Tirana, 14/12/2021

**INVITATION TO TENDER**

**“External Audit of SIDA project “Institutional Capacity Building support to RYCO”**

This is an invitation to tender for the above-mentioned service contract. Please find enclosed the following documents, which constitute the **Tender Dossier**:

1. **Contract notice**
2. **Instructions to tenderers**
3. **Draft contract**
4. **Terms of reference**
5. **Service tender submission form** (*To be submitted by the tenderer as the standard application form using the template provided Annex I)*
6. **Financial offer form** (*To be submitted by the tenderer as the financial offer using the template provided Annex II*)

We look forward to receiving your tender, which has to be sent no later than the submission deadline at the e mail address specified in the instructions to tenderers.

By submitting a tender, you accept to receive notification of the outcome of the procedure by electronic means. Such notification shall be deemed to have been received by you on the date upon which the contracting authority sends it to the electronic address you referred to in your offer.

 Head of Contracting Authority

Albert Hani

Secretary General

**A: SERVICE CONTRACT NOTICE**

**1. Procedure:** Open procedure

**2. Contract title: “**External Audit of SIDA project “Institutional Capacity Building support to RYCO”

**3. Financed from:**Swedish International Development Cooperation Agency (SIDA)

**4. Contracting Authority:** *Regional Youth Cooperation Office (RYCO).*

 **5.** **Work base:** RYCO Head Office, “Skenderbej street” 8/2/2, Tirana, 1000, Albania.

**CONTRACT SPECIFICATION**

**6. Nature of contract:**  Global based

**7. Contract description:** RYCO is seeking for qualified auditors or auditing companies to perform agreed-upon procedures as specified in this Terms of Reference part D of the tender dossier. The audit will focus on the financial execution of the project carried out by RYCO. The Auditor will be required to provide an audit opinion and express assurance on the eligibility of the expenditures and revenues reported in the final financial report submitted by RYCO. The Auditor shall carry out the expenditure verification and submit to RYCO a report of factual findings with regard to the agreed-upon procedures performed. A detailed description of this assignment is provided in the Terms of Reference, part D of the Tender Dossier.

**8. Number and titles of lots:**  Sole lot

**9.** **Maximum budget available:** 3 372 Euro

**CONDITIONS OF PARTICIPATION**

**9. Eligibility:**  Participation in tendering is open on equal terms to duly registered legal entities (Auditing Companies) or independent certified Auditors registered as Sole Entrepreneur, exercising this type of activity in one of the WB6 Contracting Parties.

**11. Number of tenders**: No more than one tender can be submitted by a tenderer participating either on their own or as member of a consortium. In the event that a tenderer submits more than one tender, all tenders in which the eligible entity has participated will be excluded

**12. Sub-contracting:**  Sub – contracting is not allowed.

**13. Grounds for exclusion**: As part of the tender, tenderers must submit a signed declaration, included in the tender form, to the effect that they are not in any of the listed exclusion situations.

**PROVISIONAL TIMETABLE**

**14. Provisional commencement of the contract:**  January 2022.

**15. Implementation period of the tasks**: January 2022 – March 2022

**SELECTION AND AWARD CRITERIA**

**16. Selection criteria**

Selection criteria: The following selection criteria will be applied to the tenderers.

1. **Qualifications and professional experience of the tenderers.**

The objective of this criterion is to examine whether or not the tenderer:

Has the professional qualification, experience and capacities appropriate to this contract as per the TOR qualification requirements as following:

1. The auditor expert/audit company/is should be registered as Certified Auditors. Copies of relevant certification should be provided to the contracting authority.
2. The person appointed as an Audit partner should have at least 10 years of audit experience.
3. The person appointed as audit manager should have at least 7 years of professional (audit, accounting) experience.
4. The other audit staff member appointed to audit this project should have at least 3 years of Audit experience.
5. The certified auditors should demonstrate audit experience on donor funded projects.
6. If the tenderer will be an independent certified auditor registered as sole entrepreneur than he/she should have at least 10 years of audit experience;
7. Fluency in English
8. ***Financial offer***
* The objective of this criterion is to examine if the financial offer submitted by the tenderers for the implementation of this contract aligns with the quality of the tender and does not exceed the upper limit available for this contract.

**17. Award criteria:**  The sole award criterion will be the lowest price among technically compliant tenderers.

**TENDERING**

**18. Deadline for receipt of tenders: 14/01/2022, 17h00.**

**19. Tender format and details to be provided:**  Tenders must be submitted using the standard tender form provided in this tender dossier. To prepare their tender, Tenderers must strictly follow all the instructions indicated at “*Instructions to Tender*” and “Terms of References” including the annexes, part of this tender dossier.

**20. How tenders may be submitted:** Tenders must be submitted in English exclusively to the contracting authority: **Regional Youth Cooperation Office (RYCO)** and be sent to the following email address: procurement@rycowb.org

Tenders submitted by any other means will not be considered.

By submitting a tender tenderer accept to receive notification of the outcome of the procedure by electronic means.

**21. Operational language:** All written communications for this tender procedure and contract must be in English.

**22**. **Alteration or withdrawal of tenders:** Tenderers may alter or withdraw their tenders by electronic notification sent in the same email address mentioned in point 20 prior to the deadline for submission of tenders. No tender may be altered after this deadline.

**23. Offer validity period:** The offer validity period is 90 (ninety) days from the deadline for submission of tenders.

**22. Legal basis:**

 **-** RYCO’s Rules for Procurement

 - Statute of the Regional Youth Cooperation Office

 - Rules for procurement as stipulated in the Grant Agreement.

**B: INSTRUCTIONS TO TENDERERS**

**When submitting their tenders, tenderers must follow all instructions, forms, terms of reference and relevant annexes, draft contract provisions and specifications contained in this tender dossier. Failure to submit a tender containing all the required information and documentation within the deadline specified may lead to the rejection of the tender.**

1. **Services to be provided**

The services required by the Contracting Authority are described in the terms of reference (part D of the tender dossier) and form an integral part of this Contract.

1. **Timetable**

|  |  |  |
| --- | --- | --- |
|  |  **DEADLINE** | **TIME\*** |
| **Deadline for requesting clarification from the contracting authority** | **Up to 5 (five) working days before the deadline for submission of tenders** |   |
| **Last date for the contracting authority to issue clarification** | **At the latest 2 (two) working days before the deadline for submission of tenders**  |   |
| **Deadline for submitting tenders** |  **14/01/2022** |  **17:00** |

***\* All times are in the time zone of the country of the contracting authority.***

1. **Participation, qualification and subcontracting**
2. **Participation:** Participation in tendering is open on equal terms to duly registered legal entities (Auditing Companies) or independent certified Auditors registered as Sole Entrepreneur, exercising this type of activity in one of the WB6 Contracting Parties.
3. **Qualification:** Upon meeting the selection criteria.
4. **Sub – contracting:** Sub - contracting is not allowed.
5. **Content of tender.**

**The tender must include a technical offer and a financial offer.**

**4.1. Technical offer**

The technical offer must include the following documents:

1. **Tender submission form according the template given in the tender dossier (ANNEX I of the tender dossier), including:**
2. **“STATEMENT”,**
3. **“DECLARATION ON HONOUR ON EXCLUSION CRITERIA”,**
4. **“FINANCIAL IDENTIFICATION FORM”**

 ***\**** *The above-mentioned form to be completed signed and stamped by the tenderers.*

***2.*****The evidences to support the selection criteria** set in the Terms of Reference part D of the tender dossier as follows:

*The potential tenderer must submit:*

* Letter of interest where applicants should:

(a) State specific motivation to be selected;

(b) Describe relevant experience to meet the criteria as set above;

* Curriculum Vitae of the audit expert/company including a list of clients and similar experiences over the last three years.
* Curriculum Vitae of each audit team member engaged in this assignment.
* Copy of Legal Registration (Extract of the Commercial Register)
* Related certificates/licenses
* Financial offer including all applicable taxes.
* The annual turnover for the past 3 (three) years.
* At least 2 Reference letters for similar contracts.
* Consortium agreement (if applicable)

Documentary proof should be scanned copies of the original or notarized copies.

Statements must be in original. Tenderers are reminded that the provision of false information in this tender procedure may lead to the rejection of their tender.

**4.2. Financial offer**

The financial offer must be presented as an amount in Euro (all applicable taxes included) and must be submitted using the template of Annex II (Financial offer form) of this tender dossier.

Tenderers are reminded that:

* The maximum budget available for this contract is: 3 372 Euro
* The service provider is responsible for paying all the taxes related to this contract.
* Any potential costs regarding travel and accommodation are to be included in the financial offer.

**Offers, all correspondence and documents related to the tender exchanged by the tenderer and the contracting authority must be in English.**

Supporting documents furnished by the tenderer may be in another language, provided they are accompanied by a translation into the language of the procedure. For the purposes of interpreting the tender, the language of the procedure has precedence.

Failure to fulfil the requirements of these clauses will constitute an irregularity and may result in rejection of the tender.

1. **Additional information before the deadline for submitting tenders**

Tenderers may submit questions to the following email address:

procurement@rycowb.org **up to 5 (five) working days before the deadline for submission of tenders, specifying the contract title.**

The contracting authority has no obligation to provide clarification after this date.

The contracting authority must respond to request for clarifications **at the latest 2 (two) working days after receiving them.**

Any tenderer seeking to arrange individual meetings with the contracting authority concerning this contract during the tender period may be excluded from the tender procedure.

- Information meeting: No information meeting is foreseen.

1. **Submission of tenders**

 Tenders must be sent to the contracting authority within the given deadline in point 2 “Timetable” of Instructions to tender. They must include the requested documents specified on clause 4 above and be sent to the following email address:

procurement@rycowb.org

* Tenders submitted by any other means will not be considered.
* All tenders submitted after the above given deadline shall be rejected.
1. **Costs for preparing tenders**

No costs incurred by the tenderer in preparing and submitting the tender are reimbursable. All such costs must be borne by the tenderer.

1. **Ownership of tenders**

The contracting authority retains ownership of all tenders received under this tendering procedure.

1. **Evaluation of tenders**

**9.1** **Examination of the administrative conformity of tenders**

The aim at this stage is to check that tenders comply with the essential requirements of the tender dossier. A tender is deemed to comply if it satisfies all the conditions, procedures and

specifications set in the tender dossier without substantially departing from or attaching restrictions to them.

Substantial departures or restrictions are those which affect the scope, quality or execution of the contract, differ widely from the terms of the tender dossier, limit the rights of the contracting authority or the tenderer’s obligations under the contract or distort competition for tenderers whose tenders do comply. Decisions to the effect that a tender is not administratively compliant must be duly justified in the evaluation report.

If a tender does not comply with the tender dossier, it will be rejected immediately and may not subsequently be made to comply by correcting it or withdrawing the departure or restriction.

**9.2 Evaluation of technical offers**

The quality of each technical offer will be evaluated in accordance with the award criteria. No other award criteria will be used. The award criteria will be examined in accordance with the requirements indicated in the Terms of Reference.

**9.3. Evaluation of financial offers**

Upon completion of the technical evaluation the financial offers will be evaluated in accordance with the award criteria. Financial offers exceeding the upper limit for the contract are unacceptable and will be eliminated.

Any arithmetical errors are corrected without penalty to the tenderer.

Amounts corrected will be binding on the tenderer. If the tenderer does not accept them, its tender will be rejected.

1. **Choice of selected tenderer / Award Criteria**

 The sole award criterion is the price. The contract will be awarded to the lowest price among technically compliant tenderers.

1. **Amending or withdrawing tenders**

Tenderers may amend or withdraw their tenders by e mail referring to the above given email address prior to the deadline for submitting tenders. The subject of the email must be ‘Amendment….’ or ‘Withdrawal…’ as appropriate. Tenders may not be amended after this deadline.

1. **Confidentiality**

The entire evaluation procedure is confidential, subject to the contracting authority’s legislation on access to documents. The evaluation committee’s decisions are collective and its deliberations are held in closed session. The evaluation reports and written records are for official use only and may be not communicated to the tenderers.

1. **Ethics clauses / Corruptive practices**

a) Absence of conflict of interest

The tenderer must not be affected by any conflict of interest and must have no equivalent relation in that respect with other tenderers or parties involved in the project. Any attempt by a tenderer to obtain confidential information, enter into unlawful agreements with competitors or influence the evaluation committee or the contracting authority during the process of examining, clarifying, evaluating and comparing tenders will lead to the rejection of its tender.

b) Respect for human rights as well as environmental legislation and core labour standards

The tenderer and its staff must comply with human rights and applicable data protection rules. In particular, and in accordance with the applicable basic act, tenderers and applicants who have been awarded contracts must comply with the environmental legislation, and with the core labour standards as applicable and as defined in the relevant International Labour

 Organisation conventions (such as the conventions on freedom of association and collective bargaining; elimination of forced and compulsory labour; abolition of child labour).

1. Unusual commercial expenses

 Tenders will be rejected or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract

d) Breach of obligations, irregularities or fraud

 The contracting authority reserves the right to suspend or cancel the procedure, where the award procedure proves to have been subject to breach of obligations, irregularities or fraud. If breach of obligations, irregularities or fraud are discovered after the award of the contract, the contracting authority may refrain from concluding the contract.

e) Anti-corruption and anti-bribery

 The tenderer shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption. The Contractor Authority reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process or during the execution of a contract. For the purposes of this provision, ‘corrupt practices’ are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or execution of a contract already concluded with the contracting authority.

1. **Signature of contract**

**14.1. Notification of award**

The successful tenderer will be informed by electronic means that its tender has been accepted.

The other tenderers will, at the same time as the notification of award is issued, be informed that their tenders were not retained, by electronic means, including an indication of the reason. The second best tenderer is informed of the notification of award to the successful tenderer with the

reservation of the possibility to receive a notification of award in case of inability to sign the contract with the awarded tenderer.

The contracting authority will furthermore, at the same time, also inform the remaining unsuccessful tenderers.

**14.2. Signature of the contract/ Implementation**

 After the expiry of the appeal period (in cases when no appeals have been submitted) or after the end of appeal process if the award decision has not been subject to changes deriving from appeal process and upon confirmation of availability the Contracting Authority will invite the successful tenderer to sign the contract.

Failure of the selected tenderer to comply with this requirement and/or availability may constitute grounds for annulling the decision to award the contract. In this event, the contracting authority may decide to award the contract to the second best tenderer or cancel the tender procedure.

Should the Contracting Authority learn that a tenderer has confirmed the availability and signed the contract although the tenderer has deliberately concealed the fact of unavailability for the start and the implementing of the contract, the Contracting Authority may decide to terminate the contract.

1. **Cancellation of the tender procedure**

In the event of cancellation of the tender procedure, the contracting authority will notify tenderers of the cancellation.

Cancellation may occur, for example, where:

* the tender procedure has been unsuccessful, i.e. no suitable, qualitatively or financially acceptable tender has been received or there is no valid response at all;
* there are fundamental changes to the economic or technical data of the project;
* exceptional circumstances or force majeure render normal performance of the contract impossible;
* all technically acceptable tenders exceed the financial resources available;
* there have been breach of obligations, irregularities or frauds in the procedure, in particular if they have prevented fair competition;
* the award is not in compliance with sound financial management, i.e. does not respect the principles of economy, efficiency and effectiveness (e.g. the price proposed by the tenderer to whom the contract is to be awarded is objectively disproportionate with regard to the price of the market).

In no event shall the contracting authority be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of a tender procedure, even if the contracting authority has been advised of the possibility of damages. The publication of a contract notice does not commit the contracting authority to implement the programme or project announced.

1. **Appeals**

Tenderers believing that they have been harmed by an error or irregularity allegedly committed as part of a selection procedure or that the procedure was vitiated by any maladministration may file a complaint which should be sent electronically to the Contracting Authority in the same e mail address tenders were submitted ***up to 5 days after receiving evaluation results.*** The Contractor Authority should respond to the tenderer by electronic means too at the latest 2 (two) days after receiving the compliant.

**C: DRAFT CONTRACT**

**FOR**

**“THE PROVISION OF EXTERNAL AUDIT SERVICES**

**FOR THE INSTITUTIONAL CAPACITY BUILDING SUPPORT PROJECT”**

This Service contract,the “Contract”, is signed on m/ d/ 2022 by and between:

1. **The Regional Youth Cooperation Office (RYCO),** duly established and organized under the laws of Albania, under registration number L71911452J having its address and Head Office at Rruga “Skenderbej”, 8/2/2 in Tirana, Albania, legally represented by the Secretary General, Mr. Albert Hani, adult, with full legal capacity to act, hereinafter referred to as the “*Contracting authority*” or “*RYCO*”.

*on the one part*

and

1. **[*insert name of the company***], a company incorporated under the laws of [*insert name of the country*], having its registered office at: [*address*], registered with the unique registration number [*insert No*.] legally represented for the purposes of the signature of this Contract by [insert the full name of the legal representative], [*insert the tittle of the legal representative*],adult, with full legal capacity to act, hereinafter referred to as the “*Service provider*” or the “*Auditor*”.

*on the other part,*

Hereinafter referred to individually as the “Party” and collectively the “Parties”

By signing this Contract, the Service provider confirms that it has read, understood and accepted the Contract and all its terms and conditions.

**Preamble**

This Contract is linked to the project “*Institutional Capacity Building Support to RYCO*” (the Project) supported by Sweden, represented by the “Swedish International Development Cooperation Agency” (SIDA), and implemented by RYCO.

**Article 1**

**Definitions**

In this Contract, the following terms shall be interpreted as indicated:

1. “The Contract” means the agreement entered into between RYCO and the tenderer, including all attachments and appendices thereto and all documents incorporated by reference therein.
2. “The Contract Price” means the price payable to the tenderer by the Contracting authority under the Contract for the full and proper performance of its contractual obligations.
3. “Service provider or “Auditor” means the firm or group of firms providing the auditing services under this Contract.
4. Terms of References means the document that prescribes the technical requirements to be fulfilled by the Auditor while performing the services.
5. “The Services” means services to be provided by the Auditor, including the preparation of any technical documents, which the tenderer is required to provide to RYCO.
6. “External expenditure verification” means the engagement to perform certain agreed upon procedures with regard to the Financial report for the Grant Agreement.
7. “RYCO” means the organization procuring the services under this Contract.
8. “Day” means calendar day.

**Article 2**

**Object of the Contract**

1. The object of this Contract is the performance of the external expenditure verification of the Financial report covering the entire period of the implementation of the Project, in accordance with the conditions and terms of reference, part of and attached to this Contract.
2. The Auditor hereby states and warrants that it is fully capable to provide the required services in this Contract and has no other commitments or engagements to other persons, organizations or entities which could prevent it from performing its obligations under the present Contract.

**Article 3**

**Scope of work**

1. The Auditor shall perform the external expenditure verification of the financial execution of the Project implemented by RYCO:
2. The Auditor shall perform the services in accordance with current financial standards and good ethical practice, reasonably to be expected from a person providing Auditing and financial services.

**Article 4**

**Audit Timeline**

1. The Auditor shall perform the external expenditure verification for the reporting period from June 15th, 2020 to December 31st, 2021.
2. The Auditor shall perform the external expenditure verification during January 2022 and submit the audit report to RYCO by March 31st, 2022.
3. The total estimated expenditures subject to this external expenditure verification amount to 168,600 *one hundred sixty-eight thousand and six hundred*) EUR.

**Article 5**

**RYCO’s responsibilities**

RYCO shall:

1. Provide any documents required by the Auditor in order to perform the external expenditure verification;
2. Provide the necessary support to the Auditor for the performance of all required services and to achieve the objective of this Contract;
3. Undertake the final control and acceptance of the deliverables;
4. Sign every acceptance act of the work processes, or make any remarks or suggestions;
5. Provide feedback and guidance; and
6. Communicate on a regular basis with the Auditor.

**Article 6**

**Audit standard and performance**

1. The auditor shall undertake the audit in accordance with the International Audit Standards of Auditing (ISA) 800 (“Special considerations audits of financial statements prepared in accordance with special purpose frameworks”) or ISA 805 (“Special considerations audits of single financial statements and specific elements, accounts or items of a financial statement”) revised.
2. The following documents and matters are to be considered by the Auditor as basic references during the performance of the audit:
3. Project/program:
4. Grant Agreement - Multilateral Organizations, signed between RYCO and Sweden represented by SIDA;
5. Approved Budget from June 15th, 2020 to December 31st, 2021, financing plans, programs of project activities;
6. Partnership Agreements/Contracts/Amendments;
7. Any other documents/reports concerning the project; and
8. RYCO’s internal Financial regulation.
9. Accounting:
10. Financial documents subject to the audit; and
11. Financial report related to the period of the implementation of the Project.

**Article7**

**Deliverables**

Under this assignment the Auditor shall submit an audit report that shall include:

the Project name and agreement number;

the subject of the audit;

identification of the Project's expenses and incomes and determine their eligibility or non-eligibility;

accounting, record keeping and documentations filling for expenditures and incomes

exchange rates applied

compliance with Procurement rules (as per SIDA’s procurement provision);

payroll and time management;

asset management (management and control of fixed assets; e.g. equipment) ;

the financial reporting framework applied; and

the auditing standards applied.

The Auditor shall form an opinion on whether the Project’s financial statements fairly reflect the financial Position of the Project and whether they are prepared in accordance with applicable financial framework, specifically the Financial statements prepared by RYCO which should be in compliance with requirements defined in the Grant agreement. As per Grant agreement, the Financial statements have to be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items.

The financial information contained in the audit report of the auditor is to be expressed in EUR and in the local currency, exchange rate of the Financial report.

**Article 8**

**Management Letter**

In addition to the audit report, the Auditor will prepare a detailed “management letter” within 10 days after the delivery of the report in which the Auditor shall provide the following:

1. Give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit,
2. Identify specific deficiencies and areas of weakness in systems and controls,
3. Communicate matters that have come to Auditor’s attention during the audit which might have a significant impact on the implementation of the project,
4. List any measures that have been taken as result of previous audit (if any) and whether such measures have been adequate to deal with the report shortcomings,
5. Bring to the attention of RYCO any other matters that the auditor considers pertinent.

**Article 9**

**Performance of the Expenditure verification**

1. The Auditor shall carry out the expenditure verification within the premises of the Head office of RYCO.
2. If the expenditure verification process cannot be carried out within the premises of the Head office of RYCO, the Auditor, upon written approval by RYCO, may perform part or the entire auditing remotely.
3. If the auditing services performed by the Auditor are carried out remotely, RYCO shall be responsible for providing all information and documents, including scanned copies, necessary to carry out the audit in due time and in accordance with the schedule. In case there are errors in the documents, RYCO shall bear the entire responsibility.

**Article 10**

**Reporting**

1. The audit report delivered by the Auditor should describe the purpose, the agreed-upon procedures and the factual findings in sufficient details in order to enable RYCO to understand the nature and extent of the procedures performed by the Auditor and the factual findings reported by the auditor.
2. The Auditor shall work in close collaboration with RYCO’s Project team and Finance Manager.

**Article 11**

**Approval of reports and documents**

Within 10 (ten) days from the receipt of the reports and documents, RYCO shall notify and send a written receipt letter to the Auditor. Within 30 (thirty) days from the receipt of documents or reports, RYCO shall notify the Auditor of the acceptance, rejection or request for amendments of the documents or reports, by providing clear arguments and comments. The documents or reports shall be deemed to have been approved and accepted if RYCO does not expressly inform the Auditor of any comments within 30 (thirty) days of the receipt of the documents or reports.

**Article 12**

**Price and Payment modality**

The total price for the provision of the auditing services under this Contract is **[***insert amount in letters and numbers***]**EUR, VAT included.

RYCO shall execute the payment for the performance of the services under this Contract, upon acceptance and approval of the deliverables, in 1 (one) single instalment and within 30 (thirty) days from the submission of the invoice (*signed original*) by the Service provider, to the following bank account:

1. *Bank:*
2. *Bank address:*
3. *Account holder:*
4. *Address:*
5. *IBAN:*
6. *SWIFT:*

All payments and transfers under this Contracts shall be executed in EUR.

RYCO shall consider the payment as executed when it submits from its Bank account the transfer order for the payment to the bank account of the Auditor.

RYCO shall be entitled, without derogating from any other right it may have, to defer payment of part or all of the Price until the Auditor has completed, to the satisfaction of RYCO, the delivery of the services to which those payments relate.

**Article 13**

**Termination and Re-procurement**

1. If RYCO terminates this Contract in whole or in part for default on the part of the Auditor, it may acquire elsewhere services similar to those terminated and the Auditor shall be liable for any excess costs to RYCO for the re-procurement of those. The Auditor shall not be liable for any excess costs if the failure to perform under this Contract arises from causes beyond its control and without fault or negligence.
2. Upon any such termination, the Auditor shall waive any claims for damages including loss of anticipated profits on account thereof.
3. RYCO may at any moment terminate the Contract if the Auditor:
	1. is performing its obligations poorly,
	2. is not performing; or
	3. has committed substantial errors, irregularities or fraud.
4. RYCO must formally notify the Auditor of its intention, include the reasons why and invite it to submit any observations within 5 (five) days of receiving notification. If RYCO does not accept these observations, it will formally notify confirmation of the termination. The termination will take effect on the date the notification is sent by the RYCO.
5. The Auditor may at any moment terminate the Contract it is not able to fulfil its obligations in carrying out the work required. The Auditor must formally notify the RYCO and include the reasons by giving 15 (fifteen) days’ notice. The termination will take effect on the date RYCO will formally notify confirmation of the termination.
6. The Auditor can submit to RYCO a payment request for the tasks already executed on the date of termination, within 30 (thirty) days from the date of termination.

**Article 14**

**Ownership and Use of the Results**

1. RYCO shall fully and irrevocably acquire the ownership of the results under this Contract including any rights in any of the results listed in this Contract, including copyright and other intellectual or property rights and information contained therein, produced in performance of the Contract. RYCO shall acquire all the rights from the moment the results are delivered by the Auditor and accepted by RYCO. Such delivery and acceptance are considered to constitute an effective assignment of the rights from the Auditor to RYCO.
2. RYCO may use, publish, assign or transfer these results as it sees fit, without any limitations (geographical or other), unless intellectual property rights already exist.

**Article 15**

**Notices**

1. All communication by and between the Auditor and RYCO concerning the execution of this Contract shall be directed to [*insert name and title of the representative*], for RYCO, to the following e-mail address: [*insert email address*] and to [*insert name and title of the representative*] on behalf of the Auditor, to the following email address [*insert email address*].
2. Both Parties undertake to notify immediately one another of any changes in their registration, residence, legal representation or any other changes which may have an impact on the execution of present Contract and on their professional relationship.

**Article 16**

**Independent Contractor**

The Auditor shall provide the services under this Contract as an independent contractor and not as an employee, partner, or agent of RYCO.

**Article 17**

**Taxes**

The Auditor is solely and exclusively responsible for paying income taxes, health and social contributions, as well as other obligations and charges related to the execution of this Contract in compliance with the tax requirements and legislation.

**Article 18**

**Applicable Law and Dispute Resolution**

1. This Contract is governed by the laws of Albania.
2. Any dispute, controversy or claim arising out of or in connection to this Contract, or the breach, termination or invalidity thereof, shall be settled amicably by negotiation between the Parties. To that end, the Parties shall communicate their positions and any solution that they consider possible in writing, and meet each other at either's request.
3. If the attempt to reach an amicable solution to a dispute arising from the application of this Contract with regard to its interpretation or application has not been reached within thirty (60) days from the commencement of such negotiations, the complaining party may submit the dispute to the competent court in Albania.

**Article 19**

**Confidentiality**

1. All information which comes into the Auditor’s possession or knowledge in connection with this Contract is to be treated as strictly confidential. The Auditor should not communicate such information to any third party without the prior written approval of RYCO.
2. The auditor shall comply with the Data Protection Law in Albania in the event that it collects, receives, uses, transfers or stores any personal data in the performance of this Contract.
3. These obligations shall survive the expiration or termination of this Contract.

**Article 20**

**Status of RYCO**

Nothing in this Contract affects the privileges and immunities enjoyed by RYCO as an intergovernmental organization.

**Article 21**

**Assignment and Subcontracting**

1. The Auditor shall not assign or subcontract the Contract or any work under this Contract in part or all, unless agreed upon in writing in advance by RYCO.
2. Any subcontract entered into by the Auditor without approval in writing by RYCO may be cause for termination of the Contract.
3. In certain exceptional circumstances by prior written approval of RYCO, specific jobs and portions of the Contract may be assigned to a subcontractor. Notwithstanding the said written approval, the Auditor shall not be relieved of any liability or obligation under this Contract nor shall it create any contractual relation between the subcontractor and RYCO.
4. The Auditor remains bound and liable under and it shall be directly responsible to RYCO for any faulty performance under the subcontract.
5. The subcontractor shall have no cause of action against RYCO for any breach of the subcontract.

**Article 22**

**Severability**

If any part of this Contract is found to be invalid or unenforceable, that part will be severed from this Contract and the remainder of the Contract shall remain in full force.

 **Article 23**

**Entirety**

This Contract and any Annexes embody the entire agreement between the Parties and supersede all prior agreements and understandings, if any, relating to the subject matter of this Contract.

**Article 24**

**Amendment**

Amendments to this Contract may be made by mutual agreement in writing between the Parties and shall become an integral part of the Contract. If an amendment is requested by the any if the Parties, the requesting party shall submit a duly justified request to the other party at least 15 (fifteen) days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated and accepted by both Parties.

**Article 25**

**Force Majeure**

Neither Party will be liable for any delay in performing or failure to perform any or all of its obligations under this Contract if such delay or failure is caused by force majeure, such as civil disorder, military action, natural disaster and other circumstances which are beyond the control of the Party in question. In such event, the party will give immediate notice in writing to the other Party of the existence of such cause or event and of the likelihood of delay.

**Article 25**

**Suspension**

1. Each Party may suspend implementation of this Contract, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. The requesting Party shall inform the other Party without delay, stating the nature, probable duration and foreseeable effects of the suspension.
2. The Parties may then terminate this Contract. If the Contract is not terminated, each Party shall endeavour to minimize the time of its suspension and any possible damage and shall resume implementation once circumstances allow, informing one another accordingly.

**Article 26**

**General Provisions**

1. The language of the written correspondence between the Parties shall be in English.
2. None of the Parties shall be responsible to the other for any delay in the fulfilment of its obligations herein, if this delay is caused by a *Force majeure*. However, this Force majeure clause applies only if the events take place after the signature of this Contract, so that it makes impossible or unduly burdensome for one of the Parties to fulfil its obligations.
3. The entire Agreement between the Parties is composed of:
4. Contract,
5. Terms of reference,
6. Financial offer.

This Contract is done in English in 4 (four) originals documents, 3 (three) originals being for the Contracting authority and 1 (one) original being for the Service Provider.

**For the Contracting authority: For the Service Provider:**

Mr. Albert Hani *Mr. /Ms.* [*name/surname*]

Secretary General *Title*

Regional Youth Cooperation Office *Company name*

**D: TERMS OF REFERENCE**

**General information about the assignment:**

**Organization:** Regional Youth Cooperation Office (RYCO)

**Type of Services Required:** External Audit of SIDA project “Institutional Capacity Building support to RYCO”

**Duration of the project:** 15 June 2020 - 31 December 2021

**Period to be audited:** 15 June 2020 - 31 December 2021

**Work base:** RYCO HO, Tirana, Albania

**Starting date of the contract:** February 2022

**Maximum budget**: 3 372 Euro

1. **Background:**

**About RYCO:**

RYCO is an intergovernmental organization that stewards and promotes regional, cross- border and intercultural cooperation within and among its six Western Balkan Contracting Parties: Albania, Bosnia and Herzegovina, Kosovo\*, Montenegro, North Macedonia and Serbia. RYCO’s program focuses on creating opportunities for young people to engage in activities that build mutual understanding and reconciliation in the civic, social, educational, cultural, and sports domains. RYCO initiates and participates in policy making and advocates for reform. It supports the development of a political and social environment that empowers and facilitates youth exchange. A key instrument enabling RYCO to fulfil its mission is grant-making; developing tailored calls for proposals that enable CSOs and schools to engage in initiatives that contribute to mutual understanding of youth from various communities across RYCO’s Contracting Parties, thus contributing to reconciliation and youth participation.

**About Project:**

**“Institutional Capacity Building support to RYCO” project** is to increase RYCO’s organizational sustainability and efficiency by strengthening management, operation system and structures. As a new, growing organization, RYCO required support from SIDA donor to contribute to the Implementation of RYCO’s strategic Plan 2019-2021 and prepare a smoother

path towards improving the Organization’s operation, administration and management of branches aiming to achieve its mission.

The project “Institutional Capacity Building support to RYCO” project is financed by Swedish International Development Cooperation Agency Sweden» with a total maximum budget of 1,853,369 SEK (estimated 168,600.00 EUR), and is implemented by Regional Youth Cooperation Office (RYCO).

***In the frame of the grant agreement signed between RYCO and Sweden represented by Swedish International Development Cooperation Agency (SIDA) (art 11 of the Agreement), RYCO in the capacity of Grant Recipient is looking for an auditor to carry out the process of auditing of Financial report for entire project Implementation of the above mentioned project.***

1. **Scope of work**

RYCO is looking for qualified auditors or auditing companies to perform agreed-upon procedures as specified in this Terms of Reference. The audit will focus on the financial execution of the project carried out by RYCO (herein and thereafter called the “Organization”). The Auditor will be required to provide an audit opinion and express assurance on the eligibility of the expenditures and revenues reported in the final financial report submitted by the “Organization”. The Auditor shall carry out the expenditure verification and submit to RYCO a report of factual findings with regard to the agreed-upon procedures performed.

The audit process will be carried out by the selected auditor for the following reporting periods:

* 15 June 2020 - 31 December 2021

**The total maximum estimated expenditures which are the subject of this expenditure verification is 168,600 EUR**

**The audit for “Institutional Capacity Building support to RYCO” project** **to be conducted within January 2022 and audit report should be submitted within March 2022.**

* 1. **Responsibilities of the Parties on Engagement**

According to the grant agreement with “Swedish International Development Cooperation Agency” of Sweden, the “**Organization”** refers to the party that is receiving the grant funding and that has signed such agreement.

The Organization is responsible for providing a Financial Report covering the total period from 15 June 2020 to 31 December 2021 of the project implementation for the action financed by the Grant Agreement which complies with the terms and conditions of the Grant Agreement and for ensuring that this Financial Report can be reconciled to the Organization’s accounting and bookkeeping system and to the underlying accounts and records. The Organization is responsible for providing sufficient and adequate information, both financial and nonfinancial, in support of the Financial Report.

The Organization accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Organization, and as the case may be his partners, providing full and free access to their staff and its accounting and bookkeeping system and underlying accounts and records.

RYCO will make available all documents required by the Auditor. The following documents and matters are to be considered by the auditor as basic references for performing the audit:

1. Standards on auditing:
* International Audit Standards (ISA 800 / ISA 805) issued by International Auditing and Assurance Standard Board (IAASB)
1. Project/program:
* Grant Agreement - Multilateral Organizations, signed between Regional Youth Cooperation Office (RYCO) and Sweden represented by Swedish International Development Cooperation Agency (SIDA);
* Approved Budget from 15 June 2020 to 31 December 2021, financing plans, programs of project activities;
* Partnership Agreements/Contracts/Amendments;
* Any other documents/reports concerning the project;
* RYCO internal Financial regulation
1. Accounting:
* Financial documents subject to the audit;
* Financial report related to 18.5 months of the project implementation (15 June 2020 to 31 December 2021)

‘The **Auditor’** is responsible for performing the audit of the annual financial statements prepared in accordance with International Standards of Auditing (ISA) 800 Special considerations ─ audits of financial statements prepared in accordance with special purpose frameworks or ISA 805 (revised), Special considerations ─ audits of single financial statements and specific elements, accounts or items of a financial statement. ‘The **Auditor’** shall explicitly be responsive to the overall principles applicable to the audit engagement.

#

# ‘The Auditor’ will work in close collaboration with the project team and RYCO Finance Manager.

1. **Deliverables**

**3.1 Audit report prepared in accordance with ISA 800 or ISA 805**

Under this assignment the auditor shall submit an audit report for project overall implementation period (15 June 2020 to 31 December 2021), prepared in accordance with ISA 800 or ISA 805 and shall comply with the requirements set out in the Grant Agreement.

The scope of the audit shall be stated in the report and the methodology used shall be presented.

The reporting from the auditor shall include an independent auditor’s report in accordance with the format in standard ISA 800/805 and the auditor’s opinion shall be clearly stated, as well as a Management letter with audit findings and weaknesses identified during the audit process. The auditor shall regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation. The auditor shall make recommendations to address the weaknesses identified and the recommendations shall be presented in priority order.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

The financial information contained in the audit report of the auditor is to be expressed in EUR and in the local currency, exchange rate of the Financial report.

The audit report of the auditor and all other documents resulting from the audit engagement must be submitted in English.

*The audit report shall include:*

1. the Project name and agreement number;
2. the subject of the audit;
3. identification of the Project's expenses and incomes and determine their eligibility or non-eligibility;
4. accounting, record keeping and documentations filling for expenditures and incomes
5. exchange rates applied
6. compliance with Procurement rules (as per SIDA’s procurement provision);
7. payroll and time management;
8. asset management (management and control of fixed assets; e.g. equipment);
9. the financial reporting framework applied;
10. the auditing standards applied;
11. The auditor shall form an opinion on whether the Project’s financial statements fairly reflect the financial Position of the Project and whether they are prepared, in all materials respects in accordance with applicable financial framework, namely:
* *The financial statements prepared by RYCO which should be in compliance with requirements defined in the grant agreement. As per grant agreement, these Financial statements have to be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items.*

In addition to the Project's audit report, the auditor shall *submit a management letter* (matters for governance attention), which shall contain any findings made during the audit of the Project. It shall also list any measures that have been taken by the organization to address weaknesses identified in previous audits and whether such measures have been adequate to deal with reported shortcomings.

If any findings have been reported in the Project's management letter, the Client shall prepare a response including an action plan to be submitted to SIDA together with Financial report and Audit Report including the management letter.

**3.2 Management Letter**

In addition to the audit report, the Auditor will prepare a detailed “management letter” within 10 days after the report), in which the Auditor will:

1. Give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
2. Identify specific deficiencies and areas of weakness in systems and controls;
3. Communicate matters that have come to Auditor’s attention during the audit which might have a significant impact on the implementation of the project;
4. List any measures that have been taken as result of previous audit (if any) and whether such measures have been adequate to deal with the report shortcomings.
5. Bring RYCO to the attention of any other matters that the auditor(s) consider pertinent.
6. **Indicative budget and payment modality**

The selected expert/audit company/is will be invited to sign a service contract with RYCO. The Contract will be realized in Euro and the Payment will be conducted in one instalment after successfully providing the final reports for all contracts verified.

The reports should be submitted in English.

The final reports should be delivered on completion of the engagement.

The financial offer including the taxes cannot exceed the maximum budget of this assignment.

The Auditor is responsible for paying all the taxes related to this assignment.

1. **General and specific criteria for the expertise:**

The selection criteria are as follow:

1. The auditor expert/audit company/is should be registered as Certified Auditors. Copies of relevant certification should be provided to the contracting authority.
2. The person appointed as an Audit partner should have at least 10 years of audit experience.
3. The person appointed as audit manager should have at least 7 years of professional (audit, accounting) experience.
4. The other audit staff member appointed to audit this project should have at least 3 years of Audit experience.
5. The certified auditors should demonstrate audit experience on donor funded projects.
6. If the tenderer will be an independent certified auditor registered as sole entrepreneur than he/she should have at least 10 years of audit experience;
7. Fluency in English

# Place of audit

The audit is to be carried out within the project environment (administrative offices) in other words at RYCO HQ in Tirana, Albania.

1. **Evidences and supporting documents:**
* Letter of interest where applicants should:

(a) State specific motivation to be selected;

(b) Describe relevant experience to meet the criteria as set above;

* Curriculum Vitae of the audit expert/company including a list of clients and similar experiences over the last three years.
* Curriculum Vitae of each audit team member engaged in this assignment.
* Copy of Legal Registration (Extract of the Commercial Register)
* Related certificates/licenses
* Financial offer including all applicable taxes.
* The annual turnover for the past 3 (three) years.
* At least 2 Reference letters for similar contracts.

**7. Award Criteria**

The sole award criterion will be the lowest price among technically compliant offers.

**E: ANNEX I**

**SERVICE TENDER SUBMISSION FORM**

***Contract title:*** *“*External Audit of SIDA project “Institutional Capacity Building support to RYCO”

***Financed from:*** Swedish International Development Cooperation Agency (SIDA)

*Please supply one signed and stamped* ***tender including completed signed and stamped statement, declaration on honour on exclusion criteria, and financial identification form.*** *All data included in this application must concern only the entity making the tender.*

**1 SUBMITTED by (i.e. the identity of the tenderer)**

|  |  |
| --- | --- |
| **Insert: Full official name of legal entity**  |  |
| **State the official legal form of entity**  |  |
| **Insert: Name of the representative of Entity**  |  |
| **Insert: Full official name of members (In case of consortium)** |  |
| **Insert: Name of the representatives of the Members (In cases of consortium)**  |  |
| **Insert: Full official address of Entity** |  |
| **Insert: Full official address of Members (in cases of consortium)** |  |

* 1. **CONTACT PERSON/s (for this tender)**

|  |  |
| --- | --- |
| **Name** |  |
| **Address** |  |
| **Telephone** |  |
| **e-mail**  |  |

|  |  |
| --- | --- |
| **Name**  |  |
| **Signature** |  |
| **Stamp** |  |
| **Date** |  |

**2. TENDERER’S STATEMENT**

**As part of their tender, each legal entity identified under point 1 of this form, must submit a signed statement form using the following format.**

 **STATEMENT**

I, the undersigned, hereby declare that I have examined and accept without reserve or restriction the entire contents of the tender dossier for the tender procedure referred to above.

1. I offer to provide the services requested in the tender dossier in accordance with Terms of reference and other conditions and requirements stated in the tender dossier without reserve or restriction.
2. I present this tender on the basis of the following documents, submitted attached to this form, in response to your requirements stated in “Instructions to Tenderers” and “Terms of Reference”, which comprise my technical offer, and financial offer,

List the documents submitted attached:

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

- In my offer all applicable taxes as well as accommodation and travel costs (if any) are included.

1. I am making this tender in my own right. I confirm, as capacity-providing entity to be jointly and severally bound in respect of the obligations under the contract.
2. I state that I have the technical, financial and professional capacity referring to this call of tender for performing the contract according to the Terms of Reference and other conditions set for this tender by the Contractor Authority.
3. I understand that if I fail to comply with contract obligations the award may be considered null and void.
4. I agree to abide accordingly to the Terms of Reference and instructions to tenderers requirements and conditions.
5. In particular, I fully agree to abide to the stipulations settled in point 12: Ethic Clauses/Corruptive practises and I have no conflict of interests or any equivalent relation which may distort competition with other tenderers or other parties in the tender procedure at the time of the submission of this tender. Furthermore, I have not been involved in the preparation of the project which is the subject of this tender procedure.
6. I will inform the contracting authority immediately if there is any change in the above circumstances at any stage during the implementation of the tasks. I also fully recognise and accept that any inaccurate or incomplete information deliberately provided in this application may result in our exclusion from this and other potential contracts.
7. I note that the contracting authority is not bound to proceed with this invitation to tender and that it reserves the right to award only part of the contract. It will incur no liability towards us should it do so.
8. I declare that I am not in a situation of unavailability and I am able and willing to work for the whole period scheduled to implement the tasks set out in the Terms of Reference. if this tender is successful.
9. I acknowledge that I have no contractual relations with the Contracting Authority and in case of dispute concerning my contract with the Contractor I shall address myself to the latter and/or to the competent jurisdictions.

|  |  |
| --- | --- |
| **Name**  |  |
| **Signature and stamp**  |  |
| **Date** |  |

 **3. TENDERER DECLARATION ON HONOUR ON EXCLUSION CRITERIA**

**As part of their tender, each legal entity identified under point 1 of this form, (each consortium member if applicable) must submit a signed declaration on honour on exclusion criteria stating that they are not in any of the exclusion situations using the following format:**

**DECLARATION ON HONOUR ON EXCLUSION CRITERIA**

I, the undersigned, hereby declare that I am are not in any of the exclusion situations listed below:

 **Situation of exclusion**

1. It is bankrupt, subject to insolvency or winding up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended or it is in any analogous situation arising from a similar procedure provided for under national legislation or regulations;
2. It has been established by a final judgement or a final administrative decision that the person is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the contracting authority is located or those of the country of the performance of the contract;
3. It has been established by a final judgement or a final administrative decision that the person is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the person belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibity where such conduct denotes wrongful intent or gross negligence including in particular any of the following:
* Fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract;
* Entering into agreement with other persons with the aim of distorting competition.
* Violating intellectual property rights;
* Attempting to influence the decision-making process of the contracting authority during the award procedure;
* Attempting to obtain confidential information that may confer upon it undue advantages in the award procedure***;***
1. It has been established by a final judgement that the person is guilty for fraud, corruption, involvement in a criminal organization, money laundering, terrorist activities or other criminal offences.
2. Make use of child labour or forced labour and/or practice discrimination, and/or does not respect the right to freedom of association and the right to organize and engage in collective bargaining pursuant to the core conventions of the International Labour Organization (ILO).

|  |  |
| --- | --- |
| **Name**  |  |
| **Signature and stamp**  |  |
| **Date** |  |

**Note:**  *In any case The Contractor Authority has the right to further investigate and request evidences to support the declarations if it has reasonable ground to doubt the content of such information.*

 **4. TENDERER FINANCIAL IDENTIFICATION FORM**

**As part of their tender, each Legal Entity identified under point 1 of this form, must submit a signed form to indicate the bank account into which payments should be made if the tender is successful using the following format.**

 **BANKING DETAILS**

|  |  |
| --- | --- |
| ACCOUNT NAME |  |
| IBAN/ACCOUNT NUMBER |  |
| CURRENCY |  |
| SWIFT CODE |  |
| BANK NAME |  |
| BRANCH CODE |  |
| FULL OFFICIAL ADREESS OF BANK BRANCH |  |

**ACCOUNT HOLDER’S DATA**

|  |  |
| --- | --- |
| ACCOUNT HOLDER’S NAME |  |
| ACCOUNT HOLDER’S ADRESS |  |

|  |  |
| --- | --- |
| **Name**  |  |
| **Signature and Stamp(if applicable)** |  |
| **Date** |  |

 **F: ANNEX II**

 **FINANCIAL OFFER**

**Contract title:** “External Audit of SIDA project “Institutional Capacity Building support to RYCO”.

**Financed from:** Swedish International Development Cooperation Agency (SIDA).

1. My financial offer is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (insert price in numbers and words) EUR.
2. In my offer all applicable taxes as well as accommodation and travel costs, if aby are included.

|  |  |
| --- | --- |
| **Name** |  |
| **Signature and stamp**  |  |
| **Date** |  |