

**Islamic Republic of Afghanistan
Ariana Afghan Airlines**

**Request for Expressions of Interest
(REOI)**

(CONSULTING SERVICES – FIRMS SELECTION)

For

**Financial Audit of the Ariana Afghan Airlines
(Years 1395 -1399)**

Assignment Title: Financial audit of the Ariana Afghan Airlines (years 1395 till 1399)

Duration of Assignment: Minimum 5 months, Maximum 6 months

Implementing Agency: Ariana Afghan Airlines – AAA

Budget: Ariana Afghan Airlines

Duty Station: Kabul, Afghanistan

Contract Type: Lump Sum

Reference No: AAA/1400/CS-2457

Issued Date: 14 /June/ 2021

1. Brief of the Assignment:

Background:

Ariana Afghan Airlines Co. Ltd is the oldest airline of Afghanistan and serves as the country's national carrier, established on 27th January, 1955. The Ariana is a State-Owned-Company operating in accordance with Afghanistan laws, Afghanistan Civil Aviation regulations, ICAO Standards and Recommended Practices, and IATA Standards, Manuals and Guidelines.

The company operates from Hamid Karzai International Airport (HKIA)-Kabul, from where it operates domestically and provides international linkages to countries like China, India, Russia, Saudi Arabia, the United Arab Emirates and Turkey.

The company used to be one of the popular carriers in the region as well as in the world and was a reliable partner with Pan American Company, which held 49% of shares in Ariana Afghan Airline with flights to most of the countries in the world, including the USA. However, due to the past decades of war, Ariana Afghan Airline has been badly affected and has not been able to operate as a successful company.

The company is governed by a Board of Management, Board of Directors, Board of Shareholders, and Board of Supervisors. The major shareholders of the company are the Ministry of Finance, Ministry of Economy, Bank E Milli Afghan (BMA) and Pashtany Bank (PB).

2. Objectives of Assignment:

Ariana Afghan Airline is seeking bids from the professional accountancy firms to carry out financial audit for the year 1395 till 1399 (2016 - 2020). The objective of the audit of the Financial Statements is to enable the auditor to express a professional opinion on the financial position of the Ariana Afghan Airlines at the end of the reporting period. The assignment will cover the external Auditing of the Financial Statements of the company comprising the followings:

- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Cash flow
- Statement of Changes in Equity

3. Scope of the Services:

The financial audit assignment shall include the examination and verification of the records and all accounts of the financial statements. The auditor will be appointed for the audit of the year 1395 till 1399 as according to the IFRS & IAS standards.

The audit shall:

- Review all revenue, expense, Assets, Liabilities and Capital accounts of Ariana Afghan Airlines.
- Verify that adequate documentation is in place.
- Verify that internal control mechanism, used for proper utilization of Ariana Afghan Airlines, including sound bookkeeping practices and accounting principles, and shall constitute a reliable basis for the preparation of accounts.
- Verify the inventory, equipment (vehicles, and office equipment) purchased by Ariana Afghan Airlines.
- Review the procedures for receipt, storage, and disposal.

- As the floor to listing and assets revaluation assignments as of 21st July, 2020 are in progress, the auditors will be responsible for the accounting treatment of the assets those of its balances forwarded till as of cutoff date.

Framework to be followed for reporting on this assignment:

- International Financial Reporting Standards (IFRS)
- Requirements of Government of Islamic Republic of Afghanistan

4. Qualification Requirements/Short listing Criteria

- a) The Consultant should be registered legal entity with government of Afghanistan (GoIRoA), and should have been in business for the last 5 years in providing Consultancy Services of audit, taxation and advisory in Afghanistan. (The consultant is required to provide the Copy of the Certificate of Incorporation issued by relevant authority in country of establishment).
- b) The consultant firm must be independent member of top **fifteen** firms which has been listed by Ministry of Finance of Afghanistan.
- c) The consultant should provide proven experience for a minimum of at least one contract with the value of US\$ 30,000 (Thirty thousand US Dollar) having executed during any of the last 10 years of similar nature indicating the duration and value, which should showcase the expertise/strength of the consultant for the undertaking such assignments.
- d) The consultant shall demonstrate having sound financial situation by submitting audited financial reports or any other credible financial documents in which the consultant annual turnover for any of the last three years (2017, 2018 and 2019) shall be USD 50,000 (Five thousand US Dollars).

It is worth to be mentioned that, the consultant experience in audit, taxation and advisory in the Afghanistan aviation sector will add value to the consultant's appointment.

The Audit Firm shall assign a team of auditors qualified and experienced for the execution of the assignment to ensure that the assignment is completed within the allocated time. The team shall comprise of One qualified CA/ACCA member having at least Seven years of experience (the experience in Afghanistan aviation sectors will add value) and 2 CA/ACCA Affiliate/finalist having 5 years of experience in relevant field and five field workers.

Requirements for Consultants participating as Consortium / Association:

Consultants may associate with other firms in the form of 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 case of association between the firms are in the form of JV, the following requirements will also apply:

1. The lead partner is required to be identified clearly and the Consultant must state the composition and nature of their association (JV/ sub-consultant) in their EOI.
2. In case of JV, the lead partner and JV member/s shall meet the shortlisting criteria stipulated under a) above and substantially all members shall meet 50% of the

- experience criteria under (b) above i.e. Should have at least 2.5 years of experience. The documentary proof and details as required shall be submitted for all partners.
3. All members (lead and JV) shall meet criteria c) and d).
 4. In case the Consultant intends to associate with other firm(s) in the form of a sub-consultancy, the lead partner shall 100% meet all the shortlisting criteria and the sub-consultant shall meet criteria a) above.

5. 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 Republic of Afghanistan. The consultants are also required to maintain high standard ethics throughout the procurement process.

The consultants can download the Public Procurement Law and Procedure from:

www.npa.gov.af

6. Method of Selection

A Consultant will be selected in accordance with the Quality Cost Based Selection (QCBS) set out in Rule 59 of Procurement Procedures.

7. Submission of EOI

Expressions of interest as per Annexure ‘A’ attached must be delivered in a written form to the address below (in person, by mail, or by e-mail) by **28 June, 2021 at 10:00 AM** (Kabul Local Time).

The EOI with all details should, preferably, not exceed 40 pages in total

Further information in respect to this REOI can be obtained at the address below by email or in person during office hours **[08:30-03:30 Hours]**.

For the purpose of clarifications and submission of EOI, the address is as follows:

Attention: Mr. Imam Nabi Salim

3th Floor, Headquarter of AAA, Shaheed Square, Shar-e-naw, Kabul, Afghanistan

Email: mgr.procurement@flyariana.com, icb.procurement@flyariana.com

Copied to: head.procurement@flyariana.com,

Web site: www.flyariana.com , www.npa.gov.af

The TOR is accessible through direct link: [<https://ageops.net/da/procurement-procedure/announcement/bidding>, <http://www.flyariana.com/Corp/Tenders>]

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: Organization Detail											
I.	Name of the Organization										
II.	Details of the Organization	<ul style="list-style-type: none"> Address of the Registered Office: Telephone: Facsimile: Website: 									
III.	Information about Organization	<ul style="list-style-type: none"> Year of Establishment: Status of the Organization: (Public Ltd./Private Ltd./LLP etc.) 									
IV.	Name and designation of the person authorized	<ul style="list-style-type: none"> Name Designation E-mail Contact Number 									
V.	Annual Turnover for the last three Financial Years	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Financial Year</th> <th style="width: 50%;">Annual Turnover (thousand USD)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td></td> </tr> <tr> <td>2018</td> <td></td> </tr> <tr> <td>2019</td> <td></td> </tr> </tbody> </table>	Financial Year	Annual Turnover (thousand USD)	2017		2018		2019		
Financial Year	Annual Turnover (thousand USD)										
2017											
2018											
2019											
	Number of Personnel										
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 2 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. 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)	Copy Certificate of Incorporation issued by relevant authority in country of establishment	
2	The firm shall have at least five years of experience in the field of audit, taxation and financial advisory preferably in Afghanistan.	Years of experience, copy of all executed contracts shall be submitted.	
3	The consultant shall demonstrate having sound financial situation by submitting audited financial reports or any other credible financial documents in which the consultant annual turnover for any of the last three years (2017, 2018 and 2019) shall be USD 50,000 (Five thousand US Dollars).	Audited financial report/s shall be submitted. In addition, an official contacts of the auditors shall be submitted for inquiry purpose.	
4	The consultant should provide proven experience for a minimum of at least one contract with the value of US\$ 30,000 (Thirty thousand US Dollar) having executed during any of the last 10 years of similar nature indicating the duration and value, which should showcase the expertise/strength of the consultant for the undertaking such assignments. The consultants are required to provide copy of the contract with their EOI.	All information along with copy of executed contract/s shall be submitted.	

Notes:

- 1- Copy of the letter from authorized consultant representative shall be submitted.
- 2- Submission of a Declaration that the firm is not black-listed by any Government agencies in Afghanistan.
- 3- Submission of 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 TOR preparation.
- 4- Submission of Declaration 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. 4 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. 4 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:	
<p>Detailed Scope of services, coverage of the project:</p> <ul style="list-style-type: none"> Consultant should explain in what way the executed assignment(s) was/were similar in 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) 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. 	
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