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| **Procurement for an Auditor to verify that each P4F Grant was expended in accordance with the terms of its Grant Agreement**  **Clarification Log** | | | | |
|  | **Date of Question** | **Question** | **Response** | **Date of Response** |
| 1 | 03 April 2018 | For Part 6 – Due Diligence Questionnaire do you have a version of this in Word format to enable completion? | A Word version of Part 6 - the Due Diligence Questionnaire is available upon request.  Please do note that the Due Diligence Questionnaire only needs to be completed by a preferred Tenderer prior to contracting. | 04 April 2018 |
| 2 | 03 April 2018 | Submission is by email, are you happy to accept a ZIP file for each Regional lot containing the Technical, Financial and Supporting documents? | I can confirm that submission should be by email and that one ZIP file for each Regional lot is fine. | 04 April 2018 |
| 3 | 18 April 2018 | It is stated in the ITT that bids may be submitted by a single organisation or consortium.  Could you confirm that subcontracting arrangements, in which a lead contractor subcontracts local partners, would be acceptable? The Lead Organisation would coordinate, supervise and assume overall responsibility for the services. | The subcontracting arrangement proposed (i.e. a lead contractor managing the contract with Palladium and subcontracting local partners to conduct the call down audit assignments) is acceptable, however all subcontracted local partners must be named in the submitted Tender.  Only the lead contractor will be expected to complete Parts 6, 7 and 8 of the ITT.  It should be noted, however, that the lead contractor will be expected to flow down all the relevant terms & conditions of Part 7 – Agreement to Provide Services to all subcontracted local partners, including those terms & conditions relating to the DFID Standard Terms & Conditions and the DFID Supplier Code of Conduct. | 23 April 2018 |
| 4 | 18 April 2018 | It is stated in the ITT that “the Auditor will have a physical presence (a functioning commercial office) in one or more [i.e. not every] of the countries in the P4F Region(s) that they are bidding for”. It is also stated that each Nominated Personnel is expected to have…”the necessary qualifications, certifications and registrations to oversee the conducting of audit assignments in each of the countries within the P4F Region(s) the Auditor is bidding for”.  How will auditors meet this requirement (ie registration in each of the countries) if they only have one or two offices in a region? | The intention of this requirement is not that an organisation must be registered as an entity in each of the countries within a P4F Region, but that an organisation with a functioning commercial office(s) in at least one country in a P4F Region must have individuals based at the office(s) (or have access to individuals through subcontracts or other partnering arrangement) who are suitably qualified and/or registered with any relevant national regulatory bodies to serve as Nominated Personnel. | 23 April 2018 |
| 5 | 18 April 2018 | Is there an existing standard template audit report, or is this to be drawn up by the auditor? If the former, could you provide a copy for reference as this would assist us in understanding the basis on which the “audits” are to be performed (with specific reference to International Standards on Auditing or other similar authoritative pronouncements), the certification required and thus the scope of work necessary? | There is no existing template audit report nor a prescribed format other than the expectation that the format of the report drawn up by the Auditor will be in accordance with an internationally recognised best practise and that it will contain sufficient detail relating to how the requirements of the TOR were undertaken by the Auditor to enable Palladium to understand the nature and extent of the tasks performed by the Auditor and their findings in relation to each task performed. | 23 April 2018 |
| 6 | 18 April 2018 | Section 5 of the ITT states that “The Auditor is expected to provide details and CVs for the Nominated Personnel. The Nominated Personnel will be the partner(s) or other senior person(s) within the Auditor’s organisation who is accountable for the engagement and for the report…”  However, Part 4 point 2 (below the table on page 17) states that “The Tenderer must provide a CV… for each Nominated Personnel expected to contribute to the performance of the TOR”. The latter appears to be wider in scope and implies inclusion even of Assistant Auditors’ CVs.  Could you confirm that the earlier reference applies, and that CVs are only required for the partner(s) or other senior person(s)? | The two statements quoted are not intended to be contradictory.  CVs should only be provided for the Nominated Personnel.  The Nominated Personnel are defined as the partner(s) or any other senior person(s) within the Auditor’s organisation accountable for the engagement and for the report.  By being accountable for the engagement Nominated Personnel are contributing to the performance of the TOR. | 23 April 2018 |
| 7 | 18 April 2018 | You refer to the EU within the Global region. Please confirm which county or countries are covered by the EU reference.  Is it possible to have a more detailed list of countries covered by the Lot 1 (Global) region? Specifically, EU covers 28 different countries (more if, for example, EEA countries are counted).  On your website, under “Where we work”, only the 3 regions covered by Lots 2, 3 and 4 are mentioned. | The grants provided by the P4F Grant Facility are demand-driven, so it is not possible to identify exactly which / all of the countries that they will originate from or be focused on.  It is expected that Global projects (those with a focus on multiple of the other P4F Regions, rather than one specifically) may be managed by organisations from either the UK, Ireland, France, the Netherlands, Germany, Sweden, Norway or the USA, but could also be managed by organisations based in other EU countries.  For the purpose of meeting the minimum specifications (Part 2 - TOR), naming subcontractors, including costings in the Financial Submission and demonstrating experience & expertise in the Technical Submission, Tenderers will not be penalised if they focus on only the above-named countries for the purpose of Lot 1 (Global Region).  Where work is required for Lot 1 (Global Region) outside of these countries this will be negotiated on a case by case basis as part of the process for drafting and executing a Task Order for an Audit Call Down Assignment (see Annex G of Part 7 - Agreement to Provide Services. | 23 April 2018 |
| 8 | 18 April 2018 | What is the total amount of money to be remitted to partners over the two year period by region and country? | DFID has committed £26m to the P4F Grant Facility.  There are no set allocations by Region or Country for this £26m, but it is expected that approximately £7.5m will be utilised for grants to projects in each of the West & Central Africa, East Africa and South East Asia P4F Regions and approximately £3.5m will be utilised for grants to Global projects (those with a focus on multiple of the other P4F Regions, rather than one specifically). | 23 April 2018 |
| 9 | 18 April 2018 | What is the number and timing of the expected grants to be remitted over the two year submission period by region and country? | It is expected that (including already approved grants) there will be approximately 15-20 grants approved for each of West & Central Africa, East Africa and South East Asia and approximately 5-10 approved for Global projects (those with a focus on multiple of the other P4F Regions, rather than one specifically).  The number that will require auditing by the Auditor is determined by the size of the approved grant, and so only approximately 5 grants in each of the four P4F Regions is expected to require an audit. Only grants over £300k will require auditing by the Auditor.  The grants provided by the P4F Grant Facility are demand-driven, so it is not possible to identify which countries they will originate from or be focused on. | 23 April 2018 |
| 10 | 18 April 2018 | You have stated that the number of call down audit assignments is expected to be at least 5 per region.  Please can you give some further guidance as to the likely expected number of call downs and the maximum number expected per region during the two year period. | It is expected that (including already approved grants) there will be approximately 15-20 grants approved for each of West & Central Africa, East Africa and South East Asia and approximately 5-10 approved for Global projects (those with a focus on multiple of the other P4F Regions, rather than one specifically).  The number of grants that will require auditing is determined by the size of the approved grant. Only grants over £300k will require auditing by the Auditor.  Although we estimate that approximately 5 grants in each of the four P4F Regions will require an audit, grants provided by the P4F Grant Facility are demand-driven so it is not possible to identify in advance exactly how many will fall into the category of requiring an audit. | 23 April 2018 |
| 11 | 18 April 2018 | What systems are used to record and monitor grant income and the amounts remitted, and what additional information is provided to support the Financial Report? | Currently Palladium monitors grant income received from DFID and grant expenditure disbursed to Grantees using a Microsoft Access-based Grants Database, but we are in the process of building and transitioning to a bespoke online platform.  Excel exports will be available to the Auditor from both systems for the purposes of auditing.  An example P4F Financial Report can be found on the P4F website - https://partnershipsforforests.com/resources/financial-report-example/. Grantees must provide electronic copies of invoices, receipts, etc. (as appropriate for the expenditure incurred) for all the costs listed on the ‘Invoice Recon’ tab. | 23 April 2018 |
| 12 | 18 April 2018 | Where is the source documentation retained? Is this in the UK or at each project/partner individually? | It is a requirement of the Grant Agreement that all source documentation is retained by the Grantee. This will include all documentation relating to the Grantee and their Downstream Partners.  It is expected that an Auditor will request the majority of the documentation they require from the Grantee, however documentation required as part of the call down audit assignment preparation phase (e.g. the Grant Agreement, the most up to date Financial Report, any relevant guidance documents etc.) can be requested from Palladium. | 23 April 2018 |
| 13 | 18 April 2018 | Is the underlying documentation available electronically or are only hard copies kept? | It is anticipated that all documentation will be held in an electronic format. | 23 April 2018 |
| 14 | 18 April 2018 | Will sufficient access be given to enable us to risk assess and plan effectively each element of our work and will this be performed with UK management or in country partners? | As set out in the Responsibilities of the Company in Part 2 of the ITT, Palladium staff will be available to a reasonable extent to assist the Auditor during the preparation phase of each call down audit assignment. This includes UK based management and in-country P4F Regional Teams.  Palladium will also make all templates, policies & procedures, and guidance available to the Auditor, and will introduce the Grantee to the Auditor following the commencement of a call down audit assignment and ensure the Grantee is aware of their responsibility to maintain and provide all documents, papers, records etc. that are pertinent to the Grant, to allow the Auditor unhindered access to their premises and to be available to the Auditor during the call down audit assignment. | 23 April 2018 |
| 15 | 18 April 2018 | Are the Financial Report’s prepared by qualified accountants or unqualified in-country management? | In most cases, Financial Reports are prepared by a Grantee’s in-country finance teams. It is not a requirement that the Financial Report be prepared by a qualified accountant.  An example P4F Financial Report can be found on the P4F website - https://partnershipsforforests.com/resources/financial-report-example/. | 23 April 2018 |
| 16 | 18 April 2018 | How and when (regularity) are returns received from partners to validate/confirm that the funds have been expended appropriately? | Grantees are required to report on at least a quarterly basis, but may report more frequently (e.g. monthly). This reporting includes a Technical Report, Financial Report and all evidence of expenditure. | 23 April 2018 |
| 17 | 18 April 2018 | Are there likely to be any barriers to obtaining information relating to work undertaken and expenditure incurred by downstream associates, and if there are, what would these be? | No barriers to obtaining information relating to work undertaken and expenditure incurred by Downstream Associates are expected.  Grantees are required to have and retain for 7 years all information and documentation relating to the implementation of the grant (which includes work undertaken and expenditure incurred by Downstream Associates). | 23 April 2018 |
| 18 | 18 April 2018 | You have requested that the Auditor ‘conduct the audit within 30 days of the call down’, does this relate to the audit fieldwork or full completion of the fieldwork and final reporting? | Auditors are expected to be ready to commence the tasks listed in the TOR (the audit fieldwork) within 30 days of a call down. | 23 April 2018 |
| 19 | 18 April 2018 | Do you want the CVs of all staff expected to undertake the work to be included in the submission or only those in senior roles i.e. the Audit Partners and Audit Managers? | The Auditor is expected to provide details of (and CVs for) the Nominated Personnel.  The Nominated Personnel will be the partner(s) or other person(s) within the Auditor’s organisation who is accountable for the engagement with Palladium and for the report that is issued to Palladium upon completion of each audit assignment. | 23 April 2018 |
| 20 | 18 April 2018 | The Technical Submission refers to 3 assignments undertaken within the last 3 years. Please confirm if these need to be 3 assignments per country or just 3 assignments within the region. | Examples of 3 assignments per Region / per Tender need to be submitted.  The Tenderer must decide which assignments that they have undertaken in the last 3 years are the most similar/relevant. | 23 April 2018 |
| 21 | 18 April 2018 | Is there a mechanism for agreeing additional work outside of the scope of the original terms of reference and how would this work? | Where additional work outside of the scope of the TOR in the ITT is required this will be negotiated on a case by case basis as part of the process for drafting and executing a Task Order for an Audit Call Down Assignment (see Annex G of Part 7 - Agreement to Provide Services). | 23 April 2018 |
| 22 | 18 April 2018 | Is there a prescribed format that you require the auditor to report in i.e. in accordance with ISRS4400? | There is no existing template audit report nor a prescribed format other than the expectation that the format of the report drawn up by the Auditor will be in accordance with an internationally recognised best practise and that it will contain sufficient detail relating to how the requirements of the TOR were undertaken by Auditor to enable Palladium to understand the nature and extent of the tasks performed by the Auditor and their finding in relation to each task performed by the Auditor. | 23 April 2018 |
| 23 | 18 April 2018 | Is there a minimum level of Professional Indemnity and Professional Liability insurance that is expected to be seen? | This is set out in Part 1: Insurance Requirements of Annex C of Part 7 – Agreement to Provide Services. | 23 April 2018 |
| 24 | 18 April 2018 | We have been unable to locate the P4F Asset Management and Reporting Guidance and would be grateful if you could provide us with a copy of this document. | This is an internal guidance document.  Access to this (and all relevant internal guidance documents and templates) will be provided to successful Tenderers upon execution of Part 7 – Agreement to Provide Services.  Schedule G of the Grant Agreement (available on the P4F website - https://partnershipsforforests.com/resources) contains the formal requirements in relation to the management of assets purchased with P4F grant funds. | 23 April 2018 |
| 25 | 18 April 2018 | In addition to the Palladium standard contact template, please could you confirm whether you would be able to sign our standard letter of engagement. | We have no policy that would restrict us from signing a Letter of Engagement with a successful Tenderer in addition to Part 7 – Agreement to Provide Services, however whether we are able to sign a Letter of Engagement will obviously depend on the specific terms & conditions contained within. | 23 April 2018 |
| 26 | 19 April 2018 | Is there a CV template to be used for the nominated personnel, if yes could you please provide us with it? | There is no CV template. There are however requirements in relation to submitted CVs that are clearly set out in Part 4 of the ITT (e.g. CVs should be no longer than four pages in length). | 23 April 2018 |
| 27 | 19 April 2018 | Can you please confirm that the CVs and contact details of the Nominated personnel to be provided in the technical proposal are the partner(s) or other senior person(s) and that it is not compulsory for other standard staff that will be involved in the performance of the audit assignments? | CVs should only be provided for the Nominated Personnel.  The Nominated Personnel are defined as the partner(s) or any other senior person(s) within the Auditor’s organisation accountable for the engagement and for the report. This is not intended to include ‘standard staff’. | 23 April 2018 |
| 28 | 19 April 2018 | Can you please clarify what a “senior person” is. Is a Senior Auditor considered a senior person or it can be limited to the positions of managers/senior managers and upwards within the firm? | For the purposes of defining Nominated Personnel, a ‘senior person’ is an individual within the Auditor’s organisation who is suitably experienced and qualified to be accountable for the engagement with Palladium and for the report produced for Palladium at the end of each call down audit assignment. | 23 April 2018 |
| 29 | 19 April 2018 | Can you please clarify if there will be simultaneous call down audit assignments within or outside a P4F region during the execution of the framework contract as it is important to determine the number and availability of the personnel? | Though we do not anticipate requesting simultaneous call down audit assignments within the same P4F Region, it is possible that it may be necessary on occasion.  It is more likely that call down audit assignments occurring in different P4F Regions will occur simultaneously. | 23 April 2018 |
| 30 | 19 April 2018 | Does the cover letter count towards the number of pages of the technical proposal? | The Cover Letter is not considered part of the Technical Submission and will not count toward the page limit of the Technical Submission. | 23 April 2018 |
| 31 | 19 April 2018 | Is there an estimated budget for the framework contract per P4F region and per audit call down assignment? | There is no estimated budget or financial limit for a framework contract per P4F Region or per call down audit assignment.  As set out in Part 5 of the ITT, the fee rates and number of days (and so Total Price per Country) submitted as part of the Financial Submission are what will be entered into the Framework Agreement and which will be used, unless the TOR for a specific call down audit assignment differs significantly from the TOR, to form the basis of the amount payable for each call down audit assignment. | 23 April 2018 |
| 32 | 20 April 2018 | Do you have any information on how the grant funding is to be split between the four regions? | DFID has committed £26m to the P4F Grant Facility.  There are no set allocations by Region or Country for this £26m, but it is expected that approximately £7.5m will be utilised for grants to projects in each of the West & Central Africa, East Africa and South East Asia P4F Regions and approximately £3.5m will be utilised for grants to Global projects (those with a focus on multiple of the other P4F Regions, rather than one specifically). | 23 April 2018 |
| 33 | 20 April 2018 | The Invitation to Tender suggests there will be at least 5 call down assignments per region. Do you know what the maximum number might be? | It is expected that (including already approved grants) there will be approximately 15-20 grants approved for each of West & Central Africa, East Africa and South East Asia and approximately 5-10 approved for Global projects.  The number that will require auditing by the Auditor is determined by the size of the approved grant. Only grants over £300k will require auditing by the Auditor.  Although we estimate that approximately 5 grants in each of the four P4F Regions will require an audit, grants provided by the P4F Grant Facility are demand-driven so it is not possible to identify in advance exactly how many will fall into the category of requiring an audit. | 23 April 2018 |
| 34 | 20 April 2018 | How is the funding to be split between Grantees? We are trying to get a feel for the level of funding each Grantee will receive. I appreciate this may vary significantly. | The grants provided by the P4F Grant Facility are demand-driven so it is not possible to identify in advance exactly how much will be provided to any one Grantee. Additionally there are no minimum or maximum grant thresholds.  Based on our current projections (including already approved and pipeline grants) the mean average grant amount we expect to provide is approximately £375k. This, however, includes grants that range in size from £18k to £1.6m.  Only grants over £300k will require auditing by the Auditor. | 23 April 2018 |