

Request for Proposal

EXTERNAL QUALITY ASSESSMENT OF THE INTERNAL AUDIT FUNCTION

Dear Sir / Madame,

Union Bank invites you to participate in the procurement process for “External Quality Assessment of the Internal Audit Function”.

The purpose of this Request for proposal is to accept, evaluate and select the best Proposal that meets the Bank's requirements for this process, according to the requirements listed in this request for Proposal.

The proposals will be evaluated in accordance with the selection criteria below that will determine the winning bid:

- Technical Proposal.
- Evaluation based on the best and final offer for the requested service/s.

Thank you in advance for your reply and best regards,

Signed by:

Mrs. Suela Bokshi

COO and Member of Executive Directorate

Marika Martiri

Head of Administration Department

Date issued 26 November 2024

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1. ABOUT UNION BANK

Union Bank (hereinafter “the Bank”, or “UB”) is a financial institution registered as a commercial bank on 9 January 2006.

The Bank operates through a network of 32 branches and provides banking services to individuals and companies in the territory of the Republic of Albania.

The internal audit department is established to provide independent, objective assurance designed to add value and improve Union Bank’s operations. The department is composed of 7 staff, 1 head, 2 senior auditors and 4 auditors. The Head of Internal Audit reports functionally to the Board of Directors and Audit Committee, and administratively (i.e., day-to-day operations) to the Chief Executive Officer.

For further information regarding the Bank’s activities, size and financial situation, please visit our website: www.unionbank.al

2. REQUEST FOR PROPOSAL OVERVIEW

Union bank issues this Request for Proposals (RFP) to solicit proposals from qualified entities (Proposers) to conduct an **External Quality Assessment of the Internal Audit Function**.

The objective of the external assessment is to evaluate an internal audit activity’s conformance with The Global Internal Audit Standards (2024 Standards).

The selected entity will meet with the Audit Committee at least for the introduction and reporting the results of the activity performed.

Full scope of Work Requirements can be found in section 4: “Scope of Services”.

3. REQUEST FOR PROPOSAL TIMELINE

<u>Date</u>	<u>Event</u>
November 26, 2024	RFP Issued
December 6, 2024	Deadline for submitting questions, clarifications,
December 12, 2024	Deadline for the Bank to submit the answers
January 20, 2025	Deadline for bidders to submit proposals
February 19, 2025	Deadline for the Bank to Notify selections
March 3, 2025	Contract sign off

Proposals must be submitted by the indicated deadline, to the following e-mail address: procurement@unionbank.al

The proposal format must contain the list of documentation included in Annex.

4. SCOPE OF SERVICES

The external quality assessment should include a comprehensive review of the adequacy of the internal audit functions, regarding:

- Conformance with the Global Internal Audit Standards (Published January 2024)
- Mandate, charter, strategy, methodologies, processes, risk assessment, and internal audit plan.
- Compliance with applicable laws and/or regulations.
- Performance criteria and measures as well as assessment results.
- Competencies and due professional care, including the sufficient use of tools and techniques, and focus on continual development.
- Qualifications and competencies, including those of the Head of Internal Audit role, as defined by the organization's job description and hiring profile.
- Integration into the organization's governance processes, including the relationships among those involved in positioning the internal audit function to operate independently.
- Contribution to the organization's governance, risk management, and control processes.
- Contribution to the improvement of the organization's operations and ability to attain its objectives.
- Ability to meet expectations articulated by the Audit Committee and Board.

5. EXPECTED OUTCOMES AND DELIVERABLES

The result of the assessment should be formalized into a final report and include any findings/issues, audit team responses, remediation/action plans, and corresponding commitment dates.

A Gap Assessment designed to identify any gaps between current practices and the new Standards and provide a roadmap for successful implementation.

6. REQUIREMENTS

Experience:

- The team leader has to be a duly certified professional auditor, with at least 10 years of post-qualification audit experience at a senior managerial level and has led at least three external quality assessments.
- The team leader should have experience that is comparable to that of the

CAE of the internal audit activity being assessed.

- Each team member should have a thorough understanding of current internal audit practices and the Global Audit Standards and its application, sound judgment and good communication and analytical skills.

Objectivity:

The full external assessment team should objectively consider the expectations of the BOD, audit committee, CEO, CAE and other stakeholders deemed relevant; the audit structure; and the policies and procedures of the organization and the internal audit activity.

To ensure freedom from bias in the full external assessment, there should not be any relationship, either directly or indirectly, between the organization and the full external assessment team that is, or appears to be, a conflict of interest.

The team should be ready to report and interact with Audit Committee but also with Board if required, interact with the contact person in the Bank as frequently as needed.

The team should be ready to interact and collaborate with the internal audit team.

Replacement of candidates for this assignment will not be allowed except in extreme cases and the new candidates should possess the same educational qualifications and experience or higher than their predecessors and with the permission of Union Bank.

7. TIMELINE

The duration of the contract will be for 3 months from appointment date.

The Quality Assessment is expected to be conducted and completed in three main phases:

Phases Description

Phases	Description
1	Kick off Meeting
2	Fieldwork
3	Meeting for finding discussion and acceptance
4	Draft package of deliverables
5	Exit Meeting and action plan acceptance
6	Final Report presentation with Audit Committee and/or BOD as requested

8. SUBMISSION REQUIREMENTS

The proposals must consist of the following three parts:

PART A: Compliance documents

PART B: Technical proposal

PART C: Financial proposal, with and without applicable taxes and other charges.

PART A: Compliance documents

Bidders will be required to submit the following compliance documents and information:

- Letter of interest and administrative information / service provider profile (mailing address, phone number of designated point of contact).
- Attestation by assessment team members that they have no conflicts of interest, in fact or appearance.
- Description of practices applied for confidentiality of information and data protection, and respective staff trainings on this subject.
- Declaration of any legal case, regulatory and / or fiscal disputes in the last three years.
- Certificate issued by the Institute of Internal Auditors (CIA) for at least one member of the assessment team.
- Contract template

PART B: Technical proposal

- Organization description and qualifications.
- Proposal summary (highlights, key features of the proposal).
- CV-s of all staff proposed to take part on the implementation of required services and their availability for the duration of the assignment. Any change of the staff during implementation will have to be accepted by the bank as well. (CV Bank Template to be used)
- List of similar engagements performed in the last three years (include information regarding industry and client location).
- Detailed description of the methodology you will follow, number, type (name) of resources to be used in site and off-site for this project as well as the indicative timing.
- Timeline of quality assessment and reporting.
- Describe the proposed criteria for sample selection of the audit engagements to be reviewed.

PART C: Financial proposal

- The financial quotation for the implementation of the required services as per the scope of work defined in section 4, with and without applicable taxes and other charges.
- Proposed payment schedule.
- * Declaration for supporting on procedures for avoidance of double taxation.

*** Note:** For the interested companies that are non-resident in Albania, to calculate properly the taxes that the Bank will pay to local tax authorities, we are asking you to confirm if your company is going to support or not the Bank on the procedures for the avoidance of the double taxation procedure. By this, we can declare to the local tax authorities that the procedure will be followed in case your proposal will be selected as Winner of this process.

If you'll support us on this process, we'll need a scanned copy of the certificate of residence and the original hard copy version to be provided later. The other documents listed as Appendix II, can be completed in a second moment once the payments have been completed from the Bank.

With the winner will be stated in the Agreement that will be signed that will support on this procedure.

Currency of the proposal shall be in EUR, to be specified VAT and / or any other applicable tax included or not.

TERMS AND CONDITIONS

Subcontracting will NOT be allowed during the realization of the contract, except with prior Bank approval. In case verified, it will lead to immediate interruption of the Contract.

The Bank reserves the right to continue the process with the Bidder that will better match the bank's expectations in terms of both technical and financial parameters.

To ensure same level of information for all participants, whatever answer or additional clarification that the Bank will give to one of the interested companies, will be shared with the rest of the participants in this process.

The Bidder is obliged to provide truthful and honest information through bidding process and shall submit to the Bank any proof that may be requested. Failure to honor these criteria shall be considered as valid ground to disqualify the bidder from the process.