



# AUDITOR FOR RETHINKING RECYCLING PROGRAM

Request for Proposal (RfP)

## REQUEST FOR PROPOSAL

### External Auditor for Delterra's Rethinking Recycling Program

#### General Information

##### Organization Overview

Delterra, Inc is an independent non-profit organization founded in 2018 by the global consultancy McKinsey & Company. Delterra's mission is to redesign human systems to benefit both people and the planet by developing innovative, scalable solutions. As of 2023, we are reimagining and redesigning waste management and recycling systems in Argentina and Indonesia and expanding into Brazil.

Yayasan Delterra Sosial Indonesia, a local independent entity under Delterra, is requesting proposals from interested parties to deliver yearly audited financial statements and related filings for a one-year period, for fiscal year ending December 31, 2024 as well as possible single audits for grant funding.

##### Program Overview

Yayasan Delterra Sosial Indonesia focus carry out programmatic activities called Rethinking Recycling within Indonesia in general, specifically in Denpasar - Badung, Bali. To boost the run of all activities on the ground, the organization was funded and has been supported through seed funding and in-kind donations by the management consultancy McKinsey & Company. We also funded by several funders which has partnership with Delterra, Inc, such as Minderoo Foundation, Wal-Mart, and Windward GMH.

In Denpasar, our programmatic have successfully intervened at the village-level waste management systems, learning what it takes to optimize decentralized mini-Material Recovery Facilities (MRFs), which we refer to as *Tempat Pengolahan Sampah Reduce-Reuse-Recycle* or TPS3Rs. In 2024, we are no longer engaging only with TPS3Rs but also with all players in the system, primarily mid-sized MRFs, which we refer to as *Tempat Pengolahan Sampah Terpadu* or TPSTs, waste banks and independent waste collectors. Our main aim is to expand access to waste management services from around 170,000 to all 600,000 people in Badung Regency within three years. This initiative aims to reduce residual waste going into the landfill and the environment.

As a proof-of-concept, we are engaging with 5 villages with TPS3Rs with a total population of approximately 3200 households and 1 TPST in Badung to test our interventions at this unit of scale. By the end of 2024, we will scale our interventions to the rest of Badung's villages, potentially intervening with up to 20 villages with TPS3Rs with a total population of around 30,000-45,000 households.



The Rethinking Recycling program offers training and monitoring programs for participations from the village stakeholders. The key topics cover formulation on the institutional, behaviour change, data collection, processing and offtake, finance sustainability, and expansion strategy. As we aim to intervene with additional villages and mid-sized MRF, we do baselining conditions before intervention. A comprehensive baseline enables us to tailor interventions effectively to meet the specific needs to optimize waste management system, ensuring the success and impact of our waste management and our program.

## Proposal Information

### Purpose of RFP

This Request for Proposal (RFP) is specifically designed to connect with potential partners who can conduct a financial audit 2024 in accordance with International Financial Reporting Standards (IFRS)/ International Standard on Auditing (ISA), United States General Accepted Accounting Principles (US GAAP) as well as Indonesian Standard on Auditing for Foundation/ Yayasan *or Standar Akuntansi Keuangan untuk Entitas Tanpa Akuntabilitas Publik (SAK ETAP)*. The US GAAP as the Global audit may include adjustments that impact Yayasan. This is crucial for the selected partner to liaise with Global headquarters management and staff, outside third-party consultants, and global auditors conducting US GAAP based audits.

Partner who selected will submit a reporting package to Yayasan Deltterra Sosial Indonesia consisting of financial statements including note disclosures, audit report and management letter prepared according to the Indonesian Financial Accounting Standards for Non-Publicly-Accountable Entities (SAK ETAP). Also expected to confirm to the Deltterra's funders selected auditor in writing familiarity with those principles, rules and compliance therewith.

Additionally, requested to confirm to Deltterra's funders selected auditor in writing the accounting policy used, if requested. Below are the point of services Deltterra requires:

- The 2024's Financial Statement Audit
- Management letter
- Grant Audit (if Necessary)

### Who May Respond the RFP

We are seeking proposals from public accountant with a **proven track record** in financial audit, preferably in the fields for Non-profit audit. The ideal candidates should demonstrate expertise in IFRS/ISA, US GAAP, and SAK ETAP. Proficiency in database management, security data confidentiality from client, and keen to understanding the complexity of client financial report.

### RFP Timeline

RFP Process	Date*
Proposal Submission Deadline	August 31 <sup>st</sup> , 2024
Internal Evaluation Process	September 1 <sup>st</sup> - 16 <sup>th</sup> September 2024
Notification of Award	September 30 <sup>th</sup> , 2024
Audit kick-off	November 1 <sup>st</sup> , 2024

*\*There might be some changes during the process*

- Phase I: the 2024's interim financial audit with due on 31 December 2024
- Phase II: the 2024's financial audit of Yayasan Deltterra Sosial Indonesia, with due on 31 March 2025

In your proposal, please structure your budget proposal in line with the scope of phase 1 and phase 2.

## Proposal Submission

Please send your proposal [maung@delterra.org](mailto:maung@delterra.org); [inten@delterra.org](mailto:inten@delterra.org) and [admin.indonesia@delterra.org](mailto:admin.indonesia@delterra.org) by 31<sup>st</sup> August 2024 at latest. We will accept any clarifying questions until 30<sup>th</sup> August 2024. Please note that any questions and answers can be made public to other bidders, if relevant. The selected vendor will be notified by 30<sup>th</sup> September 2024 and will be asked to respond to final negotiation requests and questions based on the review provided by the team.

- The selection of a vendor will be made based on experience and qualifications; ability of proposed approach to meet the needs of the organization and cost effectiveness.
- The criteria set forth in this RFP will inform the final selection made by the project team.
- It is the responsibility of the vendor submitting a proposal to ensure that the proposal is delivered on time. Any proposals received after the deadline will not be considered.

The Project Team reserves the right to reject any or all proposals with or without cause

## Right to Reject

Delterra reserves the right to reject all proposals received in response to this RFP. A contract for the accepted proposal will be drafted based upon the factors described in this RFP.

## Notification of Award

It is expected that a decision selecting the successful institutions will be made within one (1) week of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful institutions, all offerors submitting proposals in response to this RFP will be informed via email of the decision.

## Audit Timeline

The partner selected will be responsible for providing data request for audit inquiry to Yayasan with detail information on the purpose of the request. Partner selected are required to develop and submit a workplan to achieve this objective.

Activity	2024					2025		
	August	September	October	November	December	January	February	March
Proposal Process								
Engagement Letter								
Audit Kick off								
Interim Audit								
Fieldwork								
Audit final discussion								
Financial Statement Release								

## **Proposal Instructions**

The proposal must be no more than 10 pages, single spaced, 1” margins, with an additional appendix of up to a total of an additional 8 (as an example) pages can be included. Information that can be included in the appendix instead of the main body of the proposal are asterisked (\*) below.

1. **General Information** *(please include a cover sheet with the following information)*
  - a. Name of institutions
  - b. Contact person
  - c. Title
  - d. Mailing address
  - e. Telephone number
  - f. Email
  - g. Website
  - h. NPWP (Tax ID)
  
2. **Organizational Overview and Qualifications**
  - a. Describe the firm, professional history, and scope of practice.
  - b. Explain how the firm is a good fit with our organization.
  - c. Evidence of the firm’s qualifications to provide accounting standard inquired.
  - d. Names of the partner, audit manager, and field staff who will be assigned to this project and provide biographies.
  - e. A copy of your firm’s most recent peer review report, the related letter of comments, and the firm’s response to the letter of comments.
  
3. **Proposed Work Plan and Timeline** *(please provide the following descriptions)*
  - a. Proposal to fulfil the scope of work and deliverables noted above;
  - b. Outline of key steps and persons responsible, including each assigned team member’s experience, and level of effort and supervision required;
  - c. Your preferences and expectations, including communication response times, when working with clients;
  - d. Your proposed methods for ensuring data cleanliness, accuracy, and reliability;
  - e. Your plans for force Majure condition;
  - f. Specific expectations from Delterra as a client.
  
4. **Project Management and Fees** *(please provide the following)*
  - a. Audit process management detail that may inform how the communication being conducted, data exchange platform which tracks the progress and escalation;
  - b. Measures and reports to be used to keep project on track & demonstrate fulfilment of expected finalization audit;
  - c. Proposed fee structure for the first year, as well as the subsequent four years, including whatever guarantees can be given regarding increases in future years, and the maximum fee that would be charged;
  - d. Statement of the firm’s understanding of work to be performed, including tax and non-audit services;
  
5. **References** *(please provide the following references)*
  - a. List of clients for whom institutions have provided similar contracted services.
  - b. Contact information for 3 specific professional references clients, for whom the institutions have provided similar services.

## **Additional Terms**

### **Reservation of Rights**

During the evaluation process, Delterra reserves the right to request additional information or clarifications from offerors. The costs of developing proposals are entirely the responsibility of the vendor and shall not be charged in any manner to Delterra.

### **Applicant Rights**

Please note that all materials submitted in response to this RFP become the property of Delterra upon delivery and shall be appended to any formal documentation, which would further define or expand the contractual relationship between Delterra and the contracted vendor. Each applicant agrees that the contents of every other proposal submitted by other applicants with respect to this RFP are confidential and proprietary and waives any right to access such proposals during the RFP process. No submissions or supporting documentation will be returned to the submitting applicant.

### **Expenses**

Travel expenses and accommodation during the site visit, implementation supervision and assistance for offerors outside Bali, should be calculated separately based on the suitable number of visits and upon agreement.

### **Terms of Payment**

Any formal agreements or terms of payment will be established exclusively with the final selected implementation partners. The specifics of payment terms, tax imposition, and any other related arrangements will be subject to negotiation and will be detailed in the contract that is mutually agreed upon with the chosen partner. We look forward to engaging in productive discussions with our selected partners to ensure a fair and beneficial collaboration for all parties involved.

## **Proposal Evaluation**

### **Submission of Proposals**

Proposals shall be submitted via email to the previously listed email address no later than August 31<sup>st</sup>, 2024.

### **Evaluation Procedure and Criteria**

Delterra's Project Leads, Program Managers, and Operation Global Director will review proposals and make recommendations for final approval. Delterra may request a meeting with some qualified offerors prior to final selection.

Proposals will be reviewed in accordance with the following criteria:

1. Experience and track record
  - a. Offeror experience with similar work
  - b. Level of experience for individuals proposed,
  - c. Testimonials from references
2. Relevancy Standard Financial Report
  - a. Ability to master the financial standard of IFRS/ISA, US GAAP, and SAK ETAP.
  - b. Experiencing on Non-Profit financial audit.
3. Management approach
  - a. Clarity on management approach proposal, including communication channels and reporting mechanisms.
  - b. Proposed methods for ensuring data accuracy and reliability.
  - c. Protocols for IP, security and confidentiality database.
4. Cost approach:
  - a. Clarity and transparency in cost breakdowns.
  - b. Competitive pricing relative to the proposed scope of work.
  - c. Value-added services or cost-saving measures offered by the vendor.