

REQUEST FOR TENDERS

File: FN 1/2
Date: 3 May, 2019
To: Interested suppliers
From: Maraea S. Pogi, Procurement Officer

Subject: Request for tenders: Appointment of Auditors for SPREP Financial Years 2019 – 2020.

1. Background

- 1.1. The Secretariat of the Pacific Regional Environment Programme (SPREP) 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. For more information, see: www.sprep.org.
- 1.3. External Auditors are appointed by the SPREP Meeting. Notification of the successful contractor will therefore take place after the 29th SPREP Meeting in September 2019.

2. Specifications: statement of requirement

- 2.1. SPREP invites tenders from qualified audit firms to conduct the annual audits of SPREP's accounts for the financial years ending 31 December 2019 and 31 December 2020.
- 2.2. SPREP's annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS).

3. Conditions: information for applicants

- 3.1. To be considered for this tender, interested bidders must be certified auditors with extensive experience in auditing work under the International Standards on Auditing (ISA) and other accepted international best practices in audits for public organisations, inter-governmental and regional organisations.
- 3.2. Interested bidders must also have experience in auditing other relevant corporate and administrative operations.

- 3.3 The SPREP Financial Regulations requires the External Auditor to be independent in line with the ethical and independence requirements under the International Federation of Accountants (IFAC) rules and regulations. .
- 3.4 The audit must report on compliance with the IFRS and ISA.
Attachment 1 includes excerpts from the Financial Regulations for SPREP to assist interested parties in registering their interest.
- 3.5 Any Accounting Firm 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.

4. Submission guidelines

- 4.1. Tender documentation should demonstrate that the interested supplier satisfies the conditions stated above and is capable of meeting the specifications and timeframes. Documentation must also include supporting examples to address the evaluation criteria. Describe any additional minimum content and format requirements.
- 4.2. Tender documentation should outline the interested supplier's complete proposal: methods, personnel (and their skill sets/curricula vitae), timeframes and costs.
- 4.3 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 or your Technical Proposal. Failure to do this will mean your application will **not** be considered*).
- 4.3 Tenderers/Bidders must insist on an acknowledgement of receipt of tenders/proposals/bids.

5. Tender Clarification

- 5.1. Any clarification questions from applicants must be submitted by email to maraeap@sprep.org before 15 May 2019. A summary of all questions received with an associated response will be posted on the SPREP website www.sprep.org/tender by 17 May 2019.

6. Evaluation criteria

- 6.1. SPREP will select a preferred supplier 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 tenderer satisfies the following criteria.
- 6.2. The successful supplier will demonstrate:
- i. Extensive experience in the audit of similar inter-governmental agencies or international / regional organisations (30%)
 - ii. Qualified personnel to undertake the audit (Staff profiles and CVs must clearly outline staff qualifications and experience) (20%)
 - iii. Ability to conduct the audit in a competent and professional manner and in line with the International Standards on Auditing (20%)
 - iv. Provides a competitive fee for the tender. It is essential to note that the "value for money" assessment will consider economical, efficiency and effectiveness, which does not necessarily favor the cheapest tender (30%)

7. Deadline

- 7.1. **The due date for submission of the tender is: 31st May 2019 (Apia Time).**
- 7.2. Late submissions will be returned unopened to the sender.
- 7.3. Please send all tenders clearly marked 'TENDER: **Appointment of Auditors for SPREP Financial Years 2019 – 2020.**' to one of the following methods:

Mail: SPREP
Attention: Procurement Officer
PO Box 240
Apia, SAMOA
Email: tenders@sprep.org (MOST REFERRED OPTION)

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

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

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

Excerpt from SPREP's Financial Regulations 2012.

Regulation 29 - Appointment of Auditor(s)

On the Director General's recommendation, the SPREP Meeting shall 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.

Regulation 30 - Regularity of Audit

The Auditor shall make annually and at such other times as the SPREP Meeting considers necessary an independent audit in order to certify:

- (a) that the financial statements are in accord with the books and records of the Secretariat;
- (b) that the financial transactions reflected in the statements are accurate and in accordance with the rules and regulations, the budgetary provisions and other applicable directives;
- (c) that the securities and money on deposit and on hand have been verified by certificate received direct from the Secretariat's depositories or by actual count;
- (d) the accuracy of the records of stores, furniture, equipment and other property of the Secretariat and the adequacy of control exercised thereover.

Regulation 31- Assistance to Auditor(s)

The Director General shall ensure that the Auditor is supplied with every facility required for the proper discharge of its audit duties and shall respond promptly to any queries that may be raised.

Regulation 32 - Scope of Audit Report

The Auditors, in their report on the accounts certified, shall mention:

- (a) the extent and character of their examination and any changes in accounting practice;
- (b) matters affecting the completeness or accuracy of the accounts;
- (c) the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records;
- (d) the adequacy of financial procedures including internal control matters and adherence to the financial regulations;
- (e) the adequacy of insurance cover for the buildings, stores, furniture, equipment and other property; and
- (f) any other matters which should be brought to the notice of the SPREP Meeting.

Regulation 33 - Submission of Audit Report

The Auditors shall submit their report to the Director General as soon as possible but no later than 31st May following the end of the fiscal year to which it relates. The Director General shall circulate the full report of the Auditors including comments on the financial operations of the Secretariat and accounts, together with such remarks as the Director General may wish to offer to members, prior to the next SPREP Meeting.

TERMS OF REFERENCE

1. Background

SPREP is the regional organisation established by the Governments and Administrations of the Pacific charged with protecting and managing the environment and natural resources of the Pacific. It is based in Apia, Samoa, with about 90 staff and an annual budget of about USD \$29 million for 2019.

The accounts of SPREP are prepared by the Secretariat based on International Financial Reports Standards (IFRS) and based on a calendar year basis. Audits to be carried out under this tender are for each of the two financial years ending 31 December 2019 and 31 December 2020.

2. Financial Audit Requirements

The Auditors shall:

- (a) Conduct their audit each year in accordance with the International Standards on Auditing (ISA);
- (b) Prepare a report expressing an opinion as to the fairness of SPREP's financial statement. The Auditors in their report on the financial accounts, shall include:
 - i. the extent and character of their examination and any changes in accounting practice;
 - ii. matters affecting the completeness or accuracy of the accounts;
 - iii. the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records;
 - iv. the adequacy of financial procedures of SPREP including internal control matters and the adherence to the financial regulations;
 - v. the adequacy of insurance cover for the buildings, stores, furniture, equipment and other property of SPREP;
 - vi. a clause, on the extent and character of their examination on funds received by the Secretariat from NZAID, AUSAID and all other donors, whether they were spent in accordance with the Memorandum of Understanding (MOU) signed between the respective parties;
 - vii. Provide a categorization of risk for each finding raised in the report : High, Medium or Low,
 - viii. Identify the underlying cause of findings and observations reported eg. supervision, compliance, resources, human error etc,
 - ix. Provide an updated action plan for prior year audit recommendation,
 - x. any other matter which should be brought to the notice of the SPREP Meeting.
- (c) Conduct, at the request of the SPREP Meeting, additional specific financial examinations and submit separate reports on the results of these examinations.

3. Accounting System

The financial management information systems used by the Secretariat is called Technology One. This is a multi-currency system with a number of financial modules.

SPREP accounts are prepared in US dollars.

4. Reporting Requirements:

The operational functions of SPREP currently fall under two categories, Core Fund and Programme Fund.

The SPREP Financial Regulations require its accounts to be prepared in accordance with International Financial Reporting Standards (IFRS).

The Financial Regulations require the financial statements for the year ended 31 December to be completed and submitted to the Auditors by 31 March of the following year. The Auditors are required to submit the Financial Audit Report to the Director General as soon as possible following the end of the fiscal year to which it relates and no later than 31st May.

Based on our internal deadlines and biennial monitoring targets, we hope to finalize the accounts by 31st January and submit to the Auditors no later than 28th February each year. Hence, the auditors should be available to carry out the audit, in Apia, during February/March each year, and to be completed by **no later than 4 weeks after the date of the accounts being received from SPREP**. Accordingly, the Auditors are required to submit the Financial Audit Report to the Director General **by the end of this 4 weeks period**.

The format of the financial audit report would be expected to be in accordance with International Standards on Auditing (ISA), addressing the issues detailed above.