

Independent External Audit of the Pacific Islands Forum Secretariat for financial years 2017 to 2019

TERMS OF REFERENCE

BACKGROUND

The Pacific Islands Forum Secretariat is the administrative arm of the Pacific Islands Forum, which comprises 16 independent and self-governing states. The Secretariat supports the Leaders vision as outlined in the Framework for Pacific Regionalism.

2. Its principal goals are for sustainable development that combines economic, social and cultural development in ways that improve livelihoods and well-being and uses the environment sustainably, economic growth that is inclusive and equitable, strengthened governance, legal, financial and administrative systems and security that ensures stable and safe human, environmental and political conditions for all.

3. The Secretariat currently has total assets of FJD52m and total liabilities of FJD38m. Annual income is approximately FJD43m, and annual expenditure is approximately FJD44m, with the deficit being funded from prior year carry forward funding. The Secretariat carries out its operations under two budgets: its Primary Budget, which comprises its discretionary funds provide from member assessments, voluntary contributions and miscellaneous income, and its Extra Budget trust funds. This structure was adopted in December 2015 and the 2016 financial year was the first year of reporting under this structure.

4. The Secretariat has adopted a fund accounting system, and presents general purpose financial statements that comply with International Financial Reporting Standards (IFRS). All accounting records are maintained in Fiji dollars and in the English language. The Secretariat's financial reporting and audit are conducted underneath its Financial Regulations. Only the financial transactions with the Primary Budget are covered by its annual financial statements and subject of this audit. Separate audits are commissioned for its Extra Budget projects and trust funds.

5. The Audit and Risk Sub-Committee (ARSC) which is an independent sub-committee of the Forum Officials' Committee (FOC) provides oversight in the Secretariat's audit functions. They work closely with the Secretariat on the appointment of the external auditors as well as reviewing and approving the internal audit processes and outcomes.

OBJECTIVES

6. The purpose of the audit is to provide positive assurance to member governments and other stakeholders that the Secretariat's financial statements:

- are free of material misstatement;
- comply with the Secretariat's financial regulations;
- comply with applicable international reporting standards; and

- comply with any other condition required by international assurance engagements.

7. The auditor will carry out all necessary tests and evaluations of the Secretariat's accounting policies, procedures and records to provide the above assurance.

8. The auditor will also provide advice where appropriate on possible improvements to the Secretariat's accounting systems, policies and procedures to comply with international best practice.

SCOPE OF WORK

9. The auditor will conduct the audit in close consultation with the Secretariat's Financial Services team. Where required, the auditor will also consult with other functional areas of the Secretariat and independently report on request to the Audit and Risk Sub-Committee.

10. Should the auditor discover any serious irregularity such as fraud in the course of the audit, he/she shall inform Senior Management immediately and the Audit and Risk Sub-Committee.

11. The auditor shall produce an audit report to be included in the Secretariat's annual financial statements. The audit report shall contain the auditor's findings from the audit, and where applicable, the assurances noted in paragraph 5.

12. Additionally, the auditor shall produce a report that contains all statements and attestations required by the Secretariat's financial regulations.

13. The Secretariat's Financial Regulations require the Secretariat to submit the financial statements to the external auditor by 15 March of the year following the end of the financial year to which they relate. They then require the external auditor's report to be submitted to the Secretary General by 30 April. The report is considered by the Audit and Risk Sub-Committee before being submitted to the Secretariat's governing body, the Forum Officials Committee for adoption.

EXPECTED TIMEFRAME OF TENDER PROCESS

14. This audit engagement will be for three years commencing on the date of appointment.

15. The audit will commence upon receipt by the Auditor of draft financial statements from the Secretariat. The draft financial statements are expected to be presented to the auditor by the Secretariat before the end of February each year.

16. The auditor shall complete the audit and deliver signed financial statements and audit reports to the Secretariat within one month of commencement.

EVALUATION CRITERIA

Criteria	Score %
Audit Firm Experience	
• External Audit experience	20
• Not for profit sector experience	10

Audit Personnel	
• Audit Partner	
○ Qualifications	7.5
○ Relevant experience	7.5
• External Audit Manager	
○ Qualifications	10
○ Relevant experience	10
• Senior Auditor	
○ Qualifications	7.5
○ Relevant experience	7.5
Proposed Methodology	20
Total Technical Evaluation	100%

Choice of selected tenderer

The final selection of the preferred service provider will be established by weighing technical quality against price on an 80/20 basis.

GENERAL TERMS AND CONDITIONS

a) Interested audit firms are encouraged to provide written submissions including:

- capability statements for the firm;
- a copy of your curriculum vitae of key staff assigned to the task;
- as well as confirmation that the firm and/or key staff are not aware of any conflict of interest which may exist; and
- the financial proposal in Fiji Dollars (FJD).

b) Bidder Ability:

By submitting a response to this “Request for Tender” (RFT) the bidder warrants that the bidder has the necessary skill, knowledge, experience and resources to comply with this RFT and capable of successfully completing the project. In particular, the bidder will ensure that it will have the requisite staff available to meet the statutory timeframes for the Secretariat’s audit.

In addition the bidder warrants that the bidder is not subject to any legal or regulatory process that may result in the de registration of the bidder.

The bidders should also identify any perceived or potential conflicts of interest in relation to this appointment as the Secretariat’s External Auditor.

c) Language:

The bidder response must be in English.

d) Amendments:

Should the bidder become aware of any discrepancy, error or omission in the document submitted, and the bidder wishes to lodge a correction or provide additional information, that material must be in writing and lodged prior to the evaluation of the RFT responses.

Note: The selected service provider will not be eligible for selection as the Secretariat's Internal Audit service provider for which the tender is being held simultaneously with this tender.

e) Expected Timeframe of Tender Process:

A breakdown of the phases is summarized as follows:

	Tender Process	Timeline	Duration
1	Open Tender Advertisement	26 July 2017	20 working days
2	Closing date of Bids Received	24 August 2017	
3	Bid Opening	25 August 2017	1 day
4	Evaluation of Bids	25 – 28 August 2017	
5	Completion of Evaluation of Bids	29 Aug – 30 Aug 2017	
6	Negotiation with Successful Bidder		
7	Award of Contract	31 Aug 2017	

HOW TO APPLY

Submissions should be clearly marked as:

REQUEST FOR TENDER - “Independent External Audit of the Pacific Islands Forum Secretariat for financial years 2017 to 2019.”

Method of Submissions:

Interested audit firms are encouraged to provide written submissions including a copy of curriculum vitae and a financial proposal.

Submissions must be forwarded in **PDF format** following the instructions at: www.tenders.net/forumsec.

Note: Tenders must be submitted with clear labelling of the technical offer and the financial offer which must be submitted separately. The Technical Offer documents must be saved and submitted clearly labelled “**A. Technical Offer**”. Financial Offer documents must be saved and submitted clearly labelled “**B. Financial Offer**”.

The electronically submitted documents should be converted to the PDF format. Please note that the maximum file size allowed is **10mbs**.

**All interested bidders will need to register at www.tenders.net/forumsec.*

Deadline for Submissions:

Submissions need to reach the Forum Secretariat by **5pm (Fiji time) on Thursday 24 August 2017**.

Late or incomplete tenders will not be considered.

All queries or requests for information must be submitted via the **Question and Answer Forum** on www.tenders.net/forumsec before **Monday 14 August 2017**.

All queries will be responded to via the Question and Answer Forum on www.tenders.net/forumsec before **5pm on Friday 18 August 2017**.

Note: The Secretariat will not be responsible for non-receipt/non-delivery of the Bid documents due to any reason whatsoever.

Any complaints regarding the Secretariat's tender must be directed to the following email: Audit.Complaints@forumsec.org. This email address will forward your complaint to the audit and risk sub-committee which is independent and removed from the tender process. Complaints must be well founded and should not be used as a mechanism for notifying displeasure with the outcome of a tender award. Further information on making a complaint can be found on the Policies & Information page at <http://tenders.forumsec.org>.

In the event that further information is required by the Secretariat in relation to the Request for tender, the Secretariat reserves the right to seek the required information without the need for calling for resubmission of proposals.