



Issuance Date: 27 September 2018

Closing Date: 26 October 2018

Closing Time: 17:30 PM (Bangkok time)

Subject: Request for Proposal (RFP) for the provision of audit services for Institute for Global Environmental Strategies on ASEAN SDGs Frontrunner Cities Programme - Upgrading the ASEAN ESC Model Cities Programme

Dear Madam/Sir,

The Institute for Global Environmental Strategies (IGES) is implementing a Japan-ASEAN Integration Fund (JAIF) funded program and is seeking a qualified audit firm.

Outline of the Programme for Audit:

1. Name of the Programme: ASEAN SDGs Frontrunner Cities Programme
2. Name of Fund: Japan-ASEAN Integration Fund (JAIF)
3. Implementing organization: Institute for Global Environmental Strategies (IGES)
4. Programme period: July 2018 to March 2020
5. Expenditure amount in total for whole programme period (based on approved project budget): USD 2,208,940.80

Programme outlines:

The ASEAN SDGs Frontrunner Cities Programme (SDGs-FC) funded by the Japan-ASEAN Integration Fund (JAIF) is a regional initiative implemented by IGES under the auspices of the ASEAN Working Group on Environmentally Sustainable Cities (AWGESC). The SDG-FC aims to support ASEAN cities in achieving inclusive, sustainable, resilient and dynamic development in line with ASEAN Vision 2020 by aligning city actions with the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development. To attain the goal, the Programme will support the planning and implementation of multi-benefit model projects, as well as developing the capacity of next generation cities, and sharing the experiences and knowledge generated from the Programme among ASEAN Member States (AMS) to promote the replication of innovative ground policies/practices towards clean and green ASEAN.

Requirements of Auditors/Audit Firm

1. The auditors and the audit firms must exercise due care and concern in complying with the auditing standards. This embraces due care in planning, specifying, gathering and evaluating evidence, and in reporting findings, conclusions and recommendations.
2. The financial report preparation must comply with either the International Public Sector Accounting Standards (IPSAS), or International Financial Reporting Standards (IFRS), or Generally Accepted Accounting Principles (GAAP).
3. The auditors and the audit firms must have past experiences on successful submission of audit reports for JAIF funded projects or those for similar projects funded by UN organizations or aid agencies.
4. Final audit reports must be prepared in English.



Terms of Reference (TOR)

The audit service will be conducted at every end of calendar year (31 December) during the project. To conform to the JAIF Audit Guidelines, the final audit report must be submitted to IGES no later than 31 January (one month from the date of audit notification letter or the audit period- whichever is later).

The Audit process comprises of three stages

1. Planning
2. Executing
3. Reporting

For the details of each stage, please refer to **Annex 1**.

Audit report must include the following or equivalent components

1. Audit statements from the auditors/audit firms to Head of IGES;
2. Financial Statement (Summary and Details); and
3. Notes to Financial Statements with the followings:
 - i. General
 - ii. Summary of Significant Accounting Policies
 - a. Basis of financial statements preparation
 - b. Foreign currency translation
 - c. Cash and cash equivalents
 - d. Income
 - e. Expenditure
 - iii. Financial Risk Management
 - a. Foreign Exchange Risk
 - b. Credit Risk
 - iv. Fair Value of Financial Instruments
 - v. Critical Accounting Estimates and Judgments
 - vi. Cash and Cash Equivalent

Submission

Interested audit firm can submit technical proposals and cost estimates which must include and will be evaluated based on the following criteria:

- a. Past performance including quality of work.
(Please list up 2-3 recent cases where you/your firm provided audit services for the JAIF or those for similar projects funded by UN organizations or aid agencies. Please provide a project summary that you/you firm audited.)
- b. Audit team with required qualifications and numbers.
(Please provide the organization chart of the team indicating names of team members together with CV of the lead auditor.)
- c. Completion schedule and proposed cost (Please use forms in the **Annex 2**)

Proposals must be to regionalcentre@iges.or.jp within October 26, 2018 Bangkok time 17:30 PM. Proposals received after this date and time will be disqualified.



Institute for Global Environmental Strategies

IGES Regional Centre

604 SG Tower, 6th Floor, 161/1 Soi Mahadlek Luang 3, Rajdamri Road, Patumwan, Bangkok, 10330 Thailand
Phone: +66(0)2 651 8794-99 Fax: +66(0)2 651 8798 e-mail: regionalcentre@iges.or.jp Website: www.iges.or.jp

Evaluation and award

IGES shall examine the submitted proposals and evaluate with the criteria above in accordance with IGES internal rules and procedures. Short-listed candidates may be required for short interview.

Final result will be informed by accounting team (regionalcentre@iges.or.jp)

Note

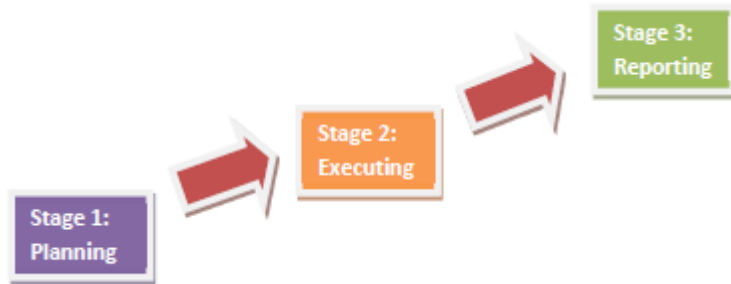
This RFP in no way obligates IGES-BRC to award a contract, nor does it commit IGES-BRC to pay any costs incurred in the preparation and summation of proposal.

Sincerely yours,

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Mr.Tetsuo Kuyama

Director of IGES Bangkok Regional Centre

Annex 1 Audit Process



I. STAGE 1: Planning

During the planning stage, the auditor notifies the auditee about the audit, discusses the scope and objectives of examination with management, gathers information on important processes, evaluates existing controls and plans the remaining audit steps.

1) Engagement Letter

The Engagement letter will be sent to auditee by the external auditor to inform of the audit and describes details of the audit such as the scope and objectives of the audit, the auditors assigned to undertake the audit, what materials/documents should be made available and other relevant information.

2) Entrance Interview/Opening Conference

During this meeting, the auditee (with other senior officers, if necessary) is asked about the organization or system to be reviewed, available resources and other relevant information. It is important that the auditee identify issues or areas of special concern that should be addressed.

3) Survey

The auditor gathers relevant information about the organization in order to obtain a general overview of the operations through verbal communications with key personnel and reviews of reports, files and other useful resources.

4) Internal Control Review

The auditor will review the organization's internal control structure, a process which is usually time-consuming. In doing this, the auditor uses variety of tools and techniques to gather and analyze information about the operation. This process will help the auditor determine the areas of highest risk and design tests to be performed in the field work.

5) Audit Programme

The last process in planning will outline the field work necessary to achieve the audit objectives.

II. STAGE 2: Executing

Field work will be the main activity at this stage and it concentrates on transaction testing and informal communications. The auditor determines whether the controls identified during the preliminary review are operating properly and in the manner described by the auditee. This stage will conclude the list of significant findings from which auditor will prepare a draft of the audit report.

1) Transaction Testing

After completing the survey, the auditor performs the procedures set out in the audit programme. The procedures usually test the major internal controls and the accuracy of transactions.

2) Advice and Informal Communications

As the field work progresses, the auditor discusses any findings (verbally) with the auditee or management, if necessary. It is expected that the auditee can offer insights and work with the auditor to determine the best method of resolving any queries of findings. If the findings are complex, written communications (through memos, interim reports, emails) may be used.

There are also times when auditor wishes to have informal meeting with management to present interim report if the auditor believes that the findings must be addressed immediately.

3) Audit Summary

Upon completion of the field work, the auditors summarize the audit findings, conclusions and recommendations necessary for the draft audit report.

4) Working Papers

These are the vital tool of the audit profession. Working papers are the support of the audit opinion and they connect all the dots, that is, the auditee records to auditor's findings. The papers may serve as reference materials and provide history of the audit relationship between the auditee and the auditor.

III. STAGE 3: Reporting

The major product at this phase would be the final report in which auditor expresses his/her opinions based on proof collected during the executing stage. Moreover, audit findings and recommendations are presented and discussed for improvements.

1) Exit Conference

When audit team has finalised the draft report, the auditors meet the organizations' management team to discuss findings and recommendations.

2) Draft Report

The audit team shall prepare a formal draft, taking into account any revisions and inputs resulting from the Exit Conference and other discussions. After the changes have been reviewed by the audit management, the draft is issued and submitted to auditee for management response.

3) Management Response

The auditee has the opportunity to respond the audit findings prior to issuance of the final report which can be included or attached to final report.

4) Auditee Comments

As part of auditor's evaluation programme, the auditors will ask the auditee to comment their performance. Upon receiving the suggestions from the auditees, the auditors may make changes to their procedures.



Annex 2 Submission Forms

Proposed cost

Item	No. of days**	No. of Hours**	Time Charge	Sub-total
1. Lead Auditor				
Project Manager (Certified Public Accountant; CPA)				
2. Assistant Auditor				
Staff CPA				
Others (support assistant etc.)				
Total audit fees				
Adjustments*				
Total Fees				

* Expenses related to field work during the auditing process (travelling costs to client’s office etc.) – specify whether it’s included or excluded.

* Assuming 1 day = XX hours. Actual hours worked in the field may differ.

Proposed completion schedule

Date/Period	No. of days	Details of work
Month		<ul style="list-style-type: none"> • Preparations for audit proposal/plan development and field visits. • Consultations with key persons (project managers etc.) • Review and preparation of internal accounting controls (‘Walk-through test’)
Month – month		<ul style="list-style-type: none"> • Inspection of key internal accounting controls and operations (compliance test) • Verification of monthly closing statements etc.
Month		<ul style="list-style-type: none"> • Auditing account balances and financial statements based on JAIF requirements • Review of financial statements • Reporting auditing results to directors and supervisors
Administrative works		<ul style="list-style-type: none"> • Meetings/consultations with project team • Development of auditing plan • English translation of reports and summaries, internal review and processes for documentation etc.
Total		