



# RFP-AFI-2026-09

## Request for Proposal

---

### Provision of External Audit Services for AFI

Data	Specific Instructions / Requirements
RFP Issuance Date	14 May 2026
Proposal Submission Deadline	12 June 2026
Notification of Shortlisted Firm	31 July 2026
Notification of Award Decision	30 September 2026
AFI Contact Details (submitting questions & proposal)	Procurement & Contract Office E-mail address dedicated for this purpose: <a href="mailto:RFP2609@afi-global.org">RFP2609@afi-global.org</a>



## **A. BACKGROUND:**

### **The Alliance for Financial Inclusion**

The Alliance for Financial Inclusion (AFI) is a global policy leadership alliance that works to advance financial inclusion. A member-owned network of central banks and financial regulatory institutions in 83 countries, AFI connects and enables policymakers to develop effective initiatives to advance financial inclusion.

Over the last 15 years, AFI members have introduced 1,130 financial inclusion policies, and financially included 1 billion people.

AFI's philosophy is based on two key principles: that policies and regulations should be tailored to the country context, and that inclusivity should be at the center of the design of policy solutions. AFI's cooperative model accelerates progress via knowledge exchange and peer-to-peer engagement. Through AFI Working Groups, Regional Initiatives, Knowledge Products and Capacity Building events, members connect, exchange and share insight in order to develop and implement effective policies.

## **B. THE ASSIGNMENTS:**

This Terms of Reference ("ToR") covers three separate assignments. The expected deliverables are:

COMPONENT 1: Statutory Financial Audit

COMPONENT 2: Project Audit for The Government of the Federal Republic of Germany "BMZ MD-PIF Phase II"

COMPONENT 3: Project Audit for potential future funders, currently under proposal development stage.

This engagement is a one (1) year contract with options to renew for another two years, subject to annual review. Proposer may participate in all three (3) COMPONENTS or two (2) COMPONENTS or single COMPONENT. Kindly refer administrative information below.



## **COMPONENT 1: Statutory Financial Audit**

### **1.1 Background**

AFI transitioned to become an independent organization owned and supported by its members in 2015. AFI registered in Malaysia as an international organization under the International Organizations (Privileges and Immunities) Act 1992, and our official independence being declared on 27 January 2016. AFI's operations and programs are funded through membership subscriptions and donor contributions.

As part of AFI's strong governance framework, an annual statutory financial audit is to be conducted after its financial year end of 31 December.

### **1.2 Overall objective:**

The objectives of the audit are to examine in accordance with approved standards on auditing in Malaysia and report to the members of AFI on the financial statements. The auditor shall report to the members of AFI whether in its opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS") and IFRS Accounting Standards, to give a true and fair view of the financial position of the Organization as at the date of balance sheet and of its financial performance and cash flows for the financial year.

### **1.3 Scope of Work:**

The audit shall be conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). The auditor shall plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement and to issue an auditors' report that includes its opinion.

The audit shall include:

- 1.3.1 Identify and assess the risks of material misstatement of the financial statements of the Organization, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of its opinion.



- 1.3.2 Obtain an understanding of internal control including Information Technology General Control “ITGC” relevant to the audit in order to design appropriate audit procedures.
- 1.3.2 Obtain an understanding of the systems of book-keeping and accounting in order to assess their adequacy as a basis for the preparation of the financial statements and to establish whether proper accounting records have been maintained.
- 1.3.4 Evaluate the appropriateness of accounting policies used, reasonableness of accounting estimates and related disclosures made by the Management Unit.
- 1.3.5 Conclude on appropriateness of the Management Unit’s use of going concern basis of accounting and based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern.
- 1.3.6 Evaluate the overall presentation, structure and content of the financial statements of the Organization, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 1.3.7 Communicate to the Audit Committee and Management Unit regarding the planned scope and timing of the audit, any significant audit findings, including any deficiencies in internal control identified during the audit.

#### **1.4 Deliverables:**

The Audit Firm will be required to produce:

- 1.4.1 Draft audited financial statements. The audited financial statements comprise statements of financial position, statement of income and expenditure, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- 1.4.2 An Independent Auditor’s Report to the members of AFI and express its opinion whether the financial statements give a true and fair view of the financial position as at the financial year end, and of its financial performance and cash flows for the financial year in accordance with Malaysian Financial Reporting Standards (“MFRS”) and IFRS Accounting Standards.
- 1.4.3 Auditor is also required to submit a management letter that discloses all significant audit findings and other findings, as well as weaknesses identified during the audit process. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order.



If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a management letter, an explanation of this assessment must be disclosed in the presentation of findings to the Audit Committee and Management.

Measures taken by the organization to address weaknesses identified in previous audits shall also be presented in the management letter.

### 1.5 Timelines:

This work would be undertaken between November 2026 and February 2027. The key timelines are summarized in the table below:

Deadlines	Deliverables by the Auditors
30 <sup>th</sup> Nov 2026	Completion of preliminary field work
15 <sup>th</sup> Feb 2027	Completion of final field work
1 <sup>st</sup> Mar 2027	Furnish draft audited financial statements
According to Audit Committee meeting timeline	Attend Audit Committee meeting to present audited financial statements and weaknesses in control identified in the management letter and respond to any queries from the audit committee
According to board meeting timeline	Signed independent auditor’s report and express opinion on the financial statements

**NB: Please note that we would expect a few rounds of review and minor revisions to the draft audited financial statements for each iteration.**

## **COMPONENT 2: Project Audit for The Government of the Federal Republic of Germany “BMZ MD-PIF Phase II”**

### **2.1. Background:**

AFI wishes to engage the services of an audit firm for the purpose of auditing its BMZ MD-PIF Phase II funded projects. AFI was awarded a grant, by the Government of the Federal Republic of Germany “MD-PIF Phase II” to be used exclusively for the implementation of a project titled AFI Multi Donor Financial Inclusion Policy Implementation Facility “MD-PIF”, for the period from January 2026 to December 2027.



## **2.2. Overall objective:**

AFI is required to engage an external audit firm to verify that advances paid into the Project Account have been used in accordance to the terms of the grant agreement under the BMZ MD-PIF Phase II funded project, per grant agreement.

## **2.3. Scope of work:**

The audit shall be conducted in accordance with international auditing standards issued by International Auditing and Assurance Standards Board (IAASB). The verification of expenses/ audit to be performed by the External Audit Firm will be required to:

- 2.3.1 Ensure eligibility of total expenditures.
- 2.3.2 Ensure the requirements listed in the approved budget with funder have been fully followed.
- 2.3.3 Ensure the costs reported in Financial Report refer to expenditure paid within the eligibility period of the project, as described in the approved budget.
- 2.3.4 To test the receipts and payments are accurately recorded in the project's accounting system (according to GAAP), expenditure in currencies other than USD is correctly converted, the necessary audit trail exists for all activities, providing evidence in the form of contracts, invoices and payment records.
- 2.3.5 To test that the services, supplies and works have been procured on the basis of transparent processes and in compliance with national and internal rules; sound controls have been evaluated before the final decision has been made on service provider, supplier or works contractor.
- 2.3.6 For travel expenses and allowances, to test the reported costs are in compliance with the internal rules and the necessary evidence exists in form of participation lists, the travel allowance policy of the organization, original passenger receipts, boarding passes or other documents.
- 2.3.7 For salary costs, to test the reported costs are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.
- 2.3.8 Tested that there is evidence that the reported activities have taken place, delivery of services and goods, and works have been completed and that the expenditure refers to activities listed in the approved budget.
- 2.3.9 Examine whether foreign exchange gains/ losses are disclosed as a separate item in the financial report.
- 2.3.10 Verify unspent balance at the end of the financial year against accounting records and its supporting documentation.
- 2.3.11 Review whether there are signed agreements for sub-grants issued to member institutions; ensure same requirements for reporting exchange rate gains and losses as stipulated in Sida agreement are in sub-grants agreement.



**2.4. Deliverables:**

The Audit Firm will be required to provide an independent auditor’s report in accordance with the format in standard ISA 800/805 and the auditor’s opinion shall be clearly stated. The independent auditor’s report shall clearly stipulate that the audit has been conducted in accordance with ISA 800/805.

Auditor is also required to submit a management letter that discloses all significant audit findings and other findings, as well as weaknesses identified during the audit process. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a management letter, an explanation of this assessment must be disclosed in the audit report.

Measures taken by the organization to address weaknesses identified in previous audits shall also be presented in the management letter.

**2.5. Timelines:**

The scope of this audit is designated for one month. The key timelines are summarized in table below.

Deadlines	Deliverables by the Auditors
19 April 2027	Commencement of audit field work
30 April 2027	Completion of project audit field work
14 May 2027	Submit draft independent auditor’s report and recommendations
31 May 2027	Submit signed independent auditor’s report, attach with financial report and recommendation measures

**COMPONENT 3: Project Audit for potential future funders for verification of Project Costs**

**3.1. Background:**

AFI wishes to engage the services of an audit firm for the purpose of auditing projects funded by potential future funders.



As these funding arrangements are currently under proposal development stage and have not yet been finalized, the detailed scope of work will be defined at a later stage, subject to the specific requirements and conditions of the respective funders. Scope of work under Component 2 can be used as reference.

**C. QUALIFICATION:**

- A qualified and registered audit firm in Malaysia with minimum 10 years of establishment;
- Part of an international network or with international affiliation;
- The key audit team will comprise, at least:
  - a) An audit partner and audit manager with at least 7 to 10 years' experience in auditing. In addition he/she should be a member of a recognized accountancy professional body;
  - b) A designated quality reviewing partner for the audit;
  - c) An assistant auditor with at least 2 - 3 years' experience in auditing; and
  - d) An auditor with IT audit experience and qualifications as part of the ITGC audit.

**D. COMPETENCY:**

- Strong technical acumen including conducting of audits under International Standards on Auditing ("ISAs") and financial statement audits based on IFRs;
- Strong communication and interpersonal skills;
- Appropriate professional judgement to produce high-quality audit.
- Experiences with development agencies and/or non profit organizations and similar set-up with AFI.

**E. REPORTING**

Throughout the contract period, the awarded company/ies will be reporting to AFI's Head of Finance. The contract will be with the audit firm(s) with specific names of the team member(s) that would be working on the assignment.



**F. PAYMENT TERMS**

The payment terms/schedule proposed are as following:

<b>Deliverables</b>	<b>Percentage</b>
<b>Component 1: Statutory Financial Audit</b>	
Interim Billing: Furnish draft audited financial statements	30%
Final Billing: Furnish signed independent auditor’s report and express opinion on the financial statements	70%
<b>Component 2: Project Audit for The Government of the Federal Republic of Germany “BMZ MD-PIF Phase II”</b>	
Final Billing: Furnish signed independent auditor’s report, attach with financial report and recommendation measures	100%
<b>Component 3: Project Audit for potential future funders</b>	
Final Billing: Furnish signed independent auditor’s report, attach with financial report and recommendation measures	100%

**G. ADMINISTRATIVE INFORMATION**

**1.1 Disclaimer**

The final decision on selection of consulting firm(s) for this project rests with AFI management team and with the Inquiry. Only shortlisted and successful firm(s) will be contacted.

**1.2 Proposal Submission Information**

Proposals will be due with the following requirements for submission:

<b>Documents to be submitted with Annexure 1:</b>	
<b>Firm:</b>	<ul style="list-style-type: none"> <li>• Company Registration</li> <li>• Company Profile</li> <li>• List of previous or current clientele on similar work</li> <li>• Financial Reports (last 2 years)</li> </ul>



<b>Method of Submission:</b>	By email to AFI's Procurement & Contracts Office at in the template given in Annexure 1 & 2
<b>For clarification:</b>	Any clarification, please email to <a href="mailto:procurement@afi-global.org">procurement@afi-global.org</a>
<b>Submission:</b>	<ul style="list-style-type: none"> <li>• 1 Complete Proposal in the Template provided in <b>Annexure 1 &amp; 2</b>. Additional proposal is a plus but not mandatory.</li> <li>• Technical and Financial proposal must be separated in a ZIP files.</li> <li>• Financial proposal <b>MUST</b> be breakdown according to different COMPONENTS.</li> </ul>

### 1.3 Retention of Proposals

All proposals submitted become the property of AFI. AFI will make all reasonable efforts to maintain proposals in confidence and will release proposals only to personnel involved with the evaluation of the project. Proprietary information should be identified in each proposal.

### 1.4. Criteria for Evaluation

The proposals submitted will be evaluated based on the following criteria:

No.	Criteria	Weightage
1.	Profile of firm	10%
2.	Expertise and experience with existing clients of similar industry	10%
3.	Audit firm with international network or with international affiliation	10%
4.	Audit team member's qualifications and performance	20%
5.	Audit firm's approach in promoting and monitoring audit quality	10%
6.	Audit firm's approach in risk management	10%
7.	Commercial/Cost Proposal	30%
<b>Total</b>		<b>100%</b>



## **Evaluation of technical and financial proposals**

AFI reserves the right to award the most suitable proposal based on the evaluation of combined criterion, where bidders are qualified by the combined valuation of the technical and financial proposals, with the following weightage:

- i) Technical Proposal: 70% (Seventy percent)
- ii) Financial Proposal: 30% (Thirty percent)

AFI reserves the right to decide whether to interview any, or all of the Bidders. The Committee may conduct an interview(s) to further assess a Bidder's ability to perform the Work, how it will furnish specific services, or any other evaluation criteria. The proposed Lead Partner, as well all other key personnel proposed to perform the Work, must be available to participate in the interview.

Based on the results from Bid evaluation, AFI MU will recommend to the Audit Committee for approval the Bidder whose Proposal is determined to be (technically and financial value combined) the most suitable in the best interest of AFI.