

Request for Expression of Interest (REOI)

For

Assessing the Internal Audit Department of the Da Afghanistan Bank

Country: Islamic Emirate of Afghanistan

Name of Project: Assessment of the Internal Audit Department of Da Afghanistan Bank

Assignment Title: Assessment of the Internal Audit Department of Da Afghanistan Bank

Implementing Agency: Da Afghanistan Bank

Duty Station: Kabul, Afghanistan

Reference No.: DAB/1404/NCB/CS01

1. Background

This Terms of Reference (TOR) aims to explain the goals, scope, and approach for assessing the Internal Audit Department of the Da Afghanistan Bank. The assessment is designed to enhance public trust, promote financial stability, and foster organizational transparency. By evaluating the Internal Audit function's independence, objectivity, and performance, this initiative ensures compliance with required regulations and identifies opportunities for improvement.

The assessment also seeks to align the Internal Audit Department with the Bank's broader strategic objectives, such as financial inclusion and monetary policy support. Additionally, it consolidates overlapping objectives, including evaluating independence and objectivity mechanisms. By addressing these goals, the assessment will strengthen the Bank's governance framework, risk management processes, and overall contribution to economic stability and resilience.

Furthermore, from an economic perspective, the assessment emphasizes resource efficiency and the department's alignment with the Bank's overarching economic goals, including risk mitigation and financial stability. A comprehensive review of the department's strategic alignment, particularly in emerging areas like climate finance and cybersecurity, ensures its continued relevance and effectiveness in a dynamic operational environment.

2. Objectives of Assignment

The key objectives of this assessment are to:

- 3.1. Evaluate the Effectiveness of the Internal Audit Function**
 - 3.1.1.** Assess how well the department aligns with the Bank's strategic goals and supports its operations.
 - 3.1.2.** Review the quality and impact of audits in identifying key risks and ensuring controls are in place to manage those risks.
 - 3.1.3.** Ensure that the Internal Audit function follows international best practices and adheres to professional standards, such as those set by the Institute of Internal Auditors (IIA).
- 3.2. Assess Independence and Objectivity**
 - 3.2.1.** Examine the department's position within Da Afghanistan Bank's organizational structure to confirm its independence from day-to-day management in adherence to local regulatory requirements.

- 3.2.2. Evaluate whether the Chief Internal Auditor and the audit team are free to carry out their work without undue influence.
- 3.3. **Assess Resource Adequacy**
 - 3.3.1. Review staffing levels and competencies to ensure the audit team has the skills and capacity to meet its responsibilities.
 - 3.3.2. Assess whether adequate resources, such as training and technology, are available to support the department's work.
- 3.4. **Evaluate Audit Methodology and Practices**
 - 3.4.1. Review the planning process for audits, including the risk assessment framework, audit scope, and resource allocation.
 - 3.4.2. Evaluate the effectiveness of the department's audit procedures and its ability to track and follow up on audit findings and recommendations.
- 3.5. **Evaluate Communication and Reporting**
 - 3.5.1. Review how the Internal Audit Department communicates its findings to senior management, the Board Audit Committee, and other stakeholders.
 - 3.5.2. Assess whether audit reports are clear, actionable, and timely.
- 3.6. **Ensure Compliance with Standards and Regulations**
 - 3.6.1. Confirm that the department is compliant with relevant internal policies and external regulations.
 - 3.6.2. Assess how the department contributes to the broader governance and risk management framework of the Bank.
- 3.7. **Identify Opportunities for Improvement**
 - 3.7.1. Identify areas where the department can strengthen its processes or enhance its effectiveness.
 - 3.7.2. Provide practical recommendations to improve efficiency and impact.

3. Scope of Services

This assessment will cover several key areas to ensure a thorough evaluation of the Internal Audit Department's operations:

1. **Organizational Structure and Governance**

Review the department's structure, its independence from management, and its relationship with the Board Audit Committee and senior management.
2. **Audit Planning and Risk Assessment**

Evaluate how the department plans its audits and assesses the risks within the Bank, ensuring that audits focus on the most critical areas.
3. **Audit Execution**

Review the audit methodology, including how audits are conducted, the tools and techniques used, and the effectiveness of the audit team in detecting risks.
4. **Quality Assurance and Improvement**

Assess the department's internal and external quality assurance processes to ensure audits are conducted to high standards and improve over time.
5. **Communication and Reporting**

Evaluate the clarity, timeliness, and effectiveness of audit reports and the communication between auditors and senior management.
6. **Compliance and Regulatory Adherence**

Ensure the department adheres to relevant national and international auditing standards, as well as internal policies and procedures.
7. **Staffing and Development**

Assess the department's staffing levels and the training and professional development programs provided to internal auditors.

8. Audit Follow-up

Evaluate the department's processes for tracking audit findings and ensuring that management implements corrective actions.

9. IT and Emerging Risks Assessment

1. Cybersecurity

1. Assess the internal audit's role in identifying, monitoring, and mitigating cybersecurity threats.
2. Evaluate controls over data protection, network security, and incident response mechanisms.
3. Ensure alignment with cybersecurity standards such as ISO 27001, NIST, or other relevant frameworks.

2. Climate Finance

1. Analyze the organization's preparedness to address risks and opportunities associated with climate finance.
2. Review audit processes related to environmental, social, and governance (ESG) factors.
3. Evaluate the internal audit's role in monitoring compliance with climate-related financial disclosures (e.g., TCFD, EU Taxonomy).
4. Assess controls over climate risk assessment, carbon reporting, and sustainability-linked financing activities.

10. Integration with Broader Risk Management

1. Examine how cybersecurity and climate finance risks are integrated into the organization's overall risk management framework.
2. Assess internal audit's collaboration with other departments to address these emerging risks effectively.

5. Qualification Requirements/Short listing Criteria

Interested consulting firms ("Consultants") should demonstrate the following:

1. **Legal Status:** A minimum of 10 years of experience in internal auditing, with at least 5 years in senior roles such as Chief Audit Executive, Head of Internal Audit, or Audit Manager.
2. **Financial Capacity** The consultant shall have at a minimum of AFN 412,915 (Four Hundred Twelve Thousand Nine Hundred Fifteen) in liquid asset to ensure the financial capacity for carrying out the project operations.⁶
3. **Experience:** Proven execution of at least **one contract** of similar nature and complexity; submit contract copies and client completion certificates.
4. **JV / Sub-Consultancy:** If applicable, clearly identify the lead partner and roles; other members must have executed at least 1 similar contract in last 5 years.
5. **Completion of the Requested Requirements:** Applicants participating in the assessment of the Internal Audit Department of Da Afghanistan Bank should carefully review all criteria mentioned in the TOR and submit their documents accordingly.
6. **Regional Experience:** Desirable.
7. **Declarations:**
 - a. Not black-listed by any government agency in Afghanistan.
 - b. No conflict of interest regarding previous involvement in the project or procurement process.
 - c. Information in EOI is accurate; misrepresentation will be subject to legal action.

6. The short-listing criteria are:

[The short-listing criteria shall be set out objectively and measureable so that a transparent and justifiable selection can be made. The commonly used short listing criteria are defined below. However, the Client can modify/add any other criteria if deemed necessary]

- i. The Consultant should be registered legal entity and should have been in existence for the last (5) years in providing Consultancy Services of similar or related assignments. The consultant should provide a copy of the certification of incorporation/ business license with its EOI.

The consultant shall have at a minimum of AFN 412,915 (Four Hundred Twelve Thousand Nine Hundred Fifteen) in liquid asset to ensure the financial capacity for carrying out the project operations.

- ii. The consultant shall also provide proven experiences of having executed at least one contracts of similar nature and complexity during last 5 years. The consultants are required to provide copies of the contract along with clients' certificate towards completion of such assignments with their EOI.

The Consultant while describing the assignment(s) should furnish the following details:

- Consultant should explain in what way the executed assignment(s) was/were similar in nature to the current assignment and also indicating the input of key experts provided for the same
 - The Consultant should explain the exact role played by the Consultant in the assignment if the assignment was carried out in association with other firms as JV or in sub-consultancy for carrying out the assignment.
- iii. Requirements for Consultants participating as Joint Venture, Consortium or Association:
Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. If consultants intend to associate with other firms, they are advised to clearly identify the lead partner and state the composition and nature of their association (JV/ sub-consultant) in their EOI.
In case associations between the firms are in the form of JV, the following requirements will also apply:
 - Only the firm meeting the shortlisting criteria substantially shall act as the Lead Partner of the JV. In case, more than one firm meets the shortlisting criteria substantially, any of the firms may act as the Lead Partner. However, the lead partner needs to be identified in JV agreement or intention of forming JV to be submitted with the EOI.
 - Other member(s) of JV also need to have proven experiences of having executed at least one contract of the nature of this assignment during last (5) years, however, the variance in similarity and complexity could be acceptable.
 - iv. Consultant having some regional experience is desirable
 - v. Declaration by the Consultant that the Consultant is not black-listed by any Government agencies in Afghanistan
 - vi. Declaration by the Consultant that the consultant does not have any conflict of interest in terms of taking any assistance / support from individual / firm / consultants who have been part of the Project Assessing the Internal Audit Department of the Da Afghanistan Bank consultancy or the procurement process.
 - vii. Declaration by the Consultant that the information furnished in EOI is correct and for any misrepresentation detected at any stage of selection process or during execution of the resultant contract if successful, the Consultant to be taken up under the Law of the Land.
 - viii. The EOI with all details should, preferably, not exceed 40 pages in total.

[The above short-listing criteria are indicative. The PE must ensure defining the criteria that meet their requirements best and appropriately]

8. **Legal References**

The attention of interested Consultants is drawn to 'Chapter 4 - Process of Request for Proposal' of "Rule of Procurement Procedure" issued by Government of Islamic Emirate of Afghanistan. The consultants are also required to maintain high standard ethics throughout the procurement process. The Consultants' attention is

also drawn to Article 16 of Afghanistan Public Procurement Law for compliance. The consultants can download the Public Procurement Law and Procedure from: www.npa.gov.af

6. The Da Afghanistan Bank hereby invites competent and eligible firms to express their interest in providing the above services. Interested firms must provide information and documentation demonstrating that they are qualified to perform the above-mentioned services.
7. Consultants will be short listed in accordance with Quality and cost Based Selection (QCBS) procedures set out in the Public Procurement Law (17th September 2016) of the Government of Islamic Emirate of Afghanistan. Interested consultants may obtain further information and collect the Terms of Reference at the address below from 8:00 am to 4:00 pm local time, Saturday to Thursday.

9. Submission of Request for the Expression of Interest (REOI)

Request for Expression of interest (REOI) must be delivered on or before the **10.00 AM (Kabul local time), Saturday, 06 September 2025 (15/06/1404)** to the address specified below.

3rd Floor, Procurement Directorate

Da Afghanistan Bank(Central Bank).

Ibni-Sina watt, Kabul, Afghanistan.

The REOI submissions shall be made as: One “Original” REOI is not signed will not be accepted. For any inquiries or clarifications, interested applicants may contact:

Attention:

Mr. Rahmanullah “Zarin” Procurement Manager- Services

Mr. Sayed Anas” Khalili” Procurement Officer – Services

Ibni-Sina watt, Kabul, Afghanistan

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ANNEXURE 1: FORMAT FOR EXPRESSION OF INTEREST

The expression of interest in English language must be submitted as per the following format:
{Note: In case documents submitted are in any language other than English, the consultant should submit a self-certified copy of the translated document in English (along with originals).}

SECTION 1: Organization Details (In case the EOI is being submitted as a Joint Venture/Sub-Consultant, the information has to be submitted for the Lead Partner as well as other members of the Joint Venture separately/Sub-Consultant.)

Part 1: Organisation Detail		
I.	Name of the Organization	
II.	Details of the Organization	• Address of the Registered Office: • Telephone: • Facsimile: • Website:
III.	Information about Organization	• Year of Establishment: • Status of the Organization: (Public Ltd./Private Ltd./LLP etc.)
IV.	Name and designation of the person authorized	• Name • Designation • E-mail • Contact Number

V.	Annual Turnover for the last [3/4/5] Financial Years	Financial Year	Annual Turnover (Million USD)
		<i>Average for three years (Specify Years)</i>	
VI.	Number of Personnel	- Total employee strengths on the payroll of the company as on (specify the date) - Number of qualified technical personnel on its payroll or panel working in the area of (specify the area)	

Part 2 EOI Respondent firm needs to mention its core business areas and any other relevant details / experience in a descriptive format. EOI Respondent firm needs to mention its Technical and managerial capability for executing the scope of services.

Please provide a response with details in not more than 3 pages

SECTION 2: Documents to be submitted

	Information to be provided	Documentary Evidence to be Provided	Page number as part of Annexure
1	Firm must be registered legal entity and should have been in existence for the last [3/4/5/8/10] years.	Copy Certificate of Incorporation issued by relevant authority in country of establishment	

	Information to be provided	Documentary Evidence to be Provided	Page number as part of Annexure
	Information on their status as a legal entity and submit relevant supporting documents. (In case of JV, it should be met by the lead Partner but need to be submitted for other JV Members/Sub-consultant also)		
2	Average annual turnover during the last three years should not be less than equivalent to USD In case of Joint Venture, the turnover criteria should be met by the lead Partner. However, the information need to be submitted for other JV Members/Sub-consultant also)	Statutory Auditor's certificate (i.e. FY xxx, FY xxx, FY xxx) that provides the information explicitly as per the specific requirement of the criterion. OR Financials statements duly certified by the Chartered Accountant OR Self-certification by the authorized signatory of the EOI mentioning the Annual Turnover for the last [3/4/5] years supported by financial statements or Annual Auditor Reports (for. . FY 2014, FY 2015, FY 2016) clearly indicating the annual turnover. Please note: The annual turnover quoted must be the annual turnover of the EOI Respondent firm/Lead Partner and not its parent/child company	
3	The Consultant shall provide proven experiences to a minimum..... maximum of best (xxx) such contracts having executed (by EOI Respondent firm or Lead Partner and not its parent/child company) during last [3/4/5] years of	<i>Details of the experience should be submitted as per format in Section 3 along with the following documents:</i> For completed projects: 1. Copy of Contract(s) 2. Copy of the Completion Certificate from the client. OR Copy of the letter from authorised client	

	Information to be provided	Documentary Evidence to be Provided	Page number as part of Annexure
	similar assignment (comprising of completed or on-going projects) which should showcase the expertise/ strength of the consultant for undertaking such assignments. The information in regard to the experience also need to be submitted for other JV Members/Sub-consultant as separate statements)	representative / Self-Certified declaration by authorized Signatory of the EOI Respondent Entity with explicit information about the completion of the assignment. For On-Going projects : 1. Copy of Contract 2. Copy of the letter from authorised client representative / Self-Certified declaration by authorized Signatory of the EOI Respondent Entity stating that scope of services completed till date along with payment realised for the project. Please note: <i>The credentials cited under this must have been executed by the EOI Respondent or the JV partner and not its parent/child company</i>	
4	The details of the Consultant's regional experience if any.	List the Contracts executed with details such as contract number, the client detail, period of the contract, value of the contract, brief about the assignment etc.	
5	Other relevant documents	i. Declaration that the firm is not black-listed by any Government agencies in Afghanistan ii. Declaration that the consultant does not have any conflict of interest in terms of taking any assistance / support from individual / firm / consultants who have been part of the Project... consultancy or the bid publication process. iii. Declaration by the Consultant that the information furnished in EOI is correct and for any misrepresentation detected at any stage of selection process or during execution of the resultant contract if successful, the Consultant to be taken up under the Law of the Land.	

SECTION 3: Format for furnishing details of Credentials / Past Experiences for projects as at Sl. No. 3 of Section 2. The information need to be furnished as per the Format below for each credential.

The project citation should be a maximum of 2 pages per credential/project along with documents as mentioned under Sl. No. 3 of Section 2 (above). The citation need to be furnished for each credential.

Assignment name:	Country: Location within the country
Name of Client:	Address:
Name of the Legal Entity in whose name the contract is:	Duration of assignment (months):
No. of man month of the assignment:	Start date (Month/year): Completion date (Month/year):
Approx. value of the overall contract (in USD):	Approx. value of the services provided by your firm under the contract (in USD):
Name of associated organizations, if any:	Role of Consortium member:
Narrative description of the Project:	
Detailed Scope of services, coverage of the project:	
Consultant should explain in what way the executed assignment(s) was/were similar in	

<i>nature to the current assignment and also indicating key experts input for the assignment(s) including their qualifications and experience (CVs of such key staff are not required to be attached)</i> <i>The Consultant should explain the exact role played by the Consultant in the assignment if the assignment was carried out in association with other firms as JV or in sub-consultancy for carrying out the assignment.</i>	
Relevance of Project to the current scope (i.e. relevant project components in detail)	
Details of the impact of the project for the client:	
Copy of Contract(s)?	YES / NO
Copy of certificate from the client with explicit information to meet the specific requirement of the criteria attached?	YES / NO
Copy of self-certificate with explicit information to meet the specific requirement of the criteria attached?	YES / NO