

Terms of Reference (TOR)

For Special Audit and Consultancy Retainer

Alifu Alifu Thoddoo Local Authority Company Limited
Formed by Alifu Alifu Thoddoo Council, Maldives

1. Background

Alifu Alifu Thoddoo Local Authority Company Limited is a corporate entity established on 19th December 2022, in accordance with the Local Authority Company regulation for the betterment of Thoddoo island community.

2. Objectives

Special Audit:

- To conduct a comprehensive audit covering the period from **19th December 2022 up to 30th April 2025..**
- To verify and validate revenue streams, expenses, and financial transactions during the period.
- To assess compliance with applicable laws and regulations of Maldives, including but not limited to:
 - Companies Act (Law No. 10/96)
 - Decentralization Act (Law No. 7/2010)
 - Public Finance Regulation
 - Tax Administration Act (Law No. 3/2010) and regulations from Maldives Inland Revenue Authority (MIRA)
- To evaluate efficiency, economy, and effectiveness in the use of resources.
- To assess the achievement of objectives as per the company's approved Strategic Plan.



Consultancy Retainer:

- To provide continuous financial and operational consultancy services aimed at enhancing the company's performance.
- To improve working capital management, financial performance, and the maturity of governance processes and internal controls.

3. Scope of Work

A. Special Audit

The auditor shall:

- **Review revenue streams:** Verify completeness and accuracy of income from all business lines and services.
- **Examine expenses:** Validate that expenditures are properly authorized, documented, and in line with company policies and applicable regulations.
- **Compliance review:** Ensure transactions comply with Maldivian laws and financial regulations, including tax compliance with MIRA.
- **Assess efficiency and economy:** Review procurement practices, operational expenses, and resource utilization.
- **Strategic achievements:** Review the alignment of actual performance against the company's strategic plan and objectives.
- **Internal control assessment:** Identify gaps and weaknesses in internal controls over financial reporting and operations.
- **Reporting:** Provide a comprehensive audit report with findings, risk ratings, and recommendations.

B. Consultancy Retainer

The consultant shall provide advisory services in the following key areas:

i. Working Capital Management

- Assess and optimize cash flow processes, including:
 - Receivables management
 - Payables management
 - Inventory management



- Provide actionable recommendations for short-term financing and liquidity management solutions to support ongoing operations.

ii. Financial Performance

- Develop and present performance metrics and dashboards for existing business lines.
- Identify opportunities for:
 - Cost reduction
 - Revenue enhancement
 - Profitability improvement
- Recommend best practices for financial planning and budgetary controls.

iii. Governance, Internal Controls & Process Maturity

- Review governance structure and decision-making processes.
- Assess maturity of existing operational and financial processes.
- Review and propose strengthening of internal control frameworks.
- Evaluate financial reporting mechanisms for accuracy and timeliness.
- Provide recommendations to align business strategy with operational execution and governance standards.

4. Deliverables

- **Special Audit Report** covering:
 - Financial audit findings
 - Compliance assessment
 - Efficiency and effectiveness review
 - Recommendations for corrective actions
- **Monthly/Quarterly Consultancy Reports** detailing:
 - Financial performance analysis
 - Working capital improvement actions
 - Governance and internal control assessment



- Progress on implementation of recommendations
- Presentations to Management and Council as required.

5. Duration

- Special Audit: To be completed within **3 months** from commencement.
- Consultancy Retainer: An ongoing engagement for a period of **12 months**, subject to renewal based on performance.

6. Qualification Criteria

Firms or consultants must have:

- Relevant auditing and financial consultancy experience, preferably with Maldivian local authorities, SOEs, or council-owned companies.
- A valid audit license issued by CA Maldives.
- Proven track record in providing financial advisory, performance improvement, and governance consultancy.
- Expertise in Maldivian legal and financial regulatory framework.

7. Schedule of Requirements

Firms or consultants are required to submit the following information:

- Company profile, contact details, registration copy, and GST registration copy and relevant experience
- CVs of the staff proposed for this engagement.
- Detailed proposal outlining the approach and methodology for the audit
- Cost breakdown and total quotation
- References from previous clients

8. Proposal validity, submission deadline and method

The proposal shall be valid for a minimum period of 30 days from the date of closing this TOR.



All proposals must be submitted no later than **May 25, 2025, at 12:00 PM** local time. Late submissions will not be considered.

Proposals may be submitted by either of the following methods:

- **Physical Submission:** Delivered in a sealed envelope to the following address:
Secretariat of AA. Thoddoo Council
- **Email Submission:** Sent as a PDF attachment to procurement@thoddoo.gov.mv The subject line of the email should read:
"Proposal Submission – Special Audit and Consultancy Retainer"

Point Criteria would be as follows:

#	Details	POINTS
1	<u>Overall Experience of Company & Demonstrated Results</u> Our evaluation will include an assessment of the history of the company, your experience as it relates to the requirements within this Proposal, evidence of past performance, quality and relevance of past work, reference and related items.	60
2	<u>Budget Approach / Cost Effectiveness</u> Effective and efficient delivery of quality service is demonstrated in relation to the budget allocation. The Allocation is reasonable and appropriate.	40

