

TERMS OF REFERENCE FOR SERVICE CONTRACTING – SPOT CHECK ON LTA ; RFP 9186258

Assignment	HACT SPOT CHECK
Estimated budget	\$1.00
Budget Source	Non-Grant
Location	Abuja and other states in Nigeria
Duration	24+12 months
Delivery time	TBD
Start date	1 st Jan 2024
End date	31 st December 2027
Reporting to	The Chief, Planning and Monitoring
Closing date for proposals	7 th November 2023; submitted online to: ngrsupply@unicef.org

1. JUSTIFICATION/BACKGROUND

This TOR was developed to guide United Nations agencies, service providers and IPs through the objectives, scope, timeline and deliverables of the requested agreed-upon procedures engagement. UNICEF, UNDP and UNFPA Agencies in Nigeria are interested in contracting qualified service providers to provide professional Periodic On-site Financial Assurance services, as stipulated by this TOR.

UNICEF Nigeria acts as the Lead Agency to organise and conduct the bidding process and enter into one or several Long-Term Arrangement(s) (LTA) with one or several qualified experts on behalf of UN Agencies in Nigeria. Any of the listed entities will be considered as a contract party and will be offered similar treatment and contractual conditions. The LTA may be extended for use to other local UN Agencies applying the HACT Framework or its elements.

The orders under the signed LTA(s) will be placed directly by the requesting UN Agency (UNDP, UNFPA, UNICEF, or other) referred hereinafter to as “Order Placing Agency”.

2. OBJECTIVE AND TARGETS

The overall objective of setting up the LTA(s) is to facilitate and speed up purchasing professional periodic onsite review (Spot Checks) services for UN Agencies offices in Nigeria at the most reasonable cost. The service provider will conduct the spot check and prepare a report on factual findings based on agreed-upon procedures. As the service provider is engaged to report on the findings of the agreed-upon procedures, no assurance is expressed. Instead, users of the report

assess for themselves the procedures and findings reported by the service provider and draw their own conclusions.

The report is restricted to parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.

The envisaged LTA(s) are time-bound, non-binding agreements with no commitment to purchase any volumes of services.

The purpose of the Spot Checks assurance activity is to determine whether the funds transferred to Implementing Partners (IPs) were used for their intended purpose and in accordance with the work plan or program document through a review of financial records related to the management of the partnership with Order Placing Agency. Spot Checks will be performed in accordance to an agreed-upon procedures engagement.

The spot check is not an audit; therefore, the extent of expense testing is generally lower than what would be undertaken during an audit.

3. SCOPE OF THE WORK (WORK ASSIGNMENT)

Spot checks are performed to assess the accuracy of financial records for cash transfers to IPs and whether there have been any significant changes to applicable internal controls. The spot check is not an audit.

Spot Check Procedures

The following are examples of procedures to be performed during the spot check. The actual procedures to be performed must be confirmed with the UNICEF Office HACT Focal Point prior to the start of the spot check.

1. Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified, if any.
2. Obtain a listing of all programme-related expenditures that support the actual programme expenditures submitted by (insert IP name) on FACE form (insert date and number) for the agreed-upon procedures engagement and perform the following:
 - Select a sample of expenditures using a statistical (i.e. random sampling) or non-statistical (e.g. high value or high-risk items) approach amounting to at least 50% of total expenditures for the period. At least one item should be selected from each expense category, which is greater than 5% of the total expenditure for the period.
 - For each sample selection, perform the following procedures:
 - Verify that documentation exists to support the expenditure in accordance with the IP's rules and procedures and agreements with the agency.
 - Verify that the activity related to the expenditure is in accordance with the work plan.
 - Verify that the expenditure has been reviewed and approved in accordance with the IP's rules and procedures and agreements with the agency.

- Verify that the expenditure was reflected on a certified FACE form submitted to the agency.
 - Verify that the expenditure was reflected in the IP's accounting records (official book of accounts) and bank statement.
 - Verify that supporting documents are stamped 'PAID by UNICEF resources' (or coded to and recorded in a separate fund to ensure there is no duplicate claiming of expenditure to UNICEF and/or another funding agency), indicating which agency funded the transaction.
 - Verify that the FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (two weeks).
 - Verify the price paid for goods or services against United Nations agreed standard rates (if readily available).
3. If separate bank accounts are maintained for agency-granted funds, perform the following procedures:
- Verify that the activity per the bank statements agrees with that reflected in the accounting records. Document any variances noted; and
 - Confirm that a bank reconciliation was completed, and the balance has been reconciled to the accounting records. Document any variances noted.

Items to be Provided to the Service Provider

UNICEF County Office HACT Focal Point provides the following documentation in advance of starting fieldwork:

- Work plan and any progress reports submitted during the year.
- Micro assessment report and any related agreed actions, reports of relevant field monitoring visits, available audits reports and other documentation that may help to understand the IP's internal controls and supported activities.

To ensure efficient use of time, the service provider reviews the information received and provides the IP with a list of requested documents in advance of any site visits.

4. REALISTIC DELIVERY DATES AND DETAILS ON HOW THE WORK MUST BE DELIVERED

The timeline for the milestone delivery will be stipulated in the Statement of Work. The service provider will respect the procedures and the timetable for the conduct of the fieldwork and submission of the reports (including the draft and final reports). If the timetables for comments are not respected by other parties (i.e. UN agency) and/or the Partner), the service provider will document such delays in his/her working papers and report thereon in the audit report.

The audit working papers and related documents shall be available to the UN agency and shall be kept by the service provider for a minimum period of seven years after the issuance of reports. They must be made available to the UN agency for review upon request at any stage during this period.

5. EXPECTED DELIVERABLES

The service provider prepares a report in accordance with ISRS 4400. The report template will be provided by the Order Placing Agency.

Prior to the conclusion of the site visit, the service provider holds an exit meeting with the IP to discuss any initial findings. The UNICEF Office Focal Point should be invited to attend the closing meeting at their discretion. The service provider provides the draft spot check report and summary of findings and observations to the IP to provide any further clarification and management responses. The spot check report is then provided to the UNICEF Office Focal Point for review and comment.

The final reports are to be provided in Word format. Where the service provider's internal policies require the final signed version to be provided only in PDF, UNICEF will accept the PDF version accompanied by a Word version with the same content but without signature and/or branding (as per the service provider's internal policies).

The service provider records high-risk findings in etools.

6. UNICEF ONLY: DATA ENTRANCE IN ETOOLS ONLINE PLATFORM eTools

(etools.unicef.org) is an online platform aimed to simplify office processes related to UNICEF partnership management and program monitoring. The eTools Financial Assurance Module is designed to be used by UNICEF, Consultants, and assurance service providers in planning, implementing, and recording financial assurance activities.

The LTA holder will register in the eTools platform as a third-party services provider, using their own e-mail address and personal password.

When a spot-check has been agreed upon and planned by UNICEF and the LTA holder, the responsible UNICEF Officer will create a new case in the eTools platform, called hereinafter "Activity".

All the spot-check related information and documents will be uploaded and available in the corresponding activity: documents, contacts, updates, and other relevant information. Once the UNICEF responsible officer creates a new activity, the service provider will be assigned to this new activity, as agreed by e-mail. The service provider will receive in the pre-registered mailbox an e-mail notification about the assignment containing a direct access link to the new activity in eTools.

After the visit to the IP office, the service provider will complete the online spot-check activity visit date findings and upload the report. No other user, neither LTA holders nor UNICEF staff will be authorized to enter this information.

Any follow-up information will be introduced as well in the activity. The completion of each step of the process will trigger notifications for the person responsible for the next process step. The

Spot Check will be considered finalized when all the steps in the eTools Financial Assurance module for the respective Activity are completed and the final report uploaded.

Additionally, UNICEF staff will provide the service provider the step-by-step guidance in following through the first eTools Activity.

7. DESIRED QUALIFICATIONS, SPECIALIZED KNOWLEDGE OR EXPERIENCE

As noted in ISRS 4400 paragraph 7: “The auditor should comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code). Ethical principles governing the auditor’s professional responsibilities for this type of engagement are:

- (a) Integrity.
- (b) Objectivity.
- (c) Professional competence and due care.
- (d) Confidentiality.
- (e) Professional behavior; and
- (f) Technical standards.

Independence is not a requirement for agreed-upon procedures engagements. However, the terms or objectives of an engagement or national standards may require the party service provider to comply with the independence requirements of the IESBA Code. Where the service provider is not independent, a statement to that effect should be made in the report of factual findings.

The service provider staff must be experienced in applying ISRS standards. The service provider should employ staff with recognised professional qualifications and suitable experience with ISRS standards, including experience in reviewing similar entities.

8. PERFORMANCE INDICATORS FOR EVALUATION OF RESULTS

The performance of work will be evaluated based on the following indicators:

- Compliance with the established and agreed deadlines for submission of deliverables.
- Quality of work (quality, accuracy and consistency of the report addressing all the areas of the spot check review).

Demonstration of high standards of cooperation and communication with the Order Placing Agency as well as with the Implementing Partners.

The contracted service provider will acknowledge the right of the Order Placer to withhold all or a portion of payment if performance is unsatisfactory, work/outputs are incomplete, not delivered or failure to meet deadlines.

9. FREQUENCY OF PERFORMANCE REVIEWS UNDER THE LTA

Day-to-day support for the assignment from the Order Placing Agency side will be provided by the responsible Officer and/or and will include the monitoring guidance, assessment of key information and informants, relevant information sharing via e-mail. Once the services are completed, and the final Spot Check report has been received and accepted by the Order Placing Agency, the consultant will issue and submit the detailed invoice for payment referring to the LTA number and the corresponding service order.

Payments will be processed by the Order Placing Agencies in accordance with their own corporate rules and procedures. The consultant shall comply with invoicing requirements set by the respective Order Placer.

10. CALL FOR PROPOSALS (Engagement Context)

The selection of an Auditor is established based on a thorough assessment of qualifications and the ToR, as well as a competitive bidding process in accordance with the UN agencies' procurement and contracting rules and regulations for commercial service providers.

The audit will be performed in the country of operation, at the location(s) where the Partner maintains programme documentation, typically at the programme implementation sites. Each country office or the agencies' headquarters will identify a focal person responsible for assigning the Auditor and liaising with the Partner(s) to ensure efficient coordination and establish deadlines. Should the location and/or scope of work change, the focal person and the Auditor will determine the requirements, mutually agree on the cost implications, and adjust the payment accordingly.

The Auditor will obtain an understanding of the engagement context of the programme subject to this audit based on the agreement, work plan or programme document signed by the agency and the Partner and the additional supplementary information to be provided.

11. REQUEST FOR PROPOSAL EVALUATION AND WEIGHTING CRITERIA

__70__% technical

__30__% financial

100% total

A, Technical proposal should include the following:

- 1) Overall Response (15 points)

- Completeness of response
- Overall accord between TOR/needs and proposal

2) Company and Key Personnel (30 points)

- range and depth of organisational experience with similar projects
- samples of previous work- this includes at least one assignment done previously.
- number of customers, size of projects, number of staff per project
- key personnel: relevant experience and qualifications of the proposed team for the assignment
- company policy on child labour, safeguarding and prevention of sexual exploitation and abuse (articulate policies for the protection and safeguarding of children and prevention of PSEA) - mandatory

3) Proposed methodology and approach (25 points)

- A workflow template showing the sequence, detailed sampling methods and timeline for a sample activity
- Quality assurance mechanism and risk mitigation measures in place
- Ethical considerations and how the firm will address them

Minimum technical score: 70% of 70 points = 49 points

Technical Proposals receiving 70% of the obtainable points (70) or higher will be considered technically responsive, and the financial proposal will be opened. Proposals considered not technically compliant and non-responsive will not be considered further.

B. Financial Proposal: 30 points

- The total all-inclusive fee for conducting one micro-assessment. Please note that the IPs offices are spread across all the states/geographical zones of Nigeria. Most of the micro-assessment will be conducted in the state capitals.
- The all-inclusive fee should cover any relevant costs that may be incurred during the service provision, such as transportation and subsistence costs. No additional direct or indirect costs will be reimbursed by the Order Placing Agency.
- The e-Tools insertion fee – applicable for UNICEF assignments only. This is the fee charged for entering the micro-assessment-related information and uploading the reports to the online platform.

12. CONTRACTS CREATED AGAINST THE LTA

Whenever the services are required, details of the requirement/deliverables, including quantities and deadlines, will be presented to the LTA Holder.

Upon receipt of confirmation of availability and interest in the assignment, a contract will be issued with the agreed fees in the LTA. The firm must sign the contract prior to the commencement of work.

Payment will be made after the completion of deliverables and submission of invoices for the actual work completed, subject to satisfactory performance.

13. SERVICE FEES, INVOICING AND PAYMENTS

The LTA service fees will remain in effect for the duration of the LTA validity period. The service fee includes all costs related to the service delivery per one Spot-check.

14. Other Clauses: PSEA Language

Consistent with the UN Secretary General's Bulletin related to "Special measures for protection from sexual exploitation and sexual abuse" (ST/SGB/2003/13), entities and individuals entering into cooperative agreements with an agency of the United Nations are obligated to "take preventative measures against sexual exploitation or abuse, to investigate allegations thereof, or to take corrective action when sexual exploitation or sexual abuse has occurred." Failure to do so "shall constitute grounds for termination of any cooperative arrangement with the United Nations." The third-party contractor is expected to have in place explicit policies related to the prevention of sexual exploitation and abuse of beneficiaries, including a commitment to the IASC 6 Core Standards (IASC/2002), and the investigation of such cases. Where the third-party contractor does not have enough capacity for the investigation of such cases, it should request the support of UNICEF. Reasonable suspicion of sexual exploitation or abuse of beneficiaries may be reported by any individual to UNICEF if the complainant so prefers.

15. CONDITIONS

- The third-party contractor will work on its computer(s) and use its office resources and materials in the execution of this assignment. **The contractor's fee shall be inclusive of all office administrative and travel costs.**
- Local travel and airport transfers (where applicable) will be covered in accordance with UNICEF's rules and tariffs. (Flight costs will be covered at an economy class rate as per UNICEF policies).
- Please also see UNICEF's Standard Terms and Conditions attached.

Instructions to bidders:

1. Proposals should be made separately: Technical and Financial. Technical should not have financial information as such technical proposal will be disqualified.
2. All completed proposals should be submitted to this email address: ngrsupply@unicef.org with the RFP reference number: 9186258. Your proposals will not be considered nor opened failure to quote the RFP number on your forwarding email.
3. Deadline for submission is 7th November 2023
4. Financial proposal that includes cost per states in accordance to the brief in the ToR above.
5. Financial proposal should be valid for at least 36 months. Cost should be inclusive of travels