

**INTERNATIONAL TELECOMMUNICATION UNION**



**Solicitation Ref. No. RFP-S-SGO-2020-022**

**for**

***the Auditing of the Accounts of the Union***

***Corrigendum, 19 March 2020***

**BID CLOSING DATE: Friday, 17 April 2020 at 15:00 hours (Geneva time).**

*This Request for Proposal is published on the ITU Council web page (<https://www.itu.int/en/council/Pages/documents.aspx>). All further communication to potential Bidders will be made via this website.*

**Geneva, 17 February 2020**



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## Part I. Invitation Letter

Dear Sir or Madam,

The International Telecommunication Union (“ITU” or “Union”) issues the present Request for Proposal for the appointment of an institution responsible for the auditing of the accounts of the Union.

For more information about the detailed Services to be provided please consult **Part IV (“Terms of Reference”)** to the present Request for Proposal. The successful institution shall be the supreme audit institution of one ITU Member State and shall comply with the requirements set forth in the Terms of Reference.

Bidders requiring any clarification about the Solicitation Document, or the solicitation process itself, shall submit their queries in writing only to the following e-mail addresses by the deadline of **Monday, 23 March 2020 at 15:00 hours (Geneva Time)**:

Ms. Elisabeth Eckerstrom  
Head Procurement Division  
International Telecommunication Union  
Place des Nations  
CH-1211 Geneva 20  
Switzerland

E-Mail: [Elisabeth.eckerstrom@itu.int](mailto:Elisabeth.eckerstrom@itu.int)  
CC: [PROC@itu.int](mailto:PROC@itu.int)

A consolidated and anonymous list of all queries received, together with ITU’s answers, will be published under the General Documentation heading of the ITU Council web page (<https://www.itu.int/en/council/Pages/documents.aspx>).

Proposals must be physically submitted by the deadline of **Friday, 17 April 2020 at 15:00 hours (Geneva Time)** to ITU Headquarters as prescribed in **Section 6** below.

ITU reserves the right to amend the Request for Proposal prior to the Bid Closing Date. Interested bidders should provide a central focal contact to which ITU can send updates. In addition, Bidders shall check periodically if any amendments or communications have been posted on the ITU Council web page.

Yours faithfully,

Elisabeth Eckerstrom  
Head, Procurement Division  
International Telecommunication Union



## Part II. General Information to Bidders

### Section 1. Definitions

In the present document, the following definitions shall apply:

1. **“Bidder(s)”** refers to any legal entity that may submit, or has submitted, a Proposal for the provision of the professional services described herein and shall be the supreme audit institution of one ITU Member State.
2. **“CPE”** means Continuing Professional Education.
3. **“ICT”** means Information and Communication Technology.
4. **“INTOSAI”** means the International Organization of Supreme Audit Institutions.
5. **“IPSAS”** means International Public Sector Accounting Standards.
6. **“Mandate”** or **“Letter of Engagement”** means the legally binding written agreement entered into between ITU and the successful Bidder for the provision of all services described in this Solicitation.
7. **“Proposal(s)”** refers to the Bidder’s response to this Solicitation, including the technical and financial response as well as all other documentation the Bidder is required to provide to ITU.
8. **“SAI”** means Supreme Audit Institution.
9. **“Solicitation”** and **“Solicitation Document”** means this Request for Proposal, all Parts and Annexes hereto, as well as all amendments to any of the foregoing.

### Section 2. Solicitation Background Information

#### 2.1 The International Telecommunication Union

ITU is the United Nations agency for information and communication technology. ITU allocates global radio spectrum and satellite orbits, develops the technical standards that ensure networks and technologies seamlessly interconnect, and strives to improve access to ICTs to underserved communities worldwide. ITU is committed to connecting all the world’s people, wherever they live and whatever their means. ITU is unique among UN agencies in having both public and private sector membership. In addition to its 193 Member States, ITU membership includes ICT regulators, many leading academic institutions and some 700 tech companies. ITU adheres to the UN principles of gender equality and mainstreaming. ITU is the United Nations specialized agency for information and communication technologies – ICTs.

ITU has offices in the six regions of the world: Africa, Americas, Arab States, Asia and the Pacific, Commonwealth of Independent States and Europe with Regional Offices in Addis Ababa (for Africa), Bangkok (for Asia and Pacific), Brasilia (for Americas), Cairo (for the Arab States), and Moscow (for the CIS countries). In addition, the ITU has Area Offices in Dakar, Senegal; Harare, Zimbabwe; Yaounde, Cameroon; Tegucigalpa, Honduras; Santiago, Chile; Bridgetown, Barbados, and Jakarta, Indonesia. In New York, UAS, the ITU has a small UN liaison office.

ITU’s internal control framework is in accordance with the Statement of Internal Control for 2018 (Document C19/42-E <https://www.itu.int/md/S19-CL-C-0042/en>)<sup>1</sup>.

<sup>1</sup> Refer to Annex 11 for more information on the ITU internal control framework.



## **2.2 Solicitation Purpose**

The purpose of this Solicitation is to appoint one entity (hereinafter referred to as the "Successful Bidder") with the responsibility of providing professional external auditing services to ITU as described in the Terms of Reference ("Part IV – Terms of Reference of the External Auditor").

Bidders shall be the supreme audit institution of one ITU Member State and shall have full autonomy from other institutions or bodies of their government. Bidders shall demonstrate, among other, to have the technical competence, expertise, capacity, sufficient material and qualified/experienced resources in the subject domain, to perform all the requirements described in Part IV of the present document.

ITU will provide the Successful Bidder with office space as well as with telecommunication facilities in its premises in Geneva, Switzerland.

## **Section 3. Solicitation Terms and Conditions**

### **3.1 Remuneration for the preparation of the Proposal**

ITU will make no payment whatsoever to any Bidder for the preparation and submission of its Proposal and for any costs incurred in that respect. In particular ITU will not refund costs incurred by unsuccessful Bidders.

### **3.2 Proposal Validity**

Proposals shall remain valid for a minimum period of **one year** from the Bid Closing Date.

### **3.3 Confidentiality**

Any information, including but not limited to data, clarifications and documents, provided by ITU in relation to this Solicitation shall be kept strictly confidential by the Bidder and shall not be revealed to any third party without prior express written permission of ITU. The same applies after the conclusion of the Solicitation process and during the execution of the Contract. ITU will treat as confidential the content of the Proposals. During the Solicitation process, Bidders must address all their queries or correspondences, in writing, to the ITU Procurement Division only.

### **3.4 Errors and Omissions**

The Bidders will not be permitted to take advantage of any ambiguities, errors or omissions in the present Solicitation Document. Should ambiguities, errors or omissions be found, the Bidder shall notify ITU as soon as possible.

### **3.5 Publication in English and French**

The Solicitation is available in English and French. Bidders shall be aware that in case of conflict, discrepancies and/or ambiguities between the two versions available, the English version shall prevail.

### **3.6 Amendments to the Solicitation Document**

ITU reserves fully the right, for any reason and whether at its own initiative or in response to a request for clarification, to amend this Solicitation Document prior to the Bid Closing Date. In order to grant reasonable time in which to take the amendments into account in preparing the Proposals, ITU may extend the Bid Closing Date set in **Section 6.4** below.



### Part III. Instructions to Bidders

#### Section 4. Mandatory Information and Documents to be included in the Proposal

4.1 To be taken into consideration, Proposals shall be drawn up in English or French and must be structured in two different and separated documents:

- The Technical Proposal (Technical envelope); and
- The Financial Proposal (Financial envelope).

##### 4.1.1 TECHNICAL PROPOSAL (Technical Envelope)

**NO COMMERCIAL INFORMATION OR PRICES SHALL BE INCLUDED IN THE TECHNICAL PROPOSAL. FAILURE TO COMPLY WITH THIS RULE WILL LEAD TO AUTOMATIC DISQUALIFICATION OF THE PROPOSAL.**

The Technical Proposal shall include, at a minimum, the following mandatory information and documents:

##### A. General profile

The Bidder shall provide a presentation and summary of its general profile (see Annex 1), including:

- Role and functions of the audit institution submitting this Proposal;
- Profile of the Auditor-General<sup>2</sup>;
- Number of professional staff employed;
- Annual operating budget;
- Memberships in internationally recognized accounting and auditing bodies such as the International Organization of Supreme Audit Institutions (INTOSAI <http://www.intosai.org>).
- At least two satisfactory references for past or ongoing international audits in the past 10 years (see Annex 3).
- Working languages of the SAI.
- Bidders shall include in its Technical Proposal a duly completed Annex 2 "Institution Information Form".

##### B. Independence

The Bidder should declare and demonstrate if it:

- is independent from other institutions of its government;
- has full budget control and autonomy;
- is independent when determining the scope of work;
- has demonstrated objectivity and integrity in the discharge of its duties and responsibilities;
- will not assign any audit staff having a conflict of interest with ITU or any of its staff.

The Bidder shall provide description / information about the following:

- Autonomy from other institutions or bodies of the government;

<sup>2</sup> Or any other official with equivalent capacity/authority.



- If the independence of SAIs is defined in its constitutions and legislation;
- Management of the SAI budget;
- The condition for appointment of SAI heads and members.

#### **C. Experience and qualifications of proposed team**

The Bidder should demonstrate that it has a sufficient number of qualified professional staff, including staff with accounting, finance, operations, procurement, human resources, value for money and information technology audit experience, which would ensure an adequate audit coverage.

The Bidder shall include in its Technical Proposal a duly completed **Annex 4** "Resources Form". Additionally, Bidders shall provide the detailed CVs of each of the personnel proposed, including at a minimum the relevant qualifications of the team leader and staff to be involved in the audit of ITU's accounts in terms of:

- Language skills;
- Education of the proposed auditors;
- Professional experience of the proposed auditors;
- Areas of expertise/specialization of the proposed auditors;
- Certifications (such as SAP, CIPS, IPSAS, Prince II and CISA);
- Intercultural skills and competencies.

#### **D. Team size and structure**

The Bidder shall provide:

- The team size, structure and reporting lines proposed;
- The profile (manager, senior, junior), position and role of each team member;
- Forecast of specialist support such as IT auditor, forensics, gender issue, etc.

The Bidder shall confirm and describe its capability to replace, the allocated auditors with equivalent or higher qualifications and experience (see **Annex 10** "Confirmation on personnel replacement").

#### **E. Experience in the audit of United Nations Organizations**

The Bidder should describe the experience of the proposed team in the audit of UN Organizations.

The Bidder shall detail the proposed staff relevant experience in conducting international audits. In this respect, the names of the organizations concerned, the precise nature and scope of the tasks accomplished, shall be clearly described, particularly concerning tasks performed during the past ten years and in conformity with the auditing standards of the United Nations Panel of External Auditors and ethics governing their work and to International Standards on Accounting.

#### **F. Training and Experience**

The Bidder shall provide the following details:

- Existence of a continued professional education (CPE) programme for the staff.
- Trainings in modern trends of auditing, in auditing ERP systems and in use of computer aided audit techniques.



- Professional seminars or other means of adequate training in modern and emerging audit trends and techniques.

#### **G. Audit approach and Strategy**

The Bidder shall provide a detailed description of the proposed audit strategy, approach and procedures by completing **Annex 5** "Audit Standards, Strategy, Tools and Approach", including at a minimum:

- Conformity with the International Standards on Auditing promoted by the United Nations Panel of External Auditors <https://www.un.org/en/auditors/panel/> (and the INTOSAI);
- Conformity with ITU's Financial Regulations and Financial Rules and its relevant articles and annex related to the External Auditor;
- Use of comprehensive work plans to ensure adequate audit coverage;
- Demonstration of extensive experience in conducting financial and compliance audits, in conformity with best practices, as well as economy, efficiency and value for money audits;
- Coordination and cooperation with other ITU oversight functions<sup>3</sup>, such as the Internal Audit and the IMAC<sup>4</sup>;
- Code of professional and ethical conduct applicable to its entire staff and documented disciplinary procedures in the case of deviation from the code;
- Quality assurance procedures and programmes to ensure audit work is of the required standards.

#### **H. Reporting mechanism**

The Bidder should provide a description of the reporting mechanisms, including details concerning:

- The structure and format of audit reports and/or management letters;
- Timely discussion of findings and recommendations with ITU Management;
- Provide final draft of the audit report(s) to the SG for his comments;
- Final audit report(s) for presentation to and discussion at ITU Council;
- Compliance with International Auditing Standard ("ISA") 700.

#### **I. Estimated timeline**

The Bidder shall propose, using **Annex 7** "Estimated Timeline", an agenda for conducting the audit work by providing an estimation of:

- The number of work days needed to complete the annual audit of ITU's accounts;
- The frequency of audit visits to ITU;
- The average duration of the different types of audits.

During the Mandate, the Successful Bidder will be requested to provide ITU with the travel schedule of the audit team well in advance so that ITU can make the relevant administrative arrangements.

#### **J. Language skills**

<sup>3</sup> Refer to Annex 11

<sup>4</sup> Independent Management Advisory Committee (see Part IV).





The Bidder is requested to demonstrate it has a sufficient number of proposed auditors that are proficient in English or French (knowledge of an additional ITU official language<sup>5</sup> is an advantage).

**K. Use of Technology**

The Bidder shall provide the list of audit tools/ software used by the SAI and their role.

**L. Statement of compliance with Pass/Fail Criteria**

Bidders shall provide an **Annex 6** "Statement of compliance with Pass/Fail Criteria", clearly stating whether the Bidder complies with the Mandatory Requirements.

**M. Other relevant information**

The Bidder may add any additional information considered relevant for its Proposal. Such additional documents or data must be clearly and specifically identified in the covering letter.

**4.1.2 FINANCIAL PROPOSAL (Financial envelope)**

The Financial Proposal to be submitted in a **sealed separate envelope**, shall include, at a minimum, the following mandatory information and documents:

- a) The Bidder's fixed annual fee for each of the first four (4) audit years by completing **Annex 9** ("Financial Form").
- b) For information purposes, the Bidder shall also provide its methodology to calculate any additional audit fee<sup>6</sup> in case any additional auditing services are requested by ITU during the Mandate. The additional audit fees will not be subject to evaluation.

All prices quoted should:

- i. be indicated in a precise and unequivocal manner;
- ii. be Fixed for the term of the Mandate;
- iii. be quoted in **Swiss Francs (CHF)**<sup>7</sup> only and be exclusive of all taxes, including Value Added Tax (VAT);
- iv. be inclusive of any and all overhead costs, administrative charges, expenses, taxes and duties that the Bidder may incur in order to provide the services described in the Solicitation, including but not limited to insurance, secretarial, ancillary, travel and accommodation costs.

The payment principle applied is that the annual fee is payable upon completion of the annual audit work and receipt by the ITU of the final audit report. Related travel costs will be paid as required throughout the year.

**4.2 Other relevant information**

Bidders are expected to examine all corresponding instructions, forms, terms and specifications contained in this Solicitation Document. Bidders shall submit only the information that is relevant to this project. Any information irrelevant to the project will not be considered. In addition to the compulsory elements of each Proposal listed in **Section 4.1** above, the Bidder may append any document or provide any information it considers necessary. Such additional documents or data must be clearly and specifically identified in the covering letter.

<sup>5</sup> The official languages at ITU are: Arabic, Chinese, English, French, Spanish and Russian.

<sup>6</sup> ITU Financial Regulation art. 28.7

<sup>7</sup> ITU budget and accounts are maintained in Swiss Francs (CHF).



## Section 5. Submission of Requests for Clarification

5.1 Any requests for clarification of this Solicitation shall be made **in writing** only by the deadline of **Monday, 23 March 2020 at 15:00 hours (Geneva Time)** to the following e-mail addresses:

Ms. Elisabeth Eckerstrom  
Head, Procurement Division

International Telecommunication Union

E-mail: [elisabeth.eckerstrom@itu.int](mailto:elisabeth.eckerstrom@itu.int)

Cc: [proc@itu.int](mailto:proc@itu.int)

Subject: Request for Proposal Ref. No. RFP-S-SGO-2020-022-CLARIFICATIONS

5.2 Only ITU's written responses to the queries received as prescribed in **Section 5.1** above will be considered an integral part of this Solicitation and will be taken into consideration in the subsequent evaluation process. The anonymous and consolidated table containing the Bidder's queries and ITU's responses will be published on the ITU Council web page. The timing for distribution of ITU's answers will depend on the complexity and the number of queries received.

5.3 Bidders shall refrain from contacting any ITU Department other than the Procurement Division during the solicitation process and shall be aware that failure to comply with this rule may lead to disqualification of the Bidder from this solicitation process (see also Section 3.3 above).

## Section 6. Submission of Proposals

6.1 Bidders shall submit one (1) printed hard copy of both the Technical and Financial Proposal in **separate envelopes**, as well as one (1) electronic copy (either on USB stick or CD-ROM) of the Technical Proposal to be put in the Technical envelope and one (1) electronic copy (either on USB stick or CD-ROM) of the Financial Proposal to be put in the Financial envelope. Each page of the original Proposal shall be signed/visa'd (witnessed) by an official who is legally authorized to enter into an agreement on behalf of the Successful Bidder. Bidders shall be aware that in case of conflict, discrepancies and/or ambiguities between the hard copy and electronic copy of the bid, the signed hard copy shall prevail.

6.2 Proposals shall be placed in a sealed outer envelope bearing the wording "**Request for Proposal No. RFP-S-SGO-2020-022**", which must itself contain two separated sealed envelopes for; **(a)** the Technical Proposal; and **(b)** the Financial Proposal. The two inner envelopes must be clearly marked as follows:

- Inner envelope containing the Technical Proposal: TECHNICAL PROPOSAL, name of the Bidder, "**Request for Proposal No. RFP-S-SGO-2020-022**".
- Inner envelope containing the Financial Proposal: FINANCIAL PROPOSAL, name of the Bidder, "**Request for Proposal No. RFP-S-SGO-2020-022**".

This requirement is mandatory, due to the fact that Proposals shall be evaluated in two sequential phases; **(a)** the Technical Evaluation; and **(b)** the Commercial Evaluation.

6.3 The Proposal must be sent by registered mail to ITU Headquarters in Geneva at the following address:

**Head, Procurement Division**  
**International Telecommunication Union**  
**Communications Service**



**Place des Nations  
CH-1211 Geneva 20  
Switzerland**

Proposals can alternatively be hand-delivered to the **ITU Communications Service** from Monday to Friday from 09:00 to 12:00 and from 14:00 to 16:00 hours (Geneva Time), which will certify receipt of the Proposal by recording the date and time of receipt on the outside envelope. The official date and time of receipt will be those recorded by the ITU Communications Service upon receipt of the Proposal and may under no circumstances be challenged.

- 6.4 Bid Closing Date.** Proposals must be received by the deadline of **Friday, 17 April 2020 at 15:00 hours (Geneva Time)**. Any Proposal registered by the ITU Communications Service after the expiration of that deadline will not be considered and will be returned to the sender unopened, without any right of recourse or complaint. The Bidder is solely responsible for ensuring that the Proposal reaches the ITU and is duly received before the above expiration date.
- 6.5** The Proposals received within the Bid Closing Date and submitted in the form prescribed will be reviewed and evaluated by ITU in a fair and impartial manner in accordance with Section 8 below.
- 6.6** All Bidders should carefully note that in case of conflict, discrepancy and/or ambiguity between the hard copy of the Proposal submitted to ITU and the electronic copy, the hard copy of the Proposal shall in all circumstances be treated by ITU as the definitive Proposal.
- 6.7** No information concerning the examination, clarification or evaluation of Proposals and/or recommendations relating to the award shall be communicated to any Bidder or to any other person whomsoever.
- 6.8** The Bidder whose Proposal is retained will be notified of ITU's decision via e-mail. The choice by ITU will not become final until the Letter of Engagement is duly signed. ITU reserves the right to cancel any intention of contract award, should the Resources proposed by the Successful Bidder in its Proposal be removed from the project prior to the signature of the Letter of engagement. After due signature of the Mandate between ITU and the Successful Bidder, Letters of regret will be sent to the unsuccessful Bidders to inform them that their Proposal has not been retained.
- 6.9** Bidders may modify or replace their Proposal prior to the expiration of the Bid Closing Date. Bidders may withdraw their Proposal after submission, provided that a written notice of the withdrawal is received by ITU prior to the Bid Closing Date.
- 6.10** By submitting a Proposal, the Bidder thereby agrees to abide by all the terms and conditions set forth in the Solicitation.

**Section 7. Rejection of Proposals**

- 7.1** Any Proposal registered after the expiration of the Bid Closing Date or transmitted in ways other than described will not be considered without any right of recourse or complaint. Bidders are solely responsible for ensuring that the Proposal reaches the ITU and is duly received before the Bid Closing Date.
- 7.2** Any Proposal which does not meet the requirements described in **Part IV**, is incomplete or fails to meet the conditions of this Solicitation Document shall be rejected by ITU.



- 7.3 Failure to include any of the documents and information listed in **Section 4.1** above or to complete the required forms and Annexes fully and correctly may, at the sole discretion of ITU, entail the automatic rejection of the Proposal as a whole.
- 7.4 Following the Bid Closing Date and during the evaluation process, ITU reserves the right to contact Bidders individually for clarifications of Proposals (technical and/or financial). Any change to the Proposal however will not be permitted. In such an event, failure to respond to the request for clarifications, or respond to such request out of time, may result in disqualification. **The Bidders are requested to indicate in their Proposal a focal point for such possible clarification questions.**
- 7.5 ITU reserves the right to reject all or part of the Proposals received in good and due form, without being bound in any way to communicate its reasons to the Bidders, who shall have no right of recourse against the final decision of ITU.

**Section 8. Evaluation Criteria and Evaluation Process**

- 8.1 ITU’s evaluation of the Proposals shall be based on the documentary evidence contained in the Proposal in order to identify the qualified Bidder, whose Proposal, all factors considered, is the most responsive to the requirements set forth in the Solicitation and is the best value for money for ITU.
- 8.2 The evaluation of the Proposals will be carried out in three different phases: Phase 1 (Pass/Fail Assessment on Minimum Mandatory Requirements), Phase 2 (Assessment on Technical Weighted Criteria) and Phase 3 (Assessment on Financial Weighted Criteria).
- 8.3 In **Phase 1** (“Pass/Fail Assessment”) the following Mandatory Minimum Requirements shall be considered:

<i>Mandatory Minimum Requirements (Pass/Fail Assessment)</i>
<b>PF.1</b> The Bidder shall be the Supreme Audit Institution of one ITU Member State.
<b>PF.2</b> Bidder’s Experience: The Bidder shall have at least 10 years of experience as SAI.
<b>PF.3</b> Provision of at least two (2) satisfactory references for past or ongoing international audits in the past 10 years.
<b>PF.4</b> The Bidder demonstrates it has sufficient number of staff that are proficient in English and / or French. At least two members of the audit team need to be proficient in French if English is the main language or vice versa.
<b>PF.5</b> Confirmation on Bidder’s capacity to replace allocated team members with equivalent or higher qualifications and experience.
<b>PF.6</b> Proof of SAI Membership of internationally recognized accounting or auditing professional bodies.

- 8.4 The finalization of Phase 1 will result in a first shortlist of compliant Bidders meeting all the Minimum Requirements listed above. Bidders included in such shortlist will be eligible for **Phase 2** where their Proposal will be evaluated against the following technical weighted criteria:

<i>Technical Weighted Criteria (representing 75 points)</i>
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**TC.1 Independence:** Demonstrated autonomy from other institutions or bodies of the government, integrity and objectivity in the discharge of duties and responsibilities, and ability to self-determine scope of audit.

**TC.2 Team composition and personnel's qualifications and experience, including:**

- Language skills;
- Relevant certifications, such as CPA, CA, SAP, CIPS, Prince II, CISA and IPSAS;
- Gender balance represented by the team composition;
- Experience auditing ERP systems and with computer aided audit techniques;
- Experience in the audit of United Nations organizations and/or its specialized agencies and/or intergovernmental organizations including conformity to the auditing standards of the United Nations Panel of External Auditors and ethics governing their work and to International Standards on Accounting.

**TC.3 Training:** existence of a program for continuing professional education for staff, including training in auditing ERP systems and in the use of computer aided audit techniques.

**TC.4 Audit Approach and Strategy, including:**

- Comprehensive work plan to ensure adequate audit coverage of all ITU resources;
- Performance of financial and compliance audits as well as economy, efficiency and value-for-money audits;
- Audit tools and use of audit software, collaboration with ITU's internal and external oversight functions to optimize the use of audit resources and Quality Assurance procedures and programmes.

**TC.5 Structure and format for Audit Report and Management Letters:**

- Proposed Audit Report structure and timing including compliance with International Auditing Standard (ISA) 700.
- Proposed structure and format of Management Letters by which the results of audit work will be timely communicated to management and to ITU's competent bodies.

**TC.6 Presentation of the Audit Approach and Strategy proposed by the Bidders, including:**

- Clarity of the presentation.
- Relevance of the presentation.
- Completeness of the presentation.
- Logic and structure of the presentation.
- Consistency of the presentation with TC.4.

**8.5** Bidders complying with all the minimum mandatory requirements (Pass/Fail Criteria) will be invited to present their Audit Approach and Strategy during a videoconference session. The presentation will be evaluated as part of the selection process in accordance with TC.6 above.

**8.6** Based on the technical evaluation results of Phase 2, a short-list shall be prepared. Shortlisted Bidders will be assessed against the following financial weighted criteria (**Phase 3**):

*Financial Weighted Criteria (representing 25 points)*



**CC.A Financial Proposal:** Total Fixed Annual Fees for the first (4) audit years.

## Section 9. Appointment

- 9.1 An Appraisal Committee, composed of one representative per administrative ITU region (six in total), will evaluate the Proposals in accordance with the Evaluation Criteria and Process defined in Section 8 above. The Appraisal Committee will then make a recommendation to the Council for decision at its 2020 session for appointment of the successful Bidder as the ITU External Auditor. Council will be requested to decide on awarding the Mandate to the qualified Bidder whose Proposal, **all factors considered**, (i) is the best ranked during the evaluation process, (ii) provides the Best Value for Money for ITU and (iii) meets the expected tight timeline. Based on the Council decision, the ITU Secretary-General will proceed with the appointment through the signature of an Engagement Letter with the highest ranking official of the Successful Bidder.
- 9.2 Unsuccessful Bidders can obtain information about the assessment of their Proposal, it being understood that Bidders shall have no right of recourse against the final decision of ITU. Requests for information shall be addressed in writing to ITU's Procurement Division ([PROC@itu.int](mailto:PROC@itu.int)).

## Section 10. Practical Considerations

### 10.1 Applicable Documents

Bidders must be aware that the Mandate shall contain the Terms of Reference (Part IV), the successful Bidder's Proposal and any other specific terms and conditions detailed herein.

### 10.2 Working Language

The working language for provision of the services, including correspondences between the parties and all documentation to be provided within the framework of the Mandate, if applicable, shall be the *English* or *French* language. The successful Bidder shall be responsible for any translation or interpretation required during the Mandate's execution, which shall be done at no additional cost or expense for ITU.

### 10.3 Focal point

*"The external auditor and his staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor, necessary for the performance of the audit"*<sup>8</sup>. In order to pursue the smooth accomplishment of the external auditor mandate, in the ITU Secretariat, the administrative setup is that the Internal Audit Unit serves as focal point for communication between the external auditor and ITU Management. In practice this means that the external auditor and/or his staff shall communicate to /coordinate with the Internal Audit Unit the audit planning, audit time schedule, practical aspects regarding the external auditor's work at ITU premises, the draft reports of the external auditor.

The Internal Audit Unit will, in all cases, receive copies of formal communications between the Secretary-General and the external auditor and vice versa.

## Section 11. Other Important Information

### 11.1 Conflict of Interest

<sup>8</sup> ITU Financial Regulations and Financial Rules - ANNEX 1 (Additional terms of reference governing external audit), paragraph 3.



ITU encourages prospective Bidders to avoid and prevent conflicts of interest by disclosing to ITU if the Bidder, or any of its affiliates or personnel, were involved in the preparation of the requirements and other information contained in this Solicitation.

Bidders shall not offer gifts or hospitality to ITU staff members. Recreational trips to sporting or cultural events, transportation or invitations to lunches or dinners are also prohibited.

**11.2 Entire Solicitation Document**

This Solicitation Document supersedes all prior communications, written or oral, between ITU and any Bidders with respect to the subject matter. Bidders shall take into consideration in the preparation of their Proposals the information and requirements provided in this Solicitation Document only. All Parts and Annexes herein shall form an integral part of this Solicitation Document.

**11.3 ITU's Privileges, immunities and facilities**

Nothing contained in, or related to this Solicitation Document, shall be deemed or constitute a waiver of the privileges, immunities and facilities, which ITU enjoys by virtue of the international agreements and national laws applicable to it.



## Part IV. Terms of Reference of the External Auditor

### 1. Objective, Mission and Scope

#### 1.1 ITU Financial Regulations and Financial Rules - Article 28 – External Audit

[https://www.itu.int/pub/S-GEN-REG\\_RGTFIN-2010](https://www.itu.int/pub/S-GEN-REG_RGTFIN-2010)

1. The Council shall arrange for the audit of the accounts of the Union prepared by the Secretary-General and approve them, if appropriate, for submission to the next Plenipotentiary Conference.
2. The External Auditor shall be the supreme audit institution of one ITU Member State and shall be appointed by Council in a manner decided by the Plenipotentiary Conference for a four-year term. The term may be renewed without a competitive selection process by the decision of Council for a period of two years and a further period of two years.
3. The audit shall be conducted in conformity with generally accepted common auditing standards and, subject to any special directions of the Council, in accordance with the Additional terms of reference governing external audit set out in Annex 1 to the present regulations.
4. The accounts of the Union as at 31 December shall be submitted by the Secretary-General to the External Auditor not later than 31 March of the following year.
5. The External Auditor may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Union.
6. The External Auditor shall be completely independent and solely responsible for the conduct of the audit.
7. The Council may request the External Auditor to perform certain specific examinations and issue separate reports on the results. In case of voluntary contributions and trust funds, the Secretary-General may request the External Auditor to perform specific examinations and issue separate reports on the results.
8. The Secretary-General shall provide the External Auditor with the facilities he may require in the performance of the audit.
9. Any case of fraud or suspected fraud shall be submitted by the Secretary-General to the External Auditor without delay.
10. For the purpose of making a local or special examination or of saving on auditing costs, the External Auditor may engage the services of any national auditor-general (or equivalent title) or commercial public auditors of known repute or any other person or firm who, in the opinion of the External Auditor, is technically qualified.
11. The External Auditor shall issue reports on the audit of the financial statements and associated tables, which shall include such information as he deems necessary in regard to matters referred to in § 5 above and in the Additional terms of reference governing external audit (Annex 1 to the present regulations).
12. The accounts shall be submitted to the Council for approval, together with the report by the External Auditor, who shall be invited to present his report at the respective meeting of the Council.

#### 1.2 ITU Financial Regulations and Financial Rules - ANNEX 1 (Additional Terms of Reference governing the external audit)

13. The External Auditor shall perform such audit of the accounts of the Union, including all trust funds and special accounts, as he deems necessary in order to satisfy himself:
  - a) that the financial statements are consistent with the books and records of the Union;





- b) that the financial transactions reflected in the statements have been in accordance with the rules and regulations, budgetary provisions and other applicable directives;
  - c) that the securities and monies on deposit and on hand have been verified by certificate received direct from the Union's depositories or by actual count;
  - d) that the internal control system and internal audit function are adequate;
  - e) that procedures satisfactory to the External Auditor have been applied to the recording of all assets, liabilities, surpluses and deficits;
  - f) that the financial statements are presented in accordance with the accounting standards common to the organizations of the United Nations system.
14. The External Auditor shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretary-General, and may proceed to such detailed examination and verification as he chooses of all financial records, including those relating to supplies and equipment.
15. The External Auditor and his staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor, necessary for the performance of the audit. Information classified as privileged and which the Secretary-General (or his designated senior official) agrees is required by the External Auditor for the purposes of the audit, and information classified as confidential, shall be made available on application. The External Auditor and his staff shall respect the privileged and confidential nature of any information so classified which has been made available, and shall not make use of it except in direct connection with the performance of the audit. The External Auditor shall draw the attention of the Council to any refusal to disclose information classified as privileged which in his opinion was required for the purpose of the audit.
16. The External Auditor shall have no power to disallow items in the accounts but shall draw to the attention of the Secretary-General for appropriate action any transaction concerning which he entertains doubt as to legality or propriety. Audit objections to these or any other transactions arising during the examination of the accounts shall be immediately communicated to the Secretary-General.
17. The External Auditor shall issue and sign an opinion on the financial statements. The opinion shall include the following elements:
- a) the identification of the financial statements audited;
  - b) a reference to the responsibility of the Secretary-General and the responsibility of the External Auditor;
  - c) a reference to the audit standards followed;
  - d) a description of the work performed;
  - e) an expression of opinion on the financial statements as to whether:
    - i) the financial statements present fairly the financial position as at the end of the period and the results of its operations for the period;
    - ii) the financial statements were prepared in accordance with the stated accounting principles;
    - iii) the accounting principles were applied on a basis consistent with that of the preceding financial period;
  - f) an expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;
  - g) the date of the opinion;
  - h) the External Auditor's name and position;
  - i) should it be necessary, a reference to the report of the External Auditor on the financial statements.



- 18.** The report of the External Auditor on the financial operations of the period should mention:
- a) the type and scope of his examination;
  - b) matters affecting the completeness or accuracy of the accounts, including, where appropriate:
    - i) information necessary for correct interpretation of the accounts;
    - ii) any amounts which ought to have been received but which have not been entered in the accounts;
    - iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
    - iv) expenses not properly substantiated; v) whether proper books of accounts have been kept. Where, in the presentation of statements, there are deviations of a material nature from the generally accepted accounting principles applied on a consistent basis, these should be disclosed;
  - c) other matters which should be brought to the notice of the Council, such as:
    - i) cases of fraud or presumptive fraud;
    - ii) wasteful or improper use of the Union's money or other assets (notwithstanding that the accounting for the transaction may be correct);
    - iii) expenses likely to commit the Union to further outlay on a large scale;
    - iv) any defect in the general system or detailed regulations governing the control of revenue and expenses or of supplies and equipment;
    - v) expenses not in accordance with the intention of the Council after making allowance for duly authorized transfers within the budget of the Union;
    - vi) expenses in excess of appropriations as amended by duly authorized transfers within the budget of the Union;
    - vii) expenses not in conformity with the authority which governs them;
  - d) the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records.
- In addition, the report may contain reference to:
- e) transactions accounted for in a previous financial period concerning which further information has been obtained or transactions in a later financial period of which it seems desirable that the Council should have early knowledge.
- 19.** The External Auditor may make such observations with respect to his findings resulting from the audit and such comments on the Secretary-General's financial operating report as he deems appropriate to the Council.
- 20.** Whenever the scope of audit of the External Auditor is restricted, or whenever the External Auditor is unable to obtain sufficient evidence, he shall refer to the matter in his certificate and report, making clear the reasons for his comments and the effect on the financial position and the financial transactions as recorded.
- 21.** In no case shall the External Auditor include criticism in his report without first affording the Secretary-General an adequate opportunity of explanation on the matter under observation.
- 22.** The External Auditor is not required to mention any matter referred to in the foregoing which, in his opinion, is insignificant in all respects.



## 2. Requirements

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### 2.1. Bidder's Profile and Experience

Bidders shall comply with the following Mandatory Requirements:

- i) The Bidders shall be the Supreme Audit Institution ("SAI") of one ITU Member State with autonomy from other institutions or bodies of the government.
- ii) Bidders shall have at least ten (10) years of experience.
- iii) The SAI shall be a member of an internationally recognized accounting or auditing professional body.

Bidders shall be aware that the existence of a program for continuing professional education for staff; including training in modern trends of auditing, in auditing ERP systems and in use of computer aided audit techniques would be an asset.

### 2.2 Personnel's Experience and Qualifications

The Personnel proposed shall comply with the following Mandatory Requirements:

- i. The Bidder shall have sufficient number of staff that are proficient in English and / or French. In particular, at least two members of the audit team must be proficient in French if English is the main language or vice versa.

The Personnel proposed shall comply with the following Desirable Requirements:

- i. Professional qualification such as CPA, CA or equivalent.
- ii. Other relevant certifications such as IPSAS, SAP, Prince II, CISA.
- iii. Experience auditing ERP systems and with computer aided audit techniques.
- iv. Experience in the audit of United Nations organizations and/or its specialized agencies and / or intergovernmental organizations including conformity to the auditing standards of the United Nations Panel of External Auditors and ethics governing their work and to International Standards on Accounting.
- v. Knowledge of an additional ITU official language other than English and French.

### 2.3. Team Composition and Structure

Bidders shall propose a gender balanced team with one of the following structures (Mandatory Requirement):

- i. At least five (5) Senior Auditors and one Team leader; or
- ii. At least three (3) Junior and three (3) Senior auditors with a Team leader.

Bidders may propose additional staff resources with a particular expertise relevant to ITU, such as IT auditor (Desirable Requirement).

Bidders must have the capacity to replace allocated team members with personnel with equivalent or higher qualifications and experience (Mandatory Requirement).



### 3. Terms and Conditions

#### 3.1 Duration of term

The Successful Bidder will be appointed for an initial term of four years to audit the ~~2020, 2021, 2022 and 2023~~ 2022, 2023, 2024 and 2025 ITU Financial Statements. The term may be renewed without a competitive selection process by the decision of Council for a period of two years and a further period of two years. In principle, the Successful Bidder will not be eligible to bid for the next term of appointment. It is anticipated that the Successful Bidder will be appointed by Council at its 2020 session.

**Commented [EE1]:** The initial term is for four years from 2022 through 2025.

#### 3.2 Fee

One year prior to the end of the initial term any fee change proposal shall be communicated to ITU in writing and the Letter of engagement between the ITU and the Successful Bidder will be amended upon mutual agreement.

**ANNEX 1 "Institution Brief Presentation"**  
(to be included in the Technical Envelope)

*Please attach here a maximum 10 pages long institution presentation following the instructions of Section 4.1.1 Indent A) and B) of the Solicitation Document.*



**ANNEX 2 "Bidder Information Form"**  
*(to be included in the Technical Envelope)*

**1. General Information**

Name:	
Address, City, Postal Code, Country:	
Names of Officers/Directors:	
Legal Status:	
Date of founding:	
Contact person Name:	
Contact Person email:	
Contact person Phone:	

**2. Staffing**

Management:	
Full time - professional staff:	

**3. Budget (please use UN Operational rates of exchange found in below link:**

<https://treasury.un.org/operationalrates/OperationalRates.php>

Annual operating Budget 2016 in CHF:	
Annual operating Budget 2017 in CHF:	
Annual operating Budget 2018 in CHF:	
Annual operating Budget 2019 in CHF:	

**4. Memberships**

<b>Internationally recognized accounting and auditing bodies</b>	<b>Year of membership (From – To)</b>



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**Certified as accurate:**

Bidder's seal:

Place and Date: -----

Signature of the Bidder's legally authorized representative: -----



**ANNEX 3 “References Form”**  
*(to be included in the Technical Envelope)*

*Please provide a minimum of two (2) satisfactory references for past or ongoing international audits in the past 10 years.*

<b>UN Agency / Specialized Agency / Intergovernmental organizations</b>	<b>Brief Description of the Audit Mission</b>	<b>Length of Project</b>	<b>Contract value in CHF</b>
1. <i>(mandatory reference)</i>			
2. <i>(mandatory reference)</i>			
3			
4			
5			
6			
7			



**ANNEX 4 “Resources Form”**  
(to be included in the Technical Envelope)

*Please complete the below table providing the required information. The detailed CV/Résumés for each allocated resource shall be included in the Technical Proposal in accordance with Section 4.1 to the Solicitation Document.*

Names	Junior/Senior (Please specify)	Functions/Key Role in the Audit	Key Expertise	Main Language	Other languages	Certifications





**ANNEX 5 “Audit Standards, Strategy, Tools and Approach”**

*(to be included in the Technical Envelope)*

Please provide a detailed description of the audit standards, strategy, tools and approach proposed for the provision of the Services described in Part IV (“Terms of Reference”).



**ANNEX 6 “Statement of Compliance with Pass/Fail Criteria”**

*(to be included in the Technical Envelope)*

*The Bidder shall complete this form and include it in the Technical Envelope as indicated in Section 4.1.1 to the Solicitation Document.*

Pass/Fail Criteria	Compliant	If <b>compliant (YES)</b> provide the <b>exact</b> reference in the Technical Proposal (document name and page number). In case of non-compliance <b>(NO)</b> please state the reason(s).
<b>PF.1</b> The Bidder shall be the Supreme Audit Institution of one ITU Member State.	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>NO</b>	
<b>PF.2</b> Bidders shall have at least ten (10) years of experience as SAI.	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>NO</b>	
<b>PF.3</b> Provision of at least two (2) satisfactory references for past or ongoing international audits carried out in the past 10 years.	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>NO</b>	
<b>PF.4</b> The Bidder demonstrates that it has sufficient number of staff that are proficient in English and / or French. At least two members of the audit team are proficient in French if English is the main language or vice versa.	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>NO</b>	
<b>PF.5</b> Confirmation on Bidder's capacity to replace allocated team members with equivalent or higher qualifications and experience.	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>NO</b>	
<b>PF.6</b> Proof of SAI membership of internationally recognized accounting or auditing professional bodies.	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>NO</b>	



**ANNEX 7 "Estimated timeline"**

*(to be included in the Technical Envelope)*

*Please provide the proposed audit schedule, including at a minimum: (i) the time/ number of hours required by each proposed auditor by rank and topic; (ii) the estimated timeline required for conducting audit work by providing number of work days per year to complete annual audit of ITU's accounts; (iii) the frequency of visits to ITU; and (iv) the average duration of the different types of audits in accordance with the instructions of Section 4.1.1.*



**ANNEX 8 “Formal Declaration”**

*(to be included in the Financial envelope)*

I, the undersigned, agree to provide the required professional services in accordance with the terms of reference described in the present document bearing the Reference **Solicitation Ref. No. RFP-S-SGO-2020-XXX “Auditing the Accounts of the Union”**.

I also hereby certify that the Proposal submitted in all its terms and conditions, including but not limited to all its technical and financial aspects, will remain valid for a minimum period of **one year** from the Bid Closing Date.

In particular, the total firm annual fees indicated in **Annex 9** (“Financial Form”) are *fully inclusive* of all administrative charges and overheads (but EXCLUDING costs associated with travel) and will remain valid for **one year** from the Bid Closing Date.

I also declare to be aware that Bidders must take into account in the preparation of their Proposal all risks and difficulties in relation to the requested professional services described in the present document. As such, all services, goods and supplies not specified in this Solicitation Document but logically necessary for the satisfactory execution of the Mandate are included in the prices indicated in Annex 9 (“Financial Form”).

<b>Certified as accurate:</b>	
<b>Bidder’s seal:</b>	
<b>Place and date:</b>	
<b>Signature of the Bidder’s legally authorized representative:</b>	
<b>Name and Title of the Bidder’s legally authorized representative:</b>	



**ANNEX 9 "Financial Form"**  
*(to be included in the Financial Envelope)*

Bidders shall complete the present **Annex 9** in accordance with the instructions set forth in Section 4.1.2. Bidders may also append a breakdown fee sheet to further detail the fixed and final overall quoted fee.

Items*	Price in Swiss Francs (excluding VAT)
Fixed annual fee for year 1:	
Fixed annual fee for year 2:	
Fixed annual fee for year 3:	
Fixed annual fee for year 4:	
<b>Total fixed fee for years 1 to 4:</b>	
<p><i>(*)The annual fees shall be inclusive of any all overhead costs, administrative charges, expenses, taxes and duties that the Bidder may incur in order to provide the services described in the Solicitation, including but not limited to insurance, secretarial, ancillary, and accommodation costs. Costs related to mode of travel should be listed in the below table.</i></p>	

Costs in relation to mode of travel

Mode of Travel**	Price in Swiss Francs (excluding VAT)
Travel costs year 1:	
Travel costs year 2:	
Travel costs year 3:	
Travel costs year 4:	
<b>Total travel costs years 1 to 4:</b>	

*(\*\*) Mode of travel costs relates to plane /train/other means of travel costs to be incurred.*

<p><b>Methodology of calculation for any Additional audit fee:</b></p>          
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**ANNEX 10 "Confirmation on personnel replacement"**

*(To be included in the Technical Envelope)*

*Please confirm your capacity to replace the allocated team members with personnel with equivalent or higher qualifications and experience.*

Empty box for providing the confirmation on personnel replacement.



### *Annex 11*

#### ITU Internal Control Framework

The system of internal control is designed to reduce and manage rather than eliminate the risk of failure to achieve the organization's policies, aims and objectives. Therefore, it can only provide a reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. ITU management is charged with the responsibility of establishing a network of processes with the objective of controlling the operations of ITU in a manner that provides the governing bodies' reasonable assurance that:

- The Organization's plans, programmes, goals, and objectives are achieved,
- Resources are acquired economically and employed profitably; quality business processes and continuous improvement are emphasized,
- The Organization's resources (including its people, system, data/information) are adequately protected,
- The actions of Elected Officials, Senior Counsellors, Professionals and General Services Staff are in compliance with the Organization's policies, standards, plans and procedures, and all relevant laws, rules and regulations,
- Data and information published either internally or externally is accurate, reliable, and timely.

Risk management and the management of internal controls are functions of management and are an integral part of the overall process of managing operations. As such, it is the responsibility of ITU managers at all levels to:

- Identify and evaluate the exposures to possible risks that relate to their particular sphere of operations,
- Specify and propose policies, plans, and operating standards, procedures, systems, and other guidelines to be used to minimize, mitigate, and/or mitigate the risks associated with the exposures identified,
- Establish practical controlling processes that require and encourage employees to carry out their duties and responsibilities in a manner that helps achieve the five control objectives outlined in the preceding paragraph,
- Maintain the effectiveness of the controlling processes that have been established and foster continuous improvement to these processes.