

## Thirty Second SPREP Meeting of Officials

2-4 September 2025

Sheraton Aggie Greys Hotel & Bungalows  
Apia, Samoa

“Sustaining our Pacific Environment in Harmony with our Cultures”

### Agenda Item 6.4: Appointment of External Auditors

#### Purpose of paper:

1. To seek the Meeting’s approval for the appointment of External Auditors, to conduct the annual audit of SPREP’s financial accounts for the financial years ending 31 December 2025 and 2026.

#### Background:

2. The two year term of the Secretariat’s current external auditor- KPMG Fiji for two years was completed on 31<sup>st</sup> August 2025. Section 29 of the Financial Regulations requires the SPREP Meeting, on the Director General’s recommendation, to “appoint biennially, one or more Auditors in no way connected with the Secretariat on such terms as it sees fit to undertake the audit of the Secretariat’s annual accounts”.
3. The Secretariat advertised in March and readvertised in May for tenders both locally and internationally for the audit of its 2025 and 2026 accounts.
4. Tender criteria require firms to demonstrate the following attributes:
  - i. Must be an independent external auditor who is a registered member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC) and who is certified to perform audits.
  - ii. Extensive experience in the audit of similar inter-governmental agencies or international / regional organisations
  - iii. Must employ sufficient staff with: (i) appropriate professional qualifications and suitable experience with IFAC standards. It is the responsibility of the auditor to propose and use an engagement team composed of an appropriate mix of auditors for this engagement. (Staff profiles and CVs must clearly outline staff qualifications and experience)
  - iv. Accounting Firms based outside of Samoa wishing to conduct Auditing services in Samoa have to apply first to the Samoa Institute of Accountants (SIA) <https://sia.org.ws> for a ‘Temporary Certificate of Public Practice’ (TCPP) in relation to rendering audit services and thus signing an Audit Opinion for a client. Thus, if successful for the tender, **subject to a valid TCPP approved by SIA being submitted to SPREP, the contract stage can then be proceeded.**

For local Accounting Firms, it is a requirement at the outset to provide a copy of your Certificate of Public Practice which has to be current and valid.

For Accounting Firms based outside of Samoa wishing to conduct Auditing services in Samoa, **there needs to be proof of an application already submitted to the Samoa Institute of Accountants (SIA)** <https://sia.org.ws> for a 'Temporary Certificate of Public Practice' (TCPP) in relation to rendering audit services and thus signing an Audit Opinion for a client. All licensing/fees requirements to practice audits is the responsibility of the Audit Firm and not SPREP.

- v. Demonstrated understanding of the requirements of the TOR with appropriate methodology for delivering the required outputs of this consultancy
  - vi. Provides a competitive fee taking into account work carried out remotely or in-country. It is essential to note that the "value for money" assessment will consider economical, efficiency and effectiveness, which does not necessarily favour the cheapest tender.
5. SPREP received proposals within the deadline (16 May 2025) of which three (3) proposals were submitted and assessed by the evaluation panel made up of Project Accountant, IT Manager, PacWastePlus Finance and Procurement Officer and the Procurement Officer and Finance Officer (non-voting members). The qualified firms and their relevant backgrounds are as follows:
- **Lochan & Co** – Lochan & Co is a consulting and assurance firm established in India since 1987. Lochan & Co has offices in India, Cambodia, Malawi, Australia, and the USA and has been providing audit, assurance, HACT services and advisory services in more than 95 countries. Some of their key clients include: SPREP, The World Bank, The Global Fund, Asian Development Bank, African Development Bank, Agence Française de Développement ("AFD"), International Labor Organization (ILO), UNDP, UNICEF, UNFPA, UNOPS, UNON/UNEP, UN-Women, UNFAO, WFP, UNESCO and WHO. They have teamed up with Sua & Pauga Associates a locally based Chartered Accountants who will carry out the fieldwork in person.
  - **Ernst & Young (Fiji)** – E&Y is a global organization of professional services firms providing audit, tax and transaction and consulting services. E&Y operate in 150+ countries in over 700+ locations. E&Y's Fiji office assists clients in Fiji and they provide support to clients throughout the Pacific, including Samoa, Solomon Islands, Vanuatu, Tonga, American Samoa, Nauru, Kiribati and Tuvalu. Including key notable regional organizations such as PIFS, SPC, IUCN, UNDP, Oxfam and UICEF Pacific.
  - **Leota & Niumata Chartered Accountants** – LNCA are a locally based firm with more than 33 years of experience within Samoa providing accounting and business services to both Private, Non for Profit and Government Organisations. Core services offered include provision of audit assurances, Tax planning and preparation, accounting services, business services and advisory and Accounting systems training. The team have extensive experience with Private, Non for Profit and Government Organisations within Samoa however, the only regional experience are through a number of different SPREP Project audits under various donors that they have been engaged to conduct in previous years.

6. With the exception of one bid (E & Y), the other two (2) bids received were within the allocated budget for 2025/2026 audits at USD\$100,000.
7. The panel in their assessment agreed that all three proposals met the technical conditions set as prerequisites for the assessment and were evaluated against the criteria.
8. E&Y and Lochan & Co. demonstrated very comparable wealth of experience and exposure in carrying out external audits for a range of organisations and donors. Both companies also provided a high level of assurance of their competency in terms of maintaining excellence and upkept with international auditing standards as a result of their affiliations with global auditing firms which placed them ahead of Leota & Niumata. The panel felt Lochan & Co demonstrated relevant experience, familiarity with SPREP and the most competitive offer in comparison of audit fees relative to the available budget. The committee however also noted that while Leota & Niumata may have been limited in terms of audit experience under other similar inter-governmental agencies or international / regional organisations, their exposure however to SPREP over the past 8 years and successfully managing several audits under multiple donors certainly is worth noting in terms of their potential to meet the technical expectations of the SPREP audit.
9. Although Ernst & Young presented a technically strong bid, their financial proposal was excessive in comparison to the other proposals and also based on the available budget. The proposal also did not include travel costs which would be charged at cost.
10. Hence based on the above assessment brief, the tender evaluation panel agreed to recommend awarding the contract to **Lochan & Co** for auditing SPREP's financial accounts for 2025/2026. In the event Lochan & Co are unable to undertake this work, the panel noted Leota & Niumata Chartered Accountants as second (2<sup>nd</sup>) in evaluation ranking by the evaluation panel can also do the work and thus would recommend as a replacement.

**Recommendation:**

11. The Meeting is invited to:
  - 1) **Consider** the paper and **endorse** the recommendation of the Director General for the appointment of Lochan & Co to audit SPREP's financial accounts for the two (2) financial years ending 31 December 2025 and 2026.