

REQUEST FOR TENDER

RFT: 2023/057
File: FN 1/8
Date: 30 November, 2023
To: Interested consultants
From: Niraj Kumar, Internal Auditor

Subject: Request for Tender (RFT): External Quality Assessment of the Internal Audit Function

1. Background

- 1.1. The Secretariat of the Pacific Regional Environment Programme (SPREP)¹ is an intergovernmental organisation charged with promoting cooperation among Pacific islands countries and territories to protect and improve their environment and ensure sustainable development.
- 1.2. SPREP approaches the environmental challenges faced by the Pacific guided by four simple Values. These values guide all aspects of our work:
 - We value the Environment
 - We value our People
 - We value high quality and targeted Service Delivery
 - We value Integrity
- 1.3. The Internal Audit Function (“IAF”) of SPREP provides an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations.

2. Specifications: statement of requirement

- 2.1. SPREP wishes to call for tenders from qualified and experienced consultants to conduct an external quality assessment of the IAF as per Standard 1312 of Institute of Internal Auditors (“IIA”) International Professional Practice Framework (“The Standards”).
- 2.2. The objective of the external assessment is to:
 - 1) evaluate the IAF’s conformance with the Standards and the Code of Ethics²; and
 - 2) identify opportunities to enhance internal audit processes, suggestions to improve the effectiveness of the internal audit activity.
- 2.2. The Terms of Reference for the consultancy are set out in Annex A.
- 2.3. The successful consultant must provide the services to the extent applicable, in compliance with SPREP’s Values and Code of Conduct: <https://library.sprep.org/sites/default/files/sprep-organisational-values-code-of-conduct.pdf>. Including SPREP’s policy on Child Protection, Environmental Social Safeguards, Fraud Prevention & Whistleblower Protection and Gender and Social Inclusion.
- 2.4. SPREP Standard Contract Terms and Conditions are non-negotiable.

¹ More background information regarding SPREP is available on its website www.sprep.org

² COE of SPREP’s IAF and in line with the IIA’s Code of Ethics.

3. Conditions: information for applicants

- 3.1. To be considered, interested consultants must meet the following conditions:
- i. Submit a detailed Curriculum vitae detailing qualification and previous relevant experience for each proposed personnel;
 - ii. Provide three referees relevant to this submission, including the most recent work completed;
 - iii. Provide examples of past related work outputs;
 - iv. Complete the **tender application form** provided (*Please note you are required to complete in full all areas requested in the Form, particularly the Statements to demonstrate you meet the selection criteria – DO NOT refer us to your CV. Failure to do this will mean your application will **not** be considered*).
For the Technical and Financial proposals, you may attach these separately.
 - v. Provide a copy of valid business registration/license.
- 3.2 Tenderers must declare any areas that may constitute conflict of interest related to this assignment and sign the **conflict-of-interest form** provided.
- 3.3 **Tenderer is deemed ineligible due to association with exclusion criteria, including** bankruptcy, insolvency or winding up procedures, breach of obligations relating to the payment of taxes or social security contributions, fraudulent or negligent practice, violation of intellectual property rights, under a judgment by the court, grave professional misconduct including misrepresentation, corruption, participation in a criminal organisation, money laundering or terrorist financing, child labour and other trafficking in human beings, deficiency in capability in complying main obligations, creating a shell company, and being a shell company.
- 3.4 Tenderer must sign a declaration of **honour form** together with their application, certifying that they do not fall into any of the exclusion situations cited in 3.3 above and where applicable, that they have taken adequate measures to remedy the situation.

4. Submission guidelines

- 4.1. Documentation should demonstrate that the interested consultant satisfies the conditions stated above and in the Terms of Reference and is capable of meeting the specifications and timeframes. Documentation must also include supporting examples to address the evaluation criteria.
- 4.2. Documentation should be submitted in English and outline the interested consultant's complete proposal:
- a) **SPREP Tender Application form and conflict of interest form.** (*Please note you are required to complete in full all areas requested in the Form, particularly the Statements to demonstrate you meet the selection criteria – DO NOT refer us to your CV. Failure to do this will mean your application will **not** be considered*).
For the Technical and Financial proposals you may attach these separately.
 - b) **Honour form**
 - c) **Curriculum Vitae** of the proposed personnel to demonstrate that they have the requisite skills and experience to carry out this contract successfully.
 - d) **Technical Proposal** which contains the details to achieve the tasks outlined in the Terms of Reference.
 - e) **Financial Proposal** –provide a detailed outline of the costs involved in successfully delivering this project submitted in United States Dollars (USD) and inclusive of all associated taxes.
- 4.3. Provide three referees relevant to this submission, including the most recent work completed.

- 4.4. Tenderers/bidders shall bear all costs associated with preparing and submitting a proposal, including cost relating to contract award; SPREP will, in no case, be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- 4.5. The tenderer/bidder might be requested to provide additional information relating to their submitted proposal, if the Evaluation Committee requests further information for the purposes of the evaluation process. SPREP may shortlist one or more Tenderers and seek further information from them.
- 4.6. The submitted proposal must be for the entirety of the Terms of Reference and not divided into portions which a potential tenderer/bidder can provide services for.
- 4.7. The Proposal must remain valid for 90 days from date of submission.
- 4.8. Tenderers must insist on an acknowledgement of receipt of proposal.

5. Clarification

- 5.1. a. Any clarification questions from applicants must be submitted by email to procurement@sprep.org before 29 January 2024. A summary of all questions received complete with an associated response posted on the SPREP website www.sprep.org/tender by 31 January 2024.
- b. The only point of contact for all matters relating to the RFT and the RFT process is the SPREP Procurement Officer.
- c. SPREP will determine what, if any, response should be given to a Tenderer question. SPREP will circulate Tenderer questions and SPREP’s response to those questions to all other Tenderers using the SPREP Tenders page (<https://www.sprep.org/tenders>) without disclosing the source of the questions or revealing any confidential information of a Tenderer.
- d. Tenderers should identify in their question what, if any, information in the question the Tenderer considers is confidential.
- e. If a Tenderer believes they have found a discrepancy, error, ambiguity, inconsistency or omission in this RFT or any other information given or made available by SPREP, the Tenderer should promptly notify the Procurement Officer setting out the error in sufficient detail so that SPREP may take the corrective action, if any, it considers appropriate.

6. Evaluation criteria

- 6.1. SPREP will select a preferred consultant on the basis of SPREP’s evaluation of the extent to which the documentation demonstrates that the tenderer offers the best value for money, and that the proposal satisfies the following criteria:
- 6.2. A proposal will be rejected if it fails to achieve 70% or more in the technical criteria and its accompanying financial proposal shall not be evaluated.

I. Technical Score – 80%

Criteria	Detail	Weighting
Experience	At least 10 years of post-qualification internal auditing experience at a senior managerial level. Familiarity with the internal audit function in the public sector. External auditing experience would be an added advantage.	20
	Experience in conducting external quality assessment of entities at a national or regional level comparable in size and complexity to SPREP. Pacific experience would be added advantage.	20

	The necessary technical skills (example governance and strategic management, risk management, internal auditing, external auditing and audit management).	20
	Demonstrated understanding of the requirements of the TOR with appropriate methodology for delivering the required outputs for this Consultancy.	20

II. Financial Score - 20%

The following formula shall be used to calculate the financial score for ONLY the proposals which score 70% or more in the technical criteria:

$$\text{Financial Score} = a \times \frac{b}{c}$$

Where:

a = maximum number of points allocated for the Financial Score

b = Lowest bid amount

c = Total bidding amount of the proposal

7. Variation or Termination of the Request for Tender

- 7.1 a. SPREP may amend, suspend or terminate the RFT process at any time.
- b. In the event that SPREP amends the RFT or the conditions of tender, it will inform potential Tenderers using the SPREP Tenders page (<https://www.sprep.org/tenders>).
- c. Tenderers are responsible to regularly check the SPREP website Tenders page for any updates and downloading the relevant RFT documentation and addendum for the RFT if it is interested in providing a Tender Response.
- d. If SPREP determines that none of the Tenders submitted represents value for money, that it is otherwise in the public interest or SPREP's interest to do so, SPREP may terminate this RFT process at any time. In such cases SPREP will cancel the tender, issue a cancellation notice and inform unsuccessful bidders accordingly.

8. Deadline

- 8.1. **The due date for submission is: 12 February 2024, midnight (Apia, Samoa local time).**
- 8.2. Late submissions will be returned unopened to the sender.
- 8.3 Please send all tenders clearly marked '**RFT 2023/057: External Quality Assessment of the Internal Audit Function**'

Mail: SPREP

PO Box 240

Apia, SAMOA

Email: tenders@sprep.org

Fax: 685 20231

Person: Submit by hand in the tenders' box at SPREP reception,
Vailima, Samoa.

Note: Submissions made to the incorrect portal will not be considered by SPREP. If SPREP is made aware of the error in submission prior to the deadline, the applicant will be



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advised to resubmit their application to the correct portal. However, if SPREP is not made aware of the error in submission until after the deadline, then the application is considered late and will be returned unopened to the sender.

SPREP reserves the right to reject any or all proposals and the lowest or any proposal will not necessarily be accepted.

SPREP reserves the right to enter into negotiation with respect to one or more proposals prior to the award of a contract, split an award/awards and to consider localised award/awards between any proposers in any combination, as it may deem appropriate without prior written acceptance of the proposers.

A binding contract is in effect, once signed by both SPREP and the successful tenderer. Any contractual discussion/work carried out/goods supplied prior to a contract being signed does not constitute a binding contract.

For any complaints regarding the Secretariat's tenders please refer to the Complaints section on the SPREP website <http://www.sprep.org/accountability/complaints>

Annex A: Terms of Reference

External Quality Assessment of the Internal Audit Function

1.0 Background Information

SPREP has an internal audit function ("IAF") that provides independent, objective assurance and consulting activities designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes. Attached, please find the revised 2017 Internal Audit Charter.

The Internal Auditor has the mandate to investigate all reports of procurement-related complaints and alleged fraud or any form of wrongdoing involving staff of SPREP and allegations of fraud and corruption against SPREP, whether committed by SPREP staff or other persons, parties, or entities, where the wrongdoing is to the detriment of SPREP.

For more details, please visit our page at <https://www.sprep.org/accountability>.

2.0 Purpose of the tender

The International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal auditors (IIA Standards) require external quality assessments (QA) of the internal audit activity to be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

The objectives of external quality assurance are:

1. To assess conformance with the mandatory elements of the International Professional Practice Framework (IPPF) released by the IIA.
2. To assess the efficiency and effectiveness of internal audit activities against the IA Charter.
3. To provide suggestions and pathways on how to further strengthen the IA's capacity and resourcing needs, function, independence, and governance structure to align with international best practice.

3.0 Scope

The QA will involve the review and assessment of the internal audit activities listed below (but not limited to) and also identify opportunities to enhance and improve the effectiveness of the internal audit activity:

1. Assess the effectiveness and efficiency of the Internal Audit function
2. Internal Audit Charter;
3. Related governance structures, policies, and independence of the internal audit function;
4. IA's annual internal audit work plan;
5. Internal audit processes;
6. Human resources, budget, capacity-building training, and development opportunities;
7. Engagement documents and reports and follow-up arrangements; and
8. Investigation role and processes

The approach will include interviews with relevant key stakeholders of IAF, such as the Audit Committee, senior management, sister CROP agencies, etc.

4.0 Fieldwork

The QA fieldwork is expected to be conducted and completed within 20 days of the signing of the contract or date as agreed.

Travel to Apia, Samoa may be undertaken, if deemed necessary and should be costed as an option in your financial proposal.

5.0 REPORTING

The QA exercise is confidential, and upon completion of the assignment, it is required that:

1. A draft report shall be submitted to the Director General ("DG") and also to the Chairman of the Audit Committee ("AC"), facilitated through the Internal Auditor, within 10 working days after fieldwork.
2. The report will be finalised, taking into consideration comments received from the DG and AC Chairman.
3. The final report shall be submitted within 5 working days after receipt of comments.

6.0 Reviewers Professional Qualifications

The consultant shall be independent of the organisation and the internal audit activity and shall be qualified and have experience in the professional practice of internal auditing and the external assessment process. The consultant has;

1. At least 10 years of post-qualification internal auditing experience at a senior managerial level. Familiarity with the internal audit function in the public sector. External auditing experience would be an added advantage.
2. Relevant experience in conducting external quality assessments of IAF in entities at a national or regional level comparable in size and complexity to SPREP. Pacific experience would be added example.
3. The necessary technical skills (for example, governance and strategic management, risk management, internal auditing, quality assurance, external auditing, and audit management).
4. Demonstrated understanding of the requirements of the TOR with appropriate methodology for delivering the required outputs for this consultancy.