



ONE ASEAN ONE RESPONSE

## TERMS OF REFERENCE

Consultancy	: Hiring the International Independent External Auditor to Conduct Final External Audit for project closing of “Establishment of an Integrated Information and Communication Technology (ICT) System to Strengthen the Operation of ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) – Phase IV” project for the period of 20 August 2018 – 31 December 2021
Reporting to	: Director of Corporate Affairs
Duration	: 2 months

## BACKGROUND

1. The AHA Centre – ASEAN Coordinating Centre for Humanitarian Assistance on disaster management is an inter-governmental organisation established by 10 ASEAN Member States: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Viet Nam, to facilitate cooperation and coordination among ASEAN Member States (AMS) and with the United Nations and international organisations for disaster management and emergency response in the region.
2. The AHA Centre was established on 17 November 2011 during the 19<sup>th</sup> ASEAN Summit in Bali, Indonesia, through the signing of “the Agreement on the Establishment of the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre)” by ASEAN Foreign Ministers, witnessed by all ASEAN Heads of State/Government. The AHA Centre’s office also houses the Emergency Operations Centre (EOC), which serves as the central location in monitoring disasters and coordinating ASEAN’s collective response to disasters.
3. The Government of Japan approved the proposal on “Establishment of an Integrated Information and Communication Technology (ICT) System to Strengthen the Operation of ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) – Phase IV” project on 20 August 2018 with the total budget of USD 3,353,417.75. The ICT Phase IV project is to be implemented until 31 December 2021.
4. The ICT Phase IV Project aims to enhance the ICT operational capacity of the AHA Centre to enable the AHA Centre to further enhance its disaster monitoring and analysis capability and support a well-informed decision-making process, to establish an AHA Centre’s warehouse management system to automate business processes to support Disaster Emergency Logistics System for ASEAN (DELSA) Satellite Warehouse project.

5. These include management of inventory, tracking of stocks and finance, among others, to establish Knowledge Management (KM) system as well as the mechanism to promote knowledge sharing and collaboration among AMS and with relevant stakeholders, and to further build the capacity of National Disaster Management Organisations (NDMOs) of AMS and the AHA Centre in utilising the current and new ICT systems (such WebEOC, Disaster Monitoring System, ADInet, KM, etc.) as well as big data. This project is supported by the Japan-ASEAN Integration Fund (JAIF) 2.0.

## **RESPONSIBILITIES**

6. The following are the responsibilities of the External Auditor:

- i. Conduct the external audit in conformity with the international auditing standards of the International Standards on Auditing (ISA).
- ii. Perform the external audit to obtain reasonable assurance that the financial statements are free of material misstatement, free of material error and fraud.
- iii. Examine the ICT Phase IV project's accounts, collect and interpret figures and identify any problems or risks to the operations of the Project and/or the AHA Centre.
- iv. Determine, among others,
  - a. affirmed accounting records are accurate and complete;
  - b. statements are prepared in accordance with international best practices with the provisions of International Public Sector Accounting Standards (IPSAS); and
  - c. statements prepared from the accounts present fairly the ICT Phase IV project's financial position and the results of its financial operations.
- v. Express an independent professional opinion on the financial position of the for the audited years.
- vi. Report any deficiencies or weaknesses on the effectiveness of internal control over compliance with requirements that could have financial effect on the financial statements as well as control over financial reporting.
- vii. Provide recommendations for improvement to the Management including report on the effectiveness of internal control against compliance that might affect the AHA Centre.

7. External audit outcome shall comprise of complete audit report consisting of the auditor's opinion, audited financial statements including Budget versus Actual (BvA) report, notes to financial statements for an overall financial performance of ICT Phase IV project from 20 August 2018 to 31 December 2021.

8. Audit opinion shall include an independent opinion as to whether or not the financial statements present fairly, in all material respects the financial position of the Project as at the

end of the audited period and the result of operation for the said period and an opinion on compliance with the International Public Sector Accounting Standards (IPSAS).

9. Findings on any significant improvements addressing the adequacy of the accounting and internal control systems, risks, and compliance of the Project during the course of the audited period and recommendations shall be highlighted in the Management Letter, if applicable.

10. All figures in the financial statements are presented in USD currency.

11. All working paper and audit report shall be prepared in English.

12. The number of submitted copies of each complete set of audit reports are 20 (twenty) hardcopies and one (1) electronic copy or pdf version with digital signatures.

13. The number of submitted copies of the management letters are 20 (twenty) hardcopies and one (1) electronic copy or pdf version with digital signatures, if applicable.

## AUDIT PERIOD

14. Audit report for the ICT Phase IV project from 20 August 2018 to 31 December 2021 is expected to be completed by 21 February 2022.

## EXPECTED DELIVERABLES

15. Deliverables are expected with the following schedule:

- i. Proposal submission with detail fee breakdown by projects: **latest on 18 December 2021**
- ii. Award of contract: 21 December 2021
- iii. Contract signing and final plan: 23 December 2021
- iv. Further arrangement:

Schedule	Tentative Timeline
Field work schedule	17 – 31 January 2022
Submission of draft audit report and recommendations	1 February 2022
Submission of final audit report and recommendations	21 February 2022

## REQUIREMENTS

### Required Skills:

16. The external auditor needs to have the following technical requirements:

- i. First-tier international accounting and auditing firm with proven track records in conducting external audit of inter-governmental body, international NGOs or specialised agencies of the United Nations will be invited to the bidding process.

- Such firm is preferably international firm with offices in major cities of ASEAN Member States includes Jakarta.
- ii. The lead external auditor(s) assigned to conduct external audit of the Project shall be qualified chartered accountant with one of the following professional bodies such as Association of Chartered Certified Accountant (ACCA), Association of International Accountants (AIA), Chartered Institute of Public Finance and Accountancy (CIPFA) or other internationally recognized qualifications.
  - iii. The external auditor shall be knowledgeable and at least equipped with 7-year experience about auditing, accounting, and financial reporting matters.
  - iv. The external auditor is independent and expected to uphold principles of objectivity, integrity and free of conflicts of interest with the AHA Centre.

## **FUNDING & WORKING ARRANGEMENT**

17. The budget for final external audit of the ICT Phase IV project year 2018-2021 will be directly allocated from ICT Phase IV project. The proposed fee shall include Out of Pocket/OPE Expenses and VAT 10%.

18. The working hours shall be from Monday to Friday with normal working hour is from 9.00 a.m. to 5.00 p.m. including time allowed for lunch) during the engagement period.

## **PAYMENT SCHEDULE**

19. The interested firms should include Out of Pocket/OPE Expenses and all taxes payable to the Government of Indonesia in the total amount of tender. The bidding price will be one of the considerations to award the contract. The payment will be made on three payment terms (signing the engagement letter/contract, submission of draft report and submission of final report) based on the review from Director of Corporate Affairs and approval from respective Budget Holder on the progress of auditing from the selected external auditor during the engaged period.

20. Payment will be disbursed in stages by the AHA Centre with the schedule detailed as follows:

- i. Upon signing of engagement letter and acceptance of the field work schedule: 20%
- ii. On the commencement of the field work: 40%
- iii. Upon satisfactory receipt of the final audit report and recommendation: 40%

## **APPLICATION PROCESS**

21. The interested auditing firm/organisation must provide sufficient information in the proposal to demonstrate compliance with the above requirements. The proposal shall be written in English and shall include all the requirements as specified in the above section "Requirements", as a minimum:

- i. Letter of Interest,
- ii. Company profile outlining relevant qualifications, accreditation, years, and depth of experience in line with the above-mentioned requirements,
- iii. CVs of lead consultant/s as well as team members,

- iv. Proposed timeline and detail fee breakdown,
- v. A summarised description and brief examples of work on the previous specific and similar projects.

22. Interested applicants may apply by sending your application to:  
[procurement@ahacentre.org](mailto:procurement@ahacentre.org)

23. *The Selection Panel's decision is final and only shortlisted candidates will be notified.*

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