physical verification of a sample of assets created out of the project and comment on its utilization and whether they are adequately safeguarded. Verify that the inventory and fixed assets held by the entity exist, are complete, are properly accounted and are used for the project purposes;
- 14) that the accounting for the advances to JRMCs/FIGs and project implementing staff/units are properly recorded in the accounting books; whether systems are in place for monitoring the receipt of periodic financial reports and follow up on overdue reports are adequate. Exceptions should be identified and reported.
- 15) that the accounting records of the JRMCs/FIGs are properly kept with supporting documents and authorization of the approving committee; goods procured by the JRMCs/FIGs have followed a transparent procurement process and the basic tenets of economy, efficiency and social equity have been followed.
- 16) that the compliance report on audit observations pointed out in the reports relating to earlier audit is made and corrective actions taken on those points are furnished in the audit report of the subsequent phase.

The Internal Auditor shall visit each JRMC/FIGs, district office and the PMU every quarter for conducting the audit and submit quarterly reports to the State Project Director (SPD) and also respective DPMs within 45 days of the end of the quarter.

Internal audit would cover the “**State Project Management Unit (PMU)**”, Kohima and the following 8 districts for the financial year 2019-20:

1. District Management Unit, (DMU) Kohima
2. District Management Unit, (DMU) Phek
3. District Management Unit, (DMU) Zunheboto
4. District Management Unit, (DMU) Wokha
5. District Management Unit, (DMU) Mokokchung
6. District Management Unit, (DMU) Longleng
7. District Management Unit, (DMU) Kiphire
8. District Management Unit, (DMU) Mon

5. Fund flow mechanism

Funds from IFAD loan will flow to a Special/Designated Account maintained in USD in a bank acceptable to IFAD and operated by the Ministry of Finance (MoF), Government of India (GoI). MoF will transfer the IFAD loan to the State Treasury of the Government of Nagaland (GoN) through the prescribed national procedures for budgetary support to State Governments. The GoN will release these funds to SoCRAN as soon as it receives the same from GOI. Besides IFAD contribution, the GoN will deposit its contribution (including CSS funds) in the project account of SoCRAN in accordance with the approved AWPBs.

As per the AWP&B seek release of funds from GoN (IFAD and GoN). Fund to flow from PMU to DMU and other government agencies: The fund recipients to submit statement of expenditure every month certified by the authorised signatory of DMUs and other government agencies. Funds to flow from DMUs to FIGs and entrepreneurs: The fund recipients to submit statement of expenditure authorised by the Block/Circle Officers.

6. Reporting

The Internal Auditor will provide a report to the project management highlighting findings within 45 days of completing the audit to enable the management to take timely corrective action. Copies of the Internal Audit Report together with actions taken by Committee to address the audit observations will be submitted to the Management. Review of the final draft Report – The draft audit observations will be discussed with the respective PMUs and DMU, their written responses considered by the auditors before finalization of the audit observations and issuance of the final audit report. The Project management will also ensure that the auditors have covered the scope of work and delivered all the reports and documents specified in the Terms of Reference

7. Deduction of Audit Fees:

If the selected audit firm has not employed audit personnel as per the qualifications prescribed in this ToR or has not done the audit in accordance with the periodicity prescribed in this ToR or has delayed the audit reports, the Project reserves the right to deduct proportionate quantum of amount from the audit fees.

8. Appendices

Appendix: Financing agreement(s)

Appendix: Letter to the Borrower

Appendix: IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects
