



Expression of Interest **(EOI)**

Title of Consulting Services

Internal Auditing of Shine Resunga Development Bank Limited

Project Name: Internal Auditing of SRDBL

EOI Number: SRDBL/GSD/EOI/IA-21/080/81

Office Name: Shine Resunga Development Bank Ltd., Head office, General Service Department

Address: Kalikanagar-11, Butwal, Rupandehi, Nepal

Issued on: Bhadra 25, 2080 (September 11, 2023)



Abbreviations

CV	-	Curriculum Vitae
EOI	-	Expression of Interest
PAN	-	Permanent Account Number
TOR	-	Terms of Reference
VAT	-	Value Added Tax
FCA	-	Fellow Chartered Accountant
CA	-	Chartered Accountant
SRDBL	-	Shine Resunga Development Bank Limited
RFP	-	Request for Proposal
QCBS	-	Quality and Cost Based Selection



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A. Request for Expression of Interest (EOI)

Shine Resunga Development Bank Ltd., Head office, General Service Department

Date: 2080/05/25 (September 11, 2023)

Name of Project: Internal Auditing of SRDBL

1. The SRDBL invites Expression of Interest (EOI) from eligible consulting firms ("consultant") to provide the following consulting services: Internal Auditing of SRDBL 9 Departments, 5 units, 88 Branch Offices and 1 Extension Counter. Interested firm should submit an Expression of Interest (EOI) in their own format that shall include:
 - A covering letter (with expression of interest and declaration to submit detailed proposal)
 - The profile and applicable organizational certificates.
 - The details of similar experience with evidence.
 - A proposed team composition, designation and CVs of key team members.
 - The document to verify SRDBL minimum qualification and experience requirement (Important note: Noncompliance with minimum qualification requirement will be considered as ineligible for shortlisting)
2. Interested eligible consultants may obtain a complete set of EOI/TOR from the Development Bank's website <https://www.srdb.com.np>
3. In case the last date of obtaining and submission of the EOI documents happens to be a holiday, the next working day will be deemed as the due date but the time will be the same as stipulated.
4. EOI will be assessed based on **Qualification 50% and Experience 50%** of consulting firm and key personnel. Minimum score to pass the EOI is 60.
5. The financial proposal should be inclusive of all applicable fees, taxes and other expenses (such as lodging, fooding, travelling etc.).
6. Required Qualification & Experience criteria for Internal Auditing of SRDBL
 - The service provider must be in existence for at least three years and must have specific experience in internal auditing of Class A and/or Class B (National Level) BFIs within last three (3) years.
 - The Audit Firm/Company should have at least 50 personnel working in the office. Among them, firm should have minimum of 3 FCA, 20 CA and other personnel should have an experience of accounting, finance & banking practices.
 - The SRDBL reserve all the right to accept or reject on or all EOI proposals without assigning any reason whatsoever with its sole discretion.

B. Instructions for submission of Expression of Interest (EOI)

1. Interested consultants must provide information indicating that they are qualified to perform the services (descriptions, organization and employee of the firm or company, description of assignments of similar nature completed in the last 7 years and their location, experience in similar conditions, general qualifications and the key personnel to be involved in the proposed assignment).
2. This Expression of Interest (EOI) is open to all eligible consulting firm/company.



3. The assignment has been scheduled for the fiscal year 2080/81. Expected date of commencement of the assignment shall be as per the Audit Plan approved by Audit Committee.
4. A Consultant will be selected in accordance with the Quality and Cost Based Selection (QCBS) method.
5. Expression of Interest (EOI) should contain following information:
 - a. A covering letter addressing Shine Resunga Development Bank Limited, on the official letter head of company duly signed by authorized signatory.
 - b. Applicants shall provide the following information in the respective formats given in the EOI document:
 - EOI Form: Letter of Application (Form 1)
 - EOI Form: Applicant's Information (Form 2)
 - EOI Form: Work Experience Details (Form 3)
 - EOI Form: Key Experts List (Form 4).
7. Applicants may submit additional information with their application but shortlisting will be based on the evaluation of information requested and included in the formats provided in the EOI document.
8. The Expression of Interest (EOI) document must be duly completed and submitted in sealed envelope and should be clearly marked as "EOI Application for Short-listing for the Internal Auditing of SRDBL". The envelope should also clearly indicate the name and address of the Applicant.
9. The completed EOI document must be submitted on or before the date and address mentioned in the "Request for Expression of Interest". In case the submission falls on public holiday the submission can be made on the next working day. Any EOI document received after the closing time for submission of proposals shall not be considered for evaluation.

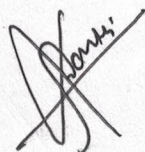
C. Terms of Reference (TOR)

The objective of internal audit of SRDBL is to assist the management and the Board of the Development Bank in the effective discharge of their responsibilities. To achieve this, Internal Audit team will furnish them with reports, recommendations and information concerning the activities reviewed.

Scope of Internal Audit

The scopes of work of the internal audit shall include as follows:

1. Perform internal audit of the Development Bank as per the Audit Plan within the provision contained in 'Audit Policy 2078' and Risk Based Internal Audit Guideline, 2079.
2. Certify the reports/returns to be submitted to NRB as required by NRB directives from time to time.
3. Review of the systems /reports established to ensure compliance with legal and regulatory requirements of Nepal Rastra Bank and ensuring that they comply NRB directives.
4. Review of policies, procedures, systems, manuals etc. relating to operation of the Development Bank and assess their adequacy and effectiveness in implementation and make recommendation for their improvement.
5. Advise in strengthening the functioning of Audit Committee.





6. Review the internal audit manual of the bank and recommend improvement, if any to ensure that new developments, especially with respect to adoption of risk based approach are addressed.
7. Develop/review internal control check-list for testing the following major risk areas of operations of the Development Bank:
 - Credit operations (including trade financing)
 - Loan recovery/write-offs
 - Financial management systems
 - Investment and treasury management
 - Management of non-banking assets
 - Payment solutions
 - Liquidity management
 - Banking Operations
 - Human resource management
 - Resource mobilization
 - Information technology
 - AML/CFT function
 - Information security management
8. Perform the responsibilities and carrying out of special investigations as prescribed/given by the Audit Committee and Board of the Development Bank, from time to time based on separate agreement.
9. Submit the internal audit report with findings; risk grading and recommendation to the Audit Committee of the Development Bank.
10. Provide with the proactive value addition advises in terms of improvement of systems, effectiveness of internal control system and compliances with reference to best practices in the industry.
11. Follow up the resolution status of previous internal audit issues.
12. Assessing the operating cost and suggest ways to reduce the same wherever needed.
13. Review of the accuracy and reliability of the accounting records and financial reports including management and financial information system.

Timelines and Reporting

14. The internal audit of each quarter must be completed and reported to Audit Committee within **three (3) months** from the end of the quarter.
15. The internal audit team is required to hold an Entry Meeting and an Exit Meeting with the auditee. During these meetings, they will communicate all significant findings to the auditee, ensuring that appropriate actions are taken for improvement.
16. The internal audit team should start sharing the preliminary audit report branch wise to the Internal Audit Department within seven (7) days of its return. The final report and soft copy should also be sent to the concerned office through the Internal Audit Department.





17. A consolidated report will also have to be submitted to the Audit Committee after the completion of the internal audit of all designated branch offices and departments on a quarterly basis.
18. Any kind of audit issues and information found during the internal audit shall not be disclosed to anyone other than the authorized person of the Development Bank and any other body as required by the law.
19. While conducting the internal audit, the period from the beginning of the financial year 2080/81 to the month before the month of deployment of the team for audit should be done.

Coverage

20. Each activity or unit (Branch/Department) should fall into the scope of internal audit during the fiscal year.
21. During the internal audit, it will be necessary to review credit files, assess collateral security, and select the appropriate number of projects in accordance with the Risk Based Internal Audit Guidelines, 2079.
22. As mentioned in 5 (b) of the NRB Directive No. 5/079, the internal auditor should include in the audit report of each branch/department/office the comments/feedback regarding the adequacy of the measures adopted to effectively manage the operational risk.
23. In addition, the identification of various (policy and operational) potential risks related to credit management and IT where necessary suggestions for such risk management should be included in a separate section as an integral part of the audit report.
24. In accordance with the provisions of the Unified Directive No. 19/079 of the Nepal Rastra Bank, the compliance and control mechanism adopted with the provisions related to Anti Money Laundering and prevention of financial investment in terrorist activities should be included in a separate section as an integral part of the internal audit report.
25. Newly established branches and newly set up department/unit shall be covered as per the provision contained in Risk Based Internal Audit Guideline 2079.

Audit Team

26. The Firm shall share the list of manpower along with experience at the commencement of assignment. Subsequent changes in team shall be approved from Audit Committee.

The firm shall need to form audit team based on the portfolio of the audit unit as mentioned below:

Transaction volume of Internal Audit units	Minimum qualification and experience	
	Team Leader	Other engaging members
Loan and Deposit portfolio: more than 5 Arab.	CA with 3 years of experience in Auditing in Banking Sector	Bachelor in Management or CA studying with minimum 3 years of experience in Auditing in Banking Sector
Loan and Deposit portfolio: 2 to 5 Arba	CA with 2 years of experience in Auditing in Banking Sector	Bachelor in Management or CA studying with minimum 2 years of experience in Auditing in Banking Sector
Loan and Deposit portfolio: Less than 2 Arba	CA with 1 year of experience in Auditing in Banking Sector	Bachelor in Management or CA studying with minimum 1 year of experience in Auditing in Banking Sector



Details of auditable Units for Internal Audit

SN.	Branch	Branch Code	Frequency
1.	Butwal	001	2
2.	Bhairahawa	042	2
3.	Yogikuti	003	2
4.	Kamaladhi	087	2
5.	New Baneshwor	074	2
6.	Tamghas	008	2
7.	Amarai	007	1
8.	Siddharthangar	015	2
9.	Wamitaksar	009	1
10.	Santipur	010	1
11.	Manigram	031	2
12.	Sandhikharka	002	2
13.	Baletaksar	012	2
14.	Simaltari	014	1
15.	Jeetpur	016	2
16.	Jyotinagar	028	2
17.	Burtibang	017	1
18.	Tansen	018	1
19.	Khanadaha	020	1
20.	Manglapur	004	2
21.	Bhingri	022	1
22.	Khalanga	023	1
23.	Bahane	024	1
24.	Baraula	025	1
25.	Bagdula	026	1
26.	Kharjyang	027	1
27.	Shankarnagar	039	2
28.	Udhindhunga	029	1
29.	Chutrabeshi	030	1
30.	Narayanghat	049	2
31.	Nepalgunj	055	2
32.	Bankatti	033	1
33.	Murgia	032	2
34.	Chandrauta	035	1
35.	Devdaha	036	1
36.	Pharsatkar	037	1
37.	Bijuwar	021	2
38.	Belbas	034	2
39.	Kotihawa	040	1
40.	Dumre	041	1
41.	Khairani	011	2
42.	Bhalwari	043	2
43.	Bhumahi	006	2
44.	Drivertole	045	2
45.	Amarpath	046	1
46.	Suryapura	047	1
47.	Dhakdhai	048	1
48.	Sunawal	038	2
49.	Parsa	051	1
50.	Badera	052	1
51.	Chhapiya	053	1

52.	Jimirebhar	054	1
53.	Parasi	044	2
54.	Narayanpur	056	1
55.	New Road	076	2
56.	Bansgadhi	058	1
57.	Mangragadhi	059	1
58.	Kohalpur	060	1
59.	Dang	061	1
60.	Bhaurigaun	062	1
61.	Hapure	063	1
62.	Lalmatiya	064	1
63.	Patabhar	065	1
64.	Lamahi	066	1
65.	Gulariya	067	1
66.	Rajpur	068	1
67.	Mainapokhar	069	1
68.	Agaiya	070	1
69.	Katarniya	071	1
70.	Saljhandi	072	1
71.	Gorusinge	073	1
72.	Tulsipur	057	2
73.	Kalanki	075	1
74.	Majuwa	013	2
75.	New Road Pokhara	077	1
76.	Mahendranagar	078	1
77.	Maharajgunj	079	1
78.	Gongabu	080	1
79.	Dhangadi	081	1
80.	Dharapani	082	1
81.	Birendranagar	083	1
82.	Attariya	084	1
83.	Taulihawa	085	1
84.	Kawasoti	086	1
85.	Rudrapur	005	2
86.	Satdobato	088	1
87.	Suryabinayak	089	1
88.	Jagadishpur	090	1
89.	Corporate	998	2

Source: MIS data 31/03/2080

Note: - Basis for the audit frequency 2 times in a year if portfolio of the branch more than 2 Arb and 1 time in a year if portfolio of the branch is less than 1 Arb.





SN.	Department/Unit	Code	Audit Frequency
1	Legal & Compliance	999	1
2	Recovery Department	999	1
3	General Service and Administration	999	1
4	Finance & Treasury	999	2
5	Credit Risk Department	999	1
6	Credit Administration	999	1
7	Central Operation Department	999	1
8	Human Resource Department	999	2
9	IT Department	999	1
10	Card Unit	999	1
11	Digital Unit	999	1
12	AML/CFT Unit	999	2
13	Operation Risk Unit	999	1
14	Information Security Unit	999	1





D. Evaluation of Consultant's EOI Application

Consultant's EOI application which meets the eligibility criteria will be ranked on the basis of the Ranking Criteria.

i) Eligibility & Completeness Test	Compliance
Updated Copy of Registration of the Firm/Company	
VAT/PAN Registration	
Tax Clearance Certificate of last Financial Year.	
In case of a proprietor/partner/shareholder of Firm/Company or Firm/Company which is already blacklisted and any other new or existing Firm/Company owned partially or fully by such natural person/firm/company of blacklisted Firm/Company; shall not be eligible consultant.	
EOI Form 1: Letter of Application	
EOI Form 2: Applicant's Information	
EOI Form 3: Experience	
EOI Form 4: Exposure of Key Experts	

ii) EOI Evaluation Criteria	Minimum Requirement	Score [Out of 100%]
A. Qualification		
Qualification of Key Experts	As Mentioned in TOR	50%
Experience of Key Experts	As Mentioned in TOR	
B. Experience		
Experience of consulting firm within last 7 years.	The service provider must be in existence for at least three years and must have specific experience in internal auditing of Class A and/or Class B (National Level) BFLs within last three (3) years.	50%





Letter of Application

(Letterhead paper of the Applicant including full postal address, telephone no., fax and email address)

Date:

To,

Shine Resunga Development Bank Limited

Kalika Nagar, Butwal – 11, Rupandehi

Telephone No.:071-415502

Email Address: info@srdb.com.np

Sir/Madam,

1. Being duly authorized to represent and act on behalf of (hereinafter "the Applicant"), and having reviewed and fully understood all the short-listing information provided, the undersigned hereby apply to be short-listed by Shine Resunga Development Bank Limited as Consultant for Internal Auditing.
2. Attached to this letter are photocopies of original documents defining:
 - a) the Applicant's legal status;
 - b) the principal place of business;
3. Authorized representatives of Shine Resunga Development Bank Limited are authorized to verify the statements, documents, and information submitted in connection with this application. This Letter of Application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information deemed necessary and requested by yourselves to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the Applicant.
4. Authorized representatives of Shine Resunga Development Bank Limited are authorized to contact any of the signatories to this letter for any further information.
5. All further communication concerning this Application should be addressed to the undersigned person.
6. We declare that, we have no conflict of interest in the proposed procurement proceedings and we have not been punished for an offense relating to the concerned profession or business and our Company/Firm has not been declared ineligible.
7. The undersigned declares that the statements made and the information provided in the duly completed application are complete, true and correct in every detail.

Signed.....

Name.....

Company.....

Address.....

Phone.....

Email.....



Applicant's Information

1. Name of Firm/Company:
2. Type of Constitution (Proprietorship/ Partnership/ Pvt. Ltd)
3. Date of Registration / Commencement of Business (Please specify):
4. Country of Registration:
5. Registered Office/Place of Business:
6. Telephone No;
7. E-Mail Address:
8. Name of Authorized Contact Person:
9. Designation of Authorized Contact Person:
10. Address of Authorized Contact Person:
11. Telephone of Authorized Contact Person:
12. Total number of staff:
13. Number of regular professional staff:

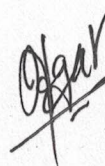
(Please provide Company's Profile with description)

Experience

(Details of Major Assignments undertaken.)

SN.	Name of Assignment	Year Completed	Client
1			
2			
3			
4			
5			
6			
7			





Exposure of Key Experts

SN.	Name	Position	Highest Qualification	Experience (in year)
1				
2				
3				
4				
5				
6				
7				
8				

(Please insert more rows as necessary)



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