



ONE ASEAN ONE RESPONSE

TERMS OF REFERENCE

Consultancy	: Hiring the International Independent External Auditor to Conduct Periodic Audit for the overall AHA Centre and its projects for the period of 1 January 2021 – 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 19th 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 AHA Centre commenced its operations in 2012 and received the annual and equal contributions from ten ASEAN Member Status amounted to USD30,000 per country per year. Starting in 2019, the amount of the annual and equal contribution increased to USD50,000 per country per year. Starting in 2019, the AHA Centre has received annual and equal contributions from ten ASEAN Member States amounted to USD 900,000 per year. This significant increase indicates the sustained commitment as well as increasing trust and confidence of the ASEAN Member States on the AHA Centre.
4. In addition, the AHA Centre has also managed various financial contributions from ASEAN Dialogue Partners and other partners of the AHA Centre. These contributions from external partners represent 90% of financial contributions received by the AHA Centre since its establishment. In 2021, the AHA Centre has managed fourteen project funds from the Government of Japan through Japan-ASEAN Integration Fund or JAIF, the European Union (EU), the Government of the Republic of Korea through ASEAN-ROK Cooperation Fund or AKCF, the Government of Australia through the Department of Foreign Affairs and Trade

(DFAT), the Government of Switzerland through Swiss Agency for Development and Cooperation or SDC, the Direct Relief, and the United States Department of Agriculture Forest Service or USFS. In addition, the AHA Centre has also received three specific contributions for crisis and emergency responses i.e., Rakhine in Myanmar (financial contributions were received from two ASEAN Member States – Malaysia and Singapore), Central Sulawesi response in Indonesia (financial contributions were received from two ASEAN Member States – Brunei Darussalam and the Philippines, Direct Relief and DFAT Australia), and humanitarian assistance in Myanmar (financial contributions were received from six ASEAN Member States – Brunei Darussalam, Cambodia, the Philippines, Singapore, Thailand and Viet Nam). Relief items procured under JAIF through the Disaster Emergency Logistics System for ASEAN or DELSA project are stored in the regional stockpile in Subang, Malaysia (under the management of WFP-UNHRD) and two satellite warehouses in Manila, the Philippines and in Chai Nat, Thailand.

RESPONSIBILITIES

5. 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 AHA Centre's accounts, collect and interpret figures and identify any problems or risks to the operations of 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 AHA Centre's financial position and the results of its financial operations.
 - v. Express an independent professional opinion on the financial position of the AHA Centre and its projects for 2021.
 - 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.
6. The external audit outcome shall be comprised of the separate audit reports and a Management Letter, with responsibilities as follows:

- i. Complete an audit report consisting of the auditor's opinion, audited financial statements, notes to financial statements for an overall financial performance of the AHA Centre from 1 January 2021 to 31 December 2021;
- ii. Complete an audit report consisting of the auditor's opinion, audited financial statements, notes to financial statements for an overall financial performance of ACE Programme 2018-2020 project from 1 January 2021 to 31 December 2021;
- iii. Complete an audit report consisting of the auditor's opinion, audited financial statements, notes to financial statements for an overall financial performance of ASEAN-ERAT Phase II project from 1 January 2021 to 31 December 2021;
- iv. Complete an audit report consisting of the auditor's opinion, audited financial statements, notes to financial statements for an overall financial performance of DELSA Phase III project from October 2021 to 31 December 2021;
- v. Complete an audit report consisting of the auditor's opinion, audited financial statements, notes to financial statements for an overall financial performance of ASCEND project from 1 January 2021 to 31 December 2021; and
- vi. Provide a recommendation to the Management through Management Letter.

7. 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 AHA Centre 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).

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

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

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

11. 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.

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

AUDIT PERIOD

13. Audit reports for the AHA Centre and all projects from 1 January to 31 December 2021 and Management Letter are expected to be completed by 21 February 2022.

EXPECTED DELIVERABLES

14. 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:

15. 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 AHA Centre 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 AND WORKING ARRANGEMENT

16. The budget for external auditor of the overall AHA Centre year 2021 will be allocated from several funding sources (i.e., AHA Centre (MS-9900), ACE Programme (JAIF-1803), ERAT Phase II (JAIF-2003), DELSA Phase III (JAIF-2104), and AKCF-ASCEND (AKCF-2002). The proposed fee shall include Out of Pocket/OPE Expenses and VAT 10%.
17. The working hours shall be from Monday to Friday with normal working hour from 9.00 a.m. to 5.00 p.m. including time allowed for lunch) during the engagement period.

PAYMENT SCHEDULE

18. 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.

19. 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

20. 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 by projects,
- v. A summarised description and brief examples of work on the previous specific and similar projects.

21. Interested applicants may apply by sending your application to: procurement@ahacentre.org

22. *Contract will be awarded to successful bidder to conduct Periodic Audit for the overall AHA Centre and its projects for the period of 1 January 2021 – 31 December 2021, with possibility of extension up to three years Audit period upon satisfactory performance and depend on the availability of budget.*

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

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