



REQUEST FOR PROPOSAL

Financial Audit Services

To: Bidder

From: ARK Group DMCC (ARK)

Subject: Request for Proposal (RFP) No. RFP-24-ARKLB1116

Performance Period: April 2024 to June 2024

RFP Issue Date: 30 January 2024

RFP Closing Date: 29 February 2024

RFP Closing Time: 23:00 (Beirut, Lebanon)

1. Purpose

ARK Group DMCC (now thereafter referred to as “ARK”) is seeking a qualified auditor to carry out a Project Specific Financial Statements Audit covering one fiscal year of a project funded by the UK Government (British Embassy in Lebanon). The audit should be carried out in accordance with UK auditing standards. Requirements are outlined in detail in Annex 1 - Statement of Work (SOW).

2. Description of Entity

ARK is a stabilisation and development company committed to empowering local communities and beneficiaries in conflict, post-conflict, and fragile areas through the provision of evidence-based programmatic interventions, policy recommendations, research and capacity-building. ARK is registered in the United Arab Emirates DMCC freezone as a commercial entity. The services under this RFP are required for the Beirut branch office.

3. Procedures for Submitting Proposals and Awarding Contract

- a. This RFP consists of the following documents:
 - This RFP with submission instructions and evaluation criteria
 - Annex 1: Statement of Work
 - Annex 2: Proposal Declaration Form
- b. Proposals should be submitted via email to procurement@arkgroupdmcc.com adhering to the following instructions:
 - The email shall be marked “[Your Company Name] – RFP-24-ARKLB1116 Proposal”.
 - Your proposal must be in English.



- Your proposal should include the following documents:
 - Proposal Declaration Form
 - A copy of your company registration documents
 - Technical Proposal
 - Price Proposal
- c. Proposals must be received by ARK no later than **29 February 2024 23:00** (Beirut, Lebanon). Any proposal received after this date and time will be rejected. ARK may, at its discretion, extend the deadline, by notifying all potential proposers in writing. The extension of the deadline may accompany a modification to the original documents prepared by ARK at its own initiative or in response to a clarification request.
- d. Requests for clarification should be sent via email to procurement@arkgroupdmcc.com. Clarification questions may be sent until **21 February 2024**. The RFP number should be quoted in all correspondence. Any written reply to a particular question may be shared with other firms who have expressed an interest. If you wish to receive answers to clarification questions sent by other firms, please send an expression of interest to procurement@arkgroupdmcc.com. An expression of interest is encouraged but is not a requirement to participate in the RFP.
- e. Failure to comply with the above may result in the proposer being rejected. ARK reserves the right to reject any number of received proposals and to request additional information if required.
- f. ARK is not committed to select any of the companies' submitting proposals and this RFP is not to be construed in any way as an offer of contract.

4. Proposal Format

a. Table of Contents

A table of contents clearly identifying proposal sections and annexes should be included.

b. Bidder Information

Each proposal must contain a bidder information page that identifies the RFP number and subject and provides at the minimum the following information:

Full Company Name *	
Trading name (if different from registered company name)	
Registered company address	



Website address	
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* As per company registration document.

RFP CONTACT DETAILS

Contact name and title	
Email	
Phone	

COMPANY REGISTRATION DETAILS

Registration type	
Registration date	
Registration number	
Trade license number	

*Relevant company registration/trade license documents should be attached as an annex to the RFP.

c. Bidder Profile

- A description of the audit firm, including but not limited to:
 - Size
 - Geographical location(s) of offices/teams
 - Management structure
 - Number of professional staff by level
 - A description of the range of activities performed

d. Past Performance

- A description of the audit firm's experience in auditing donor funded projects.
- Prior experience in auditing UK Government funded projects should be clearly outlined in the proposal.
- A list of 3 clients with contact details

e. Audit Methodology

- The audit firm's approach to the audit, including but not limited to:
- An audit work plan, demonstrating understanding of the audit requirements.
- Description of proposed audit team, including an estimate of time each staff member will devote to the audit. CVs may be provided as an annex.



- The audit should be carried out remotely. Geographic proximity to ARK's offices will not carry weight in the evaluation of proposals. All documentation is held electronically, and ARK can participate in video conferences via Microsoft Teams or Zoom.

5. Price Proposal Format

- a. The price proposal should contain an all-inclusive lump sum fee for the full audit services. The price should be in **USD**.
- b. The lump sum should be broken down into cost components, such as level of effort, time, personnel, travel, or any other components for ARK to determine the reasonableness of the fees.
- c. The proposal should contain a proposed payment schedule against milestones achieved, with the final payment due following successful completion of all deliverables.

6. Evaluation Criteria

- a. The proposals will be evaluated in two stages, technical and financial.
- b. The maximum score for the Technical Proposal is **70 points** and **50 points** for Price Proposal.
- c. The final score for the bidders will be the sum of the technical and price proposals. The maximum total score is 120 points.
- d. A minimum threshold of **56 points** (80%) out of a total 70 points must be achieved in the technical evaluation to qualify for price proposal evaluation.

e. Mandatory Criteria:

Confirmation statement that the following mandatory criteria are met:

- The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited.
- The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of ARK.
- Properly licensed for public practice as a certified public accountant.

f. Technical Evaluation and Scoring:

- Structure and size of the audit firm in relation to the scope of the audit (**10 points**).
- Experience in auditing similar organisations and/or funding streams. Prior experience auditing UK Government funded projects is preferred, but not mandatory (**20 points**).
- Qualifications of supervisory staff and the audit team performing the work (**15 points**).
- Comprehensiveness of audit work plan clearly stating an understanding of the audit services to be performed (**20 points**).
- Ability to provide references speaking to relevant past performance (**5 points**).



g. Price Evaluation and Scoring:

- Only bidders meeting the minimum threshold of 56 points in the technical evaluation will be taken forward to the price evaluation.
- The maximum score of 50 points will be assigned to the bidder offering the lowest price and proportional scores will be assigned to the other proposals.
- Price proposal should be submitted in **USD**.

- h.** Proposals failing to meet the mandatory requirements will be disqualified from the evaluation process.

7. Award of Contract and Audit Timeline

- a. The successful bidder will be issued a fixed-price agreement, payment subject to successful completion of audit services. The agreement will be in USD.
- b. The project financial reports are expected to be completed by 15 April 2024 and will be supplied to successful bidder. Hence the audit is expected to commence mid April and should conclude no later than 10 June 2024. Specifics related to the audit timeline will be negotiated with the selected audit firm.

Subject to satisfactory performance standards and project continuation, ARK may contract the audit firm for future project audits.



ANNEX 1

STATEMENT OF WORK

Fiscal Year Project Audit

1. Background

ARK is implementing a multi-year programme funded by the UK Government Foreign, Commonwealth & Development Office – Conflict, Stability and Security Fund, delivered in Lebanon, overseen by British Embassy in Beirut.

2. Audit Scope

ARK requires an external audit of the project financial statements between 1 April 2023 and 31 March 2024.

- a. The audit should be carried out in accordance with International Standards on Auditing (UK).
- b. Sufficient audit evidence should be gathered to substantiate in all material respects the accuracy of the project financial statements.
- c. The audit report should state if the audit was not in conformity with any of the above and indicate the alternative standards or procedures followed.
- d. The project financial statements consist of the following:
 - o An estimated total spend between 1 April 2023 and 31 March 2024 is GBP 5,566,628.60.
 - o An estimated total transactions for the project is 5,100.

3. Expenditure Verification Procedures

The following expenditure verification should take place:

- a. Evidence to prove that each expenditure claimed by ARK is supported by invoices, contracts, purchase orders, quotations or other documents from the supplier/provider.
- b. Examine a small sample of randomly selected transactions in order to understand the controls and processes in place.
- c. Inspect bank statements or equivalent cash transaction logs as proof of payments.
- d. Compare timesheets against staff time spent on project activities.

4. The Audit Report and Management Letter

a. Audit Report

The audit report should clearly indicate the auditor's opinion. This would include at least the following:

- The title, addressees, and an opening or introductory paragraph containing
 - i. identification of the financial information audited including the period covered; and
 - ii. statement of the responsibility of the entity's management and the responsibility of the auditor.
- A scope and methodology paragraph describing the nature of the audit referencing:
 - i. the accounting standards that have been applied and indicate the effect of any deviations from those standards;
 - ii. the audit standards that were applied; and
 - iii. the work the auditor performed.



- An opinion paragraph disclosing
 - i. whether the financial statements and supporting schedules fairly present the cash receipts and expenditure in all material respects and that the funds were used for the purposes defined by the work programme;
 - ii. whether the financial transactions reflected in the statements are in accordance with financial regulations and procedures, budgetary provisions and other applicable directives; and
 - iii. summary assessment of the efficiency of the management and internal control system.
- The auditor may expand the report to include other information and explanations not intended as a reservation.
- Audit reports will be provided in English.

b. Management Letter

The auditor should submit a letter addressed to ARK, at the completion of the audit. The topics/issues to be covered in the letter should include:

- An assessment of the efficiency of the administration, management and internal control system.
- A description of any specific internal control weaknesses noted in the financial management.
- Recommendations to resolve/eliminate identified internal control weaknesses should be included.
- Management comments/response to audit findings and recommendations.

5. Auditor Independence and Qualifications

The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of ARK. The auditor should disclose any relationship that might possibly compromise his/her independence.