INVITATION TO BID: Request For Proposals For Auditing Services

Office of the High Representative is requesting proposals from qualified independent auditing firms to conduct a professional audit and to render an opinion of the Brcko District Government's financial statements and reports, procurement and payroll procedures and processes for the year 2003.

Brcko District

The Brcko District is a single administrative unit of local self-government existing under the sovereignty of Bosnia and Herzegovina. Brcko is placed under international supervision (Brcko Final Award / Brcko Arbitration – August 18, 1999, available at OHR website: www.ohr.int).

The Brcko District Government serves an area of 493 square kilometers with a population of ca. 90,000. The Brcko District Government had a total payroll of KM 52 million covering 2,623 employees (figures for Y2002). Organizational chart of the Brcko District Government is available at www.brcko.ba

The Brcko District Government's fiscal year begins on January 01 and ends on December 31. The re-balanced Budget for Y2003 amounted KM to 224.323 million (EURO 114.7 million).

The District Government also prepared a Five Year Capital Needs Budget, which lists capital needs totaling nearly KM 230 million based on detailed submissions for over 225 projects. Local funding over the five-year period is estimated at KM 85 million, the rest being budgeted for loans and grants.

Nature of Auditing Service Required

The intention behind the audit is to determine whether the Brcko District Government's financial statements and reports, procurement and payroll procedures and processes for the year 2003 are in compliance with applicable laws and regulations.

The audit should cover the fiscal year 2003 and include (but not limit itself to):

- **Financial Statements and Reports** (Compliance with applicable laws and regulations; Potential fraud schemes; Potential misuse of public property; Cash flow, handling and use of expenditures; Incoming and outgoing financial transactions/activities; Evaluate existence of and adherence to policies, procedures and internal controls related to collection, deposit, recording and reconciling of the budget funds)
- **Procurement procedures** (Evaluate existence of and adherence to policies, procedures and internal controls related to procurement of goods and services including but not limited to solicitation and selection of contractors and proper acquisition and receipt of goods and services; Determination whether contractors performed the scope of work or submitted deliverables required under contracts paid by the Brcko District Government; Determination whether payments to contractors were in accordance with the contract; Improvement of systems, practices, rules, ordinances and other aspects of procurement of goods and services)
- **Payroll procedures** (Identification of potential fraud schemes related to employment, stipend allowances, travel allowances, non-competitive contracts, extra-payments; Analyze the present personnel management practices with respect to salaries and benefits)

The draft Audit shall be submitted promptly to OHR for review after the audit and study data collection has been finished. **Remark**: All supporting documents collected during the fieldwork are part of the contract and must be provided with

the (draft) final version.

The final version of the Audit should be available for OHR 4 weeks after OHR has reviewed the draft and necessary and requested corrections have been incorporated.

Alternatively, the contractor should provide a time schedule following the above-mentioned time frame; this schedule is subject to approval by OHR.

INSTRUCTIONS TO BIDDERS

Bidders are requested to note the following requirements:

Bids must be in English, and include one original and one copy.

The bid should clarify the methodology proposed for the work and **best timeframe** for completion.

Names and functions of individual consultants, with their CV's, should be included.

The bid price should be in Euros, and be a single comprehensive price including all costs related to the work, travel, accommodation, fees, expenses, and subsistence.

OHR is a diplomatic organisation within Bosnia and Herzegovina and is exempt from payment of all taxes and duties associated with purchases. Your price should therefore be free of all such taxes and duties.

Payment terms should be clearly stated. OHR normal terms are by bank transfer 30 days after delivery/final report.

The bid must be valid for acceptance for 90 days, and the price fixed for the duration of the contract.

Preparation of bids must be undertaken without financial compensation from OHR.

The bid should be in sealed envelope, clearly marked “REQUEST FOR PROPOSALS FOR AUDITING SERVICES” and delivered **NO LATER than Friday 23 January 2004 to the following address:**

OHR Head of Procurement
Emerika Bluma 1
71000 Sarajevo,
Bosnia and Herzegovina

Evaluation

The bids will be considered by the OHR against the stated scope of work, the individuals and methodology proposed, price, timeframe, and any other relevant element. The OHR team may wish to interview bidders.

OHR shall remain at liberty to enter discussion or negotiations with any bidder, or to award on the basis of the bids received, or to conclude the matter without award. The decision of the team will be final.

Questions

We believe you have all the information necessary to prepare your bid, but any questions or requirements for clarification, should be in writing only to the Head of Procurement on Fax No +387 33 283 565 or e-mail tender@ohr.int, and not to other officers of OHR. It is in all bidders interest to register their intention to bid so that everyone may receive answers to any questions put by other bidders. Please address this registration to e-mail tender@ohr.int.