



# Request for Proposals: Annual External Audit Services

## What we are seeking:

The CGIAR System Organization (System Organization) is seeking proposals to perform an external audit of the System Organization's annual financial statements for the year ending December 31, 2018. The System Organization is a recognized treaty-based international organization and is funded completely through donations and grants from private and public donors.

## Deliverables and timeline:

The auditors will express an independent professional opinion as to whether the financial statements present fairly, in all material aspects, the financial position of the System Organization in accordance with the International Financial Reporting Standards (IFRSs). The audit will be carried out in accordance with the International Standards on Auditing (ISAs). The System Organization is governed by internal rules established according to the IFRS.

### Deliverables

#### Audit report:

- Examine on test basis that appropriateness of supporting documents, records, and books of accounts relating to all activities in support of the examination of the Annual Financial Statements according to the ISAs and IFRS.
- Preparation and presentation of an audit report and other matters arising from the audit for presentation to the System Management Board's Audit and Risk Committee.
- Signature of the audit report under the international name of the firm.

#### Management letter:

- Preparation of a management letter (including any management responses) identifying specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;
- Any matters that come to the auditors' attention during the audit that may have a significant impact on the implementation of the work of the System Organization.

## Timeline

Activity	Estimated date
Issuance of RFP	28 December 2018
Closure of accounts	31 December 2018
Deadline for RFP Submissions	18 January 2019
Final Decision of ARC on Appointment of Auditors	28 January 2019
Field work	During February 2019 (recommend 5 days maximum)
Exit conference	Last day of field work
Draft audit report and management letter submitted	No later than 10 business days after the exit conference
Management response	No later than 5 business days after the draft report is submitted
Final audit report submitted to ARC	31 March 2019 (no later than)

## Knowledge, skills, and abilities:

All proposals must demonstrate the respondent's eligibility including professional registrations and certifications. Please also address the following (see Annex A for additional guidance):

- Staff stability history at the senior management level and assurances provided to the System Organization regarding the assignment of personnel to the engagement;
- Experience of your firm in relation to the scope of the audit for non-profit and international organizations;
- Detailed audit methodology including your approach to risk and fraud detection and audit quality control;
- Format of draft annual financial statements required for audit;
- Structure of the management letter; and
- If applicable, what is the nature of the firm's affiliation with its worldwide firm;

Please also provide CVs for proposed team and the time allocation for the team members.

## Who we are:

### How to submit a proposal:

Please submit a narrative proposal and a budget proposal as two separate documents to [smo-procurement@cgiar.org](mailto:smo-procurement@cgiar.org). Both documents can be attached to the same email.

Narrative proposal will consist of no more than 10 pages using Microsoft Word or similar format, font size 11pt., margins no smaller than one-inch. CVs will not count against the page limit and may be presented in a separate Annex.

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Submissions due: 19 January 2019

Budget proposal will be presented using Microsoft Excel or similar format and consist of, at a minimum, the following line items: auditor time, resources, travel. The budget will be presented in US dollars. For auditor time, please submit a table in the following format to indicate the level of effort and cost planned by level for staff in your organization.

<b>Staff Level</b>	<b>Number of Days</b>	<b>Daily Rate</b>	<b>Total</b>
Associate			
Senior Associate			
Manager			
Partner			
Other			

All proposals must be received no later than Midnight on 19 January 2019. Only electronically submitted proposals will be considered. Late proposals will not be considered.

**Appendix A: Additional Guidance to Respondents:**

Please respond to the following questions and areas of interest in preparing your proposal:

**I. Your Firm**

- Briefly describe your firm's structure, size and methods of operations, including your firm's global structure and capability. How will these benefit the CGIAR System Organization?
- Identify your firm's and specifically the responding office's major clients in the International Not-For-Profit sector.

**II. Your People and Experience**

- Identify the partners and other key members of your team who will be assigned to the engagement. Briefly describe their roles and experience with organizations of similar size in the Not-For-Profit sector
- What commitments will you make on your teams' accessibility to our management and financial staff?
- Provide references for each of the core team members who will be assigned to our engagement.
- Discuss the most important contributions your firm can make beyond the audit, based on your current knowledge of the CGIAR System Organization.
- Describe why you believe your firm is uniquely qualified to meet our needs and describe what differentiates your firm from the competition locally, nationally and internationally.

**III. Your Audit Approach to the CGIAR System Organization**

- What is your plan if there is a transition of auditors from the incumbent to your firm (if applicable) at the System Organization?
- Describe your approach to the initial and continuing audits. What are the specific benefits to our Organization? How does it differ from those of other firms?
- How will you develop your audit plans? What areas do you think will require special attention? How will you handle them?
- Describe how you will interact with (Please include reference to frequency of planned engagement, types of communication and any other value added advisory service included in your proposal and quotation of fees) :
  - Management
  - The Audit and Risk Committee of the System Management Board. How do you recommend the Chair of the Audit and Risk Committee be involved in the annual audit?
- Describe your views as to the important issues and risks that the CGIAR System Organization will need to consider over the next year and explain how your firm will address them.

- How does your firm monitor client satisfaction? How do you respond to any areas of dissatisfaction?

**IV. Fees**

- Describe your firm's approach to out-of-pocket expenses.
- Explain how routine phone calls and minor research or consultations are handled. Specifically identify what is part of your fee quote and what is not.

**V. Other Issues & Independence**

- Please confirm that you are not currently aware of any relevant issues that could affect your ability to maintain professional independence in proceeding with these audit engagements. Identify any other issues which would cause you not to accept the CGIAR System Organization as a client assuming you were selected because of this evaluation process.

## **Appendix B: CGIAR System Organization (System Organization) – Background Information**

### **Who are we?**

- Led by and Executive Director, the CGIAR System Organization, which is an international organization headquartered in Montpellier, France, provides governance and support to the CGIAR System in collaboration with the System Management Board and the System Council.
- The Organization is committed to cultivating a work environment that reflects teamwork, gender equality, and respect for diversity. We endeavor to foster a multi-cultural environment that is free of any form of harassment and discrimination; and that embraces and values individuals regardless of age, ethnicity, race, gender, national or social origin, marital status or any other form of personal identity.
- Please find more information about CGIAR at [www.cgiar.org](http://www.cgiar.org)

### **Institutional Information**

- The CGIAR System Organization is an independent international organization with such international legal personality as may be necessary for the exercise of its functions and powers, and the fulfillment of its purposes.
- The System Organization is not subject to statutory laws and regulations which would require the entity to prepare a full set of annual financial statements. However, it has been decided that the System Organization will present a full set of audited annual financial statements to provide all its stakeholders with a comprehensive annual review of its business performance and financial position.

### **Headquarters Agreement with the French Government**

- On 4 March 2013, the Consortium of International Agricultural Research Centers (predecessor to the CGIAR System Organization) signed an Agreement with the French Government regarding “Headquarters of the Consortium and its privileges and immunities in the French Territory”
- On 31 March 2015, an agreement was signed with the Région Occitanie (formerly titled Languedoc-Roussillon) providing an office building located at 1000, avenue Agropolis, F-34394 Montpellier Cedex 5, France, from where the CGIAR System Organization operates. The building includes 790 sqm of office, meeting and open space, and the facility is built on a piece of land of approximately 1,000 sqm, which is part of the Agricultural Agropolis Park. The facility is provided by the Région Occitanie free of charge except for an agreed upon late modification for which the System Organization agreed to reimburse the Région with a payment of Euro 10,474 during the first five years of occupation. The agreement is in place for a duration of 20 years and if not renewed the facility shall be returned to the Région Occitanie.

### **Size, Scope, and Location of Organization**

- The System Organization in 2018 had approximately 40 staff – all but 1 was based at the Headquarter office in Montpellier, France during the year.
- The total expenditure budget of the organization in 2018 is approximately \$10.4M – of which, \$5.7M was related to staff costs.