



## **MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)**

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### **Minutes of Pre-Offer Conference**

**for**

**Consultancy Services for for Independent Audit Services**

**MCA-N/PM/QCBS/016**

**VENUE: MCA-NEPAL OFFICE, HOTEL YAK AND YETI,**  
**DURBARMARG, KATHMANDU**

**6 January 2025**

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## **I. Introduction:**

The Pre-Offer Conference session was called to order by the Senior Procurement Specialist of MCA-Nepal Procurement Agent. He welcomed the attendees and thanked them for attending the conference. Then, he requested all participants to introduce themselves. The Pre-Offer Conference was also conducted via web conference from 2:00 PM (Nepal Standard Time) on 6 January 2025.

## **II. Agenda:**

- Registration
- Welcome by Procurement Agent and Introduction
- Welcome remarks by MCA-Nepal
- Presentation on technical aspects of Request for Offers (RFO) Document
- Procurement Briefing on Request for Offers (RFO) Document
- Questions and Answers – Pre-Offer Conference
- Closing Remarks

## **III. Registration / Attendance:**

The attendance sheet is attached in Annex A.

## **IV. Introduction and welcome by the Procurement Agent**

The Senior Procurement Specialist of the Procurement Agent welcomed the attendees and opened the Pre-Offer Conference session. He notified that the answers provided in the Pre-Offer conference shall be considered as draft answers, and the final answer will be provided in writing. He also stated that it is to be noted that in case of any discrepancy between the presentation and the request for offers (RFO) document, the RFO document will prevail.

## **V. Presentation on technical aspects of Request for Offers (RFO) Document – Technical Presentation:**

Presenting the technical aspects of the project, the Chief Financial Officer (CFO), delivered a technical presentation which includes Types of Funds, Audit Periods, Estimated Planned Disbursements to be Audited (indicative), Overview of Audit Requirements and Deliverables / Reporting Requirements. The presentation is attached as Annex B of this minutes.

## **VI. Procurement Briefing on the Request for Offers (RFO) Document:**

The Senior Procurement Specialist of the Procurement Agent for MCA-Nepal presented the Request for Offer (RFO) document including ITO, GCC and Contract forms which are available in the link provided in the RFO document. He highlighted the key points, particularly those points which consultants typically encounter difficulties so that it will help the prospective offeror to avoid common mistakes in the submission of their proposals. In addition to the points presented during the pre-proposal conference, it was advised to the prospective offerors to review the complete RFO document thoroughly before submitting the Offer.

## **VII. Questions and Answers:**

The participants of the prospective Offerors' representatives were provided the opportunity to ask queries/questions and is noted to the extend possible. The queries raised by the participants were responded by MCA-Nepal Technical, Procurement and Procurement Agent team. The questions raised by the consultants' representatives and MCA-Nepal team responses are presented in Annex C.

## **VIII. Closing Remarks:**

The Procurement Manager of MCA-Nepal thanked the participants for their participation in the Pre-Offer Conference. He also highlighted the important aspects to be taken into account while preparing the technical and financial offer to avoid the any mistakes during the preparation and submission of technical and financial proposals. He further requested the prospective offerors to submit their questions in writing via email stated in the RFO document within request for clarification deadline.

The conference closed around 3:41 PM.

The link to access the video recording of the conference is available in Annex D.

## ***Annexes:***

Annex A: Attendance Register

Annex B: Presentations

Annex C: Questions and Answers

Annex D: Video Recording of the Conference

## Annexes/Attachments

### Annex A

Attendance register  
In-Person Attendance



Pre-Offer Meeting  
Attendance.pdf



Millennium Challenge Account Nepal (MCA-Nepal)  
Pre-Offer Conference Independent Audit Services Ref. No (MCA-N/PM/QCBS/016)  
REGISTRATION SHEET

Date: 06-Jan-25

Time: Starting at 2:00PM

Venue: MCA-Nepal, Lapshi Phedi Hall

S.N.	Name of Organization/Company	Country	Name(s) of Representative	Email	Mobile number	Signature
	MCA-Nepal	Nepal	SAGAR DAHAL			
	MCA-NEPAL	NETAL	MAHEORA K. SHRESTHA			
	PKF TR Upadhyakb.	Nepal	Sanjeew K Mishra	Sanjeew.mishra@pkf.com.np		
	PKF P.R Upadhyakc.	Nepal	Sumitra Rijal	Sumitra.rijal@pkf.com.np		
	MCA-Nepal	Nepal	Tejender Bhatta			
	" "	"	Pushpanjali Dhakal			
	MCA-Nepal	Nepal	Bindu Bhattarai	bindu.bhattarai@nbsm.com.np		
	MCA-Nepal	Nepal	Nirmal K. Khatri			
	NDSM and Associates	Nepal	Sumita Chaudhary	admin@nbsm.com.np		



## **Zoom Registrants:**

### **Zoom Registrants for 'Pre-Offer Conference:**

<b>Registrants for 'Pre Offer Conference_Independent Audit Services'</b>	
<b>S.N.</b>	<b>Registrants</b>
1	Milan Basnet
2	Binita Poudel
3	Uddhav Acharya
4	Shashi Satyal
5	Aman Uprety
6	Bhawani Gnawali



## **Annex B**

### **Presentations**



250106\_Pre-bid\_Presentation\_V03.pptx



MILLENNIUM  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA



## Pre-offer Conference

6 January 2025

# Procurement of Independent Audit Services

## MCA-N/PM/QCBS/016

Deadline for submission of Offers: 14 January 2025



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# Quick Briefing on Audit Requirements



# Types of Funds

## 1. MCC Funding divided into below funds:

- I. **Initial Engagement Fund (“IE Fund”)** is part of the Initial Engagement Technical Assistance Grant Agreement signed on May 24, 2015, and disbursement from this fund started from November 2015. (Fund closed now)
- II. **Compact Development Fund (CDF)**, is part of the Amended and Restated 609(g) Agreement signed on July 20, 2016, and disbursement from this fund started from September 2016. (Fund closed now)
- III. **Compact Facilitation Fund (CFF)**, is a part of the Compact Agreement signed on September 14, 2017, and disbursement from this fund started from August 2018. After Entry Into Force (EIF) on 30 Aug 2023, balance in this fund has been rolled over to Program Funding.
- IV. **Program Funding** is also a part of the Compact Agreement signed on September 14, 2017. Disbursement from this fund has started from “Entry-Into-Force” on 30 August 2023. (Current source of fund)

## 2. Government Contribution further divided into below:

- I. **Government Funding for CDF** is related to the amendment of 609(g) Agreement signed on July 20, 2016. Disbursement from this fund started from September 2016. (Fund closed now)
- II. **Government Contribution for the Compact** is related to the Compact Agreement signed on September 14, 2017. Disbursement from this fund started from November 2019 (Current source of fund)



# Audit Periods

Base/Option Period	Audit Period Covered	
	From	To
Base Period	April 01, 2024	March 31, 2025
Option Period 1	April 01, 2025	March 31, 2026
Option Period 2	April 01, 2026	March 31, 2027



## Estimated Planned Disbursements to be Audited (*indicative*)

Contract Periods	Audit Periods	US \$ in millions		
		Program Funding	Government Contribution	Total Fund to be Audited
Base Period	April 01, 2024 to March 31, 2025	33.20	29.28	62.48
Option Period 1	April 01, 2025 to March 31, 2026	138.98	42.32	181.30
Option Period 2	April 01, 2026 to March 31, 2027	196.88	27.21	224.09
<b>TOTAL</b>		<b>369.06</b>	<b>98.81</b>	<b>467.87</b>



# Overview of Audit Requirements

1. Audit to conduct in accordance with the U.S. Government Auditing Standards (GAS) <https://www.gao.gov/products/GAO-18-568G> and Guidelines for Financial Audits Contracted by the Millennium Challenge Corporation's Accountable Entities ("AE Audit Guidelines") <https://www.mcc.gov/resources/doc/guidelines-for-financial-audits-contracted-by-foreign-recipient>
2. Financial audit of all sources of funds (MCC and GoN) under the Compact Agreement, Project Implementation Agreement (PIA), 609(g) Agreement, IE Agreement, and Supplemental Agreements
  - Review of contracts
  - Audit of Funds Accountability Statements (FAS) – this is generated by our Fiscal Agent Team
3. Review and evaluate the MCA's internal control
4. Follow Up on Prior Audit Findings and Recommendations
5. Assessing MCA's Information System (IS) Controls



# Overview of Audit Requirements

6. Closeout Audit – audit during compact closeout will require additional scope

7. Additional On-Call Audit Services maybe required.

- On-Call Audits of Covered Providers; and
- On-Call Audits of Grantees, Contractors, Service Providers, or other Recipient Organizations

8. Deliveries / Reporting Requirements

- D1. Planning Documentation and Entrance Conference
- D2. Draft Audit Report and Exit Conference and Reporting Requirements
- D3. Final Audit Report





# Deliverables / Reporting Requirements

No.	Deliverables / Reporting Requirements	Deliverables Due Date
1	<b>Audit Planning Document</b>	<b>For Base Period: 30 calendar days after the commencement of the audit service</b> <b>For each Option Period: 30 calendar days prior to the end of the audit period to be audited</b>
2	<b>Draft Audit Report and ML</b>	<b>Draft Audit Report and Management Letter (if applicable) to MCA within 120 days after the end of each audit period</b>
3	<b>Final Audit Report and ML</b>	<b>Ten (10) calendar days after the MCC No Objection of the Draft Audit Report</b>



***Roads and Electricity, Way to Prosperity***

## Annex C

### Questions and Answers

SN	Questions	Answers
<b>Questions raised via in person participation:</b>		
1.	Is Government Contribution consider as cost sharing portion to the compact?	Yes
2.	Does the Govt. contribution includes both cash/kind contribution?	Only cash. So far only cash has been considered.
3.	Is the total budget of USD 38000 for just base period?	The budget estimate prepared by the MCA-Nepal team and mentioned in the Request for Offers (RFO) document is for the complete assignment including Base Period as well as Option Periods. It is the total for the entire 3 audit periods.
4.	How have the budget segregation done for Base and option periods?	This has not been disclosed.
5.	Is there any further criteria to obtain higher score than meeting criteria?	To obtain the higher score, the consultant has to exceed the requirement in each criterion. For details please refer 3.6 Technical Evaluation Framework under Section III.
6.	What does Tax returns refers to? Is it tax filing evidence or submission of 3 years financial statements or tax clearance certificates or Audited financial statements?	Tax return includes the submission of audited financial statements also. So, once you have financial statements audited, you need not to submit tax return filing. The 2 <sup>nd</sup> alternative where financial statements are not audited, the purpose of tax return filing is to see the turnover and tax deposited amount based certified unaudited financial statements.
7.	What does home and field refer to in Tech 7?	Home means the work at the consultant's office and MCA-Nepal office. Field means: Site visit outside Kathmandu Valley.
8.	Can referee be from the client side?	Yes. The clients of the past projects/assignments could also be the referees.
9.	Can compliance with Sanction certificate be attached with Proposal?	Yes. Please refer Tech-12.  The form is to be submitted to the Accountable Entity's Procurement Agent ( <a href="mailto:MCANepalPA@dt-global.com">MCANepalPA@dt-global.com</a> ) at the time of Offer submission, and to the Fiscal Agent thereafter ( <a href="mailto:Babken.Mnatsakanyan@dt-global.com">Babken.Mnatsakanyan@dt-global.com</a> ) with a copy to MCC at: <a href="mailto:sanctionscompliance@mcc.gov">sanctionscompliance@mcc.gov</a> .

SN	Questions	Answers
		In addition, you also include it with your Technical Offer.
10.	What will be the duration for obtaining MCC NO for the final audit report for the payment?	It depends on the quality of the report. If everything is okay, it normally takes 2 weeks to get MCC NO.
11.	How can the proposal foresee/forecast for the cost for on call auditt services?	The on call services shall only be requested if MCA-Nepal will require such services. In this case, the rate provided in the form FIN-4 shall be used and reasonable input shall be agreed between MCA-Nepal and the Consultant/Auditor.
12.	Is site visit part of the audit?	It is up to consultant approach and methodology, to determine whether the field visit is required or not. However, please note that all costs related to this assignment shall be included in the offer price.
13.	How and where the audit for Government funds will be done? Does visit to government offices be required?	Audit for the Government Fund is done at MCA-Nepal office. No visit to Government offices is required.
<b>Questions sent via Zoom message:</b>		
1.	Will you provide word versions of the templates?	The template will be shared to all the prospective offerors via separate email.
1.	You need to mention only the short form of the firm name or the full name in the file name	Both short and long forms of the firm name are acceptable.  Please do not miss to include “Tech Pro” for the Technical Offer and “Fin Pro” for Financial Offer.
2.	Will you provide the list of sites that MCA is operating in? that auditors need to visit	Please refer to MCA-Nepal official website for its project locations and activities.

**Annex D:**

**Video Recording of the Conference**

<https://www.dropbox.com/scl/fo/595r20n9jtm1xzklgzq63/AGYPM1tcPZL72iVPglHsfew?rlkey=lnodyvsej92osli81ssxjjda9&st=vaz9b8vt&dl=0>