

REQUEST FOR QUOTATION (RFQ)

FOR SERVICES

Project Title:	Provision of External Audit Services for Human Rights & Social Development Program (SIDA)
Nature of the services	The Pacific Community (SPC) seeks proposals from external audit companies to perform an audit of Human Rights and Social Development Division (HRSD) Program Financial Report in connection with Sweden International Development Cooperation Agency (SIDA): HRSD Business Plan 2021 - 2025 (<i>the "Program"</i>). The period of audit is between 01 January 2023 and 31 December 2023.
Location:	Human Rights and Social Development Division, Nabua Suva
Date of issue:	27/02/2024
Closing Date:	13/03/2024
SPC Reference:	24-6220

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Part 1: INTRODUCTION

1.1 About the Pacific Community (SPC)

The Pacific Community (SPC) is the principal scientific and technical organisation of the Pacific region, established by treaty in 1947 with the signing of the *Agreement Establishing the South Pacific Commission* (the Canberra Agreement).

Our unique organisation covers more than 20 sectors and is renowned for knowledge and innovation in such areas as fisheries science, public health surveillance, geoscience and conservation of plant genetic resources for food security.

For more information about SPC and the work that we do, please visit our website: <https://www.spc.int/>.

1.2 SPC's procurement activities

SPC's procurement activities are guided by the principles of high ethical standards, value for money, open competition and social and environmental responsibility and are carried out under our Procurement Policy.

For further information or enquiries about SPC's procurement activities, please visit the procurement pages on our website: <https://www.spc.int/procurement> or email: procurement@spc.int

1.3 SPC's Request for Quotation (RFQ) Process

At SPC, procurement valued at more than EUR 2,000 and less than or equal to EUR 45,000 requires an evaluation of at least three quotations to determine the offer that provides the best value for money through a Request for Quotation (RFQ) process.

This RFQ sets out SPC's requirements for a project and it asks you, as a bidder, to respond in writing in a prescribed format with pricing and other required information.

Your participation confirms your acceptance of SPC's conditions of participation in the RFQ process.

Part 2: INSTRUCTIONS TO BIDDERS

2.1 Background

SPC invites you to submit a quotation to deliver the services as specified in [Part 3](#).

SPC has compiled these instructions to guide prospective bidders and to ensure that all bidders are given equal and fair consideration. Please read the instructions carefully before submitting your bid. For your quotation to be considered, it is important that you provide all the prescribed information by the closing date and in the format specified.

2.2 Submission Instructions

You must **submit your quotation and all supporting documents** in English and as an attachment to an email sent to ShobnaP@spc.int and with the subject line of your email as follows: **Submission RFQ24-6220**. The email should also be copied to rfq@spc.int.

The supporting documents expected in this RFQ are:

- [The Conflict-of-Interest Declaration form](#) completed
- Cover Letter, Completed technical and financial submission form
- Business registration (if applicable as per consultant's applicable legislation)

- Tax Identification Number (TIN) Letter if applicable
- Copies of updated resume with at least the names of two referees with contact details
- Portfolio of previous work done

Your submission must be clear, concise and complete and should only include a quotation and information that is necessary to respond effectively to this RFQ. Please note that you may be marked down or excluded from the procurement exercise if your submission contains any ambiguities or lacks clarity.

Bids will be evaluated on the basis of information received by **11.45pm Fiji Time on 13/03/2024**.

2.3 Evaluation & Contract Award

Each quotation validly received will be assessed against the evaluation criteria matrix set out in [Part 4](#). Any changes in the evaluation criteria will result in the RFQ process being re-issued.

SPC may award the contract once it has determined that a bidder has met the prescribed requirements and the bidder's proposal has been determined to be substantially responsive to the RFQ documents, provide the best value for money (highest cumulative score) and best serve the interests of SPC.

In the event of a bid being accepted, procurement will take place under SPC's [General Terms and Conditions of Contract](#) and depending on the value or nature of the procurement, the award will be made by issuing a purchase order or a signed and dated contract, or both.

2.4 Key Contacts

Please contact SPC should you have any doubt as to what is required or if we can help answer any questions that you may have.

Shobna Prasad will be your primary point of contact for this RFQ and can be contacted at ShobnaP@spc.int. You should copy any communications into rfq@spc.int.

Details will be kept of any communications between SPC and bidders. This assists SPC to ensure transparency of the procurement process. While SPC prefers written communication in the RFQ process, at any point where there is phone call or other conversation, SPC expects to keep a file note of the exchange, with all forms of communication with prospective bidders to be retained as source documents for the procurement of the services.

2.5 Key Dates

Please see the proposed procurement timetable in the table below. This timetable is intended as a guide only and while SPC does not intend to depart from the timetable, it reserves the right to do so at any stage.

STAGE	DATE
RFQ sent to potential vendors	27/02/2024
RFQ Closing Date	13/03/2024
Award of Contract	22/03/2024
Commencement of Contract	23/03/2024
Conclusion of Contract	30/06/2024

2.6 Legal and compliance

Confidentiality: Unless otherwise agreed by SPC in advance or where the contents of the RFQ are already in the public domain when shared with the bidder, bidders shall at all times treat the contents of the RFQ and any related documents as confidential. SPC will also treat the information it receives from the bidders as confidential.

Conflict of interest: Bidders must take all necessary measures to prevent any situation of conflict of interest. You must notify SPC in writing as soon as possible of any situation that could constitute a conflict of interest during the RFQ process. If you have any familial connection with SPC staff, this must be declared, and approval will then be sought for you to engage in the RFQ process. **In support of your response to this RFQ, you must submit to SPC [the Conflict-of-Interest Declaration form](#) available on our procurement page website: <https://spc.int/procurement>.**

Breach of this requirement can result in SPC terminating any contract with a successful bidder.

Currency, validity, duties, taxes: Unless specifically otherwise requested, all proposals should be in FJD and must be net of any direct or indirect taxes and duties, and shall remain valid for 120 days from the closing date. The successful bidder is bound by their proposal for a further 60 days following notification they are the preferred bidder so that the contract may be awarded. No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted at any time during this period.

No offer of contract or invitation to contract: This RFQ is not an offer to contract or an invitation by SPC to enter into a contract with you.

Privacy: The bidder is to comply with the requirements of applicable legislation and regulatory requirements in force for the use of personal data that is disclosed for the purposes of this RFQ. SPC will handle any personal information it receives under the RFQ in line with its [Privacy Policy](#), and the [Guidelines for handling personal information of bidders and grantees](#).

Warranty, representation, assurance, undertaking: The bidder acknowledges and agrees that no person has any authority to give any warranty, representation, assurance or undertaking on behalf of SPC in connection with any contract which may (or may not) follow on from this RFQ process.

2.7 Complaints process

Bidders that consider they were not treated fairly during any SPC procurement process may lodge a protest. The protest should be addressed to complaints@spc.int. The bidder must provide the following information: (1) full contact details; (2) details of the relevant procurement; (3) reasons for the protest, including how the alleged behaviour negatively impacted the bidder; (4) copies of any documents supporting grounds for protest; (5) the relief that is sought.

Part 3: TERMS OF REFERENCE

A. Background/context

The Pacific Community (SPC) requested the Swedish International Development Cooperation Agency (SIDA) to contribute to the implementation of the Human Rights and Social Development Division (HRSD): Business Plan 2021-2025 ("the Programme) for the activity period 1 January 2022 – 31 December 2024.

The level of funding to the programme is reflected in the budget of the SPC and SIDA subject to Swedish Parliamentary appropriations make available support to the Programme by providing financial assistance up to a maximum amount of 56,000,000 Swedish Kronor (SEK).

The overall objectives of the Programme are:

- Governance and institutional strengthening: Strengthen inclusive, transparent and responsive governance and institutions for human rights;
- Equality and social inclusion: Mobilise, empower and build conditions for gender equality and social inclusion in society and development;
- Culture: Promote, preserve and protect positive expressions of culture;
- Knowledge and innovation: Accelerate the impact of human rights and social development priorities through knowledge, learning and innovative solutions.

B. Purpose, objectives, scope of services

1.1 Objectives and scope of audit

The objective is to audit the financial report for the period 01/01/2023 –31/12/2023 as submitted to Sweden and to express an audit opinion according to ISA, applying ISA 800/ISA 805, on whether the financial report of the Human Resources & Social Development is in accordance with the Organisation's accounting records and Sweden's requirements for financial reporting as stipulated in the agreement including appendices between Sweden and Organisation (Agreement).

1.2 Reason for the Engagement

SPC is required to comply with **Article 12** of the Grant Funding Agreement and ensure that the financial contribution from SIDA is audited annually.

1.3 Engagement Type and Objective

To audit the HRSD Program Financial statements and reports for the period 01/01/2023 –31/12/2023 as submitted to SIDA that is in accordance with the accounting records and specified in **Article 6 (Financial reporting)**.

The auditor shall also review additional areas during the audit as stipulated in the Terms of Reference **Annex 5** Sida's Standard Terms of Reference for Annual Audit of Project/Programme Support including ISRS 4400 (Revised) and is also outlined below.

1. **Additional assignment:** according to agree upon procedures ISRS 4400 (Revised), review the following areas in accordance with the Terms of Reference below

Mandatory procedures that must be included:

1. Observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget¹.
2. Observe and inspect whether the financial report provides information regarding:
 - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.
 - b) When applicable, compare if the opening fund balance² for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
 - c) A disclosure of exchange gains/losses.
 - d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
 - e) Amount of funds that has been forwarded to implementing partners, when applicable.
3. a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.
Choose a sample of three individuals for three different months and:
 - b) Inquire and inspect whether there are supporting documentation³ for debited salary costs.
 - c) Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.
 - d) Inspect whether the Cooperation partner comply with applicable tax legislation with regard to personal income taxes (PAYE)⁴ and social security fees.
4. Review and confirm that the Cooperation partner screens IP's and/or suppliers to ensure that such parties are not subject to the European Union's financial sanctions list of persons, groups and organisations (EU Sanctions list).
 Enquire whether there has been any reporting firings from the screening process and if so, report on such findings.
5. a) Inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.
 b) **Applicable the final year:** Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to Sweden.

Follow up of funds that are channelled to implementing partners

Mandatory assignments that must be included if the Cooperation partner forward funds to implementing partners (IP's):

¹ The budget is attached to the agreement with Sweden as an annex and any updates should be supported by a written approval by Sweden.

² I.e. funds remaining from disbursements made during previous reporting period/s

³ Debited salary costs should be verified by supporting documentation such as employment contracts.

⁴ Pay As You Earn

Choose a sample of a minimum of 20 % of the total of disbursed funds as well as 20 % of the number of IP's or a maximum of 10 IP's.

6. Inspect and confirm whether the Cooperation partner has signed agreements with the selected IP's.
7. Inspect and confirm whether the Cooperation partner, in all agreements entered with IP's, included the requirement to carry out annual audits.
8. Inquire and inspect whether the Cooperation partner has received financial reports and reportings from auditors from all IP's included in the selected sample:
 - a) Inquire and inspect whether the Cooperation partner has verified if reports from IP's are in line with the requirements in the Agreement.
 - b) Inquire and inspect whether the Cooperation partner has documented its assessment of the submitted financial reports and reporting from auditors including management responses and action plans from selected IP's
 - c) Inquire and inspect whether the Cooperation partner has documented its follow-up actions based on the information provided in the financial reports and the reporting from the auditor of the selected IP's
 - d) Inquire and inspect whether the Cooperation partner has reported substantial observations⁵ from selected IP's audit reports in its communication with Sweden. List observations⁶ from IP's audit reports which have been part of this sample
9. Confirm whether the Cooperation partner has followed up grants in accordance with the requirements as described in Annex 3 to the Agreement. Obtain a list of all IP's that are affected by the decision and select 40 % or a maximum of 15 IP's. Inspect and confirm whether the selected IP's have been followed up in accordance with annexed routines.

C. Timelines

1.1 Duration of the work

The anticipated duration of work is 45 working days from the date of contract signing. Confirmed duration will be agreed with the selected audit firm.

Auditors required to submit audited report by 1 June 2024.

D. Reporting and contracting arrangements

1.1 Responsibilities of the Parties to the Engagement

SPC is responsible for:-

- Providing a HRSD Program Financial Report (Statement of Income and Expenditure) financed by the Grant Agreement Human Rights and Social Development division: Business Plan 2021-2025 engaged into during the period 1st January 2023 to 31st December 2023 ensuring that this Financial Report can

⁵ Deemed substantial by the Cooperation partner.

⁶ Observations included in Management Letters and if applicable, qualified audit reports.

be properly reconciled to SPC's accounting and bookkeeping system and to the underlying accounts and records.

- Providing full and free access to its staff and its accounting and other relevant records. SPC accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon information and resources made available.
- The Auditor is responsible for performing the agreed-upon procedures as specified in this ToR.

1.2 Reporting

- The reporting shall be signed by the responsible auditor (not just the audit firm⁷) and shall include the title of the responsible auditor.

- *Reporting from the ISA assignment*

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated. The financial report that has been the subject of the audit shall be attached to the audit report.

The reporting shall also include a Management letter that discloses all audit findings, as well as weaknesses identified during the audit process. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order and with a risk classification.

Measures taken by the Cooperation partner to address weaknesses identified in previous audits shall also be presented in the Management Letter. If the previous audit did not have any findings or weaknesses to be followed-up on, a clarification of this must be disclosed in the audit reporting.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

- *Reporting from the ISRS 4400 assignment*

The additional assignment according to agreed upon procedures ISRS 4400 under section II, shall be reported separately in an "Agreed-upon procedures report". Performed procedures should be described and the findings should be reported in accordance with the requirements in the International Standard on Related Services 4400.

When applicable, the sample size shall be stated in the report.

⁷ If the audit firm is obliged to sign, refer to relevant legislation. Sweden still needs to know who has been responsible for the audit assignment.

1.3 Expected Outputs

- The objective is to express an audit opinion that the HRSD Program Financial report for the period 1 January 2023 to 31 December 2023 is in accordance with SPC's accounting records and Sweden's requirements for financial reporting as stipulated in the agreement.

E. Skills and qualifications

1. An independent auditor ("the auditor"), having the required professional competence and experience, and in accordance with generally accepted international auditing standards.
2. In planning, conducting and reporting on the financial review, the auditor shall be given due considerations to the following auditing and other standards promulgated by international professional bodies: ISA - *International Standards on Auditing*, IFAC – *International Federation of Accountants*
3. Member of an Internationally recognized accounting firm

F. Scope of Bid Price and Schedule of Payments

- Payments will be made upon completion and endorsement of each deliverable as listed;
- Terms of payment shall be in accordance with the provisions of Article 10 of the SPC General Conditions

Milestone/deliverables	Deadline
On satisfactory completion and provision of final signed audit report including cover letter.	30/06/24

G. Annexes to the Terms of Reference

To be requested to the RFQ focal point stated in page 4.

- *Grant agreement and annexes: Human Rights and Social Development division*
- *Draft HRSD Program Financial report 31/12/2023.*

Part 4: PROPOSAL EVALUATION MATRIX

4.1 Competency Requirements & Score Weight

The evaluation matrix below reflects the obtainable score specified for each evaluation criterion (technical and financial requirements) which indicates the relative significance or weight of the items in the overall evaluation process.

Evaluation criteria	Score Weight (%)	Points obtainable
Mandatory requirements		
<ul style="list-style-type: none"> - Cover Letter, Completed technical and financial submission form - Business registration (if applicable as per consultant's applicable legislation) - Tax Identification Number (TIN) Letter if applicable - Copies of updated resume with at least the names of two referees with contact details - Portfolio of previous work done 	Mandatory requirements. Bidders will be disqualified if any of the requirements are not met	
Technical requirements		
Technical requirement 1: Degree or advance degree in the relevant field(s) relating to Accounting, Audit and/or Financial Management particularly of an international body (CA, CPA CISA or equivalent) or equivalent for the dedicated personnel	20%	200
Technical requirement 2: At least 5 years of professional experience in auditing and with a sound knowledge of finance donor-financed projects	20%	200
Technical requirement 3: Relevant experience in auditing clients comparable to the Pacific Community in organisation status and size	20%	200
Technical requirement 4: A high level of communication skills, including professional fluency in written and oral English	10%	100
Total Financial Requirements	70%	700
Price	30%	300
Total Score	100%	1,000