



SAMOA INSTITUTE OF ACCOUNTANTS QUALITY ASSURANCE (QA) FOR AUDIT REVIEWER (CONTRACTOR SERVICES)

INVITATION TO TENDER

INTRODUCTION

The Samoa Institute of Accountants (SIA) is the national professional accountancy body in Samoa. It has 179 professional accountants as members, including 20 members who have been approved and are registered to carry out auditor work. Only one international network firm is currently operated in Samoa which is BDO Samoa (formerly Betham & Co.). Some of the auditors were partners or directors of international network firms of Price Waterhouse and Coopers & Lybrand which previously operated in Samoa.

SIA has been working with ICAEW to share knowledge and to develop an effective QA for audit monitoring service in line with international good practice.

BACKGROUND

Samoa has the legislative framework in place through the Companies Act 2001 and Samoa Institute of Accountants Act 2006 to effectively regulate financial reporting and auditing. SIA is now establishing procedures for reviews of auditors of private sector entities and is seeking to start QA for audit inspections to these firms from November 2017.

The Controller and Auditor General is the regulator for State Owned Enterprises (SOEs) and QA for SOE audits is outside the mandate of the SIA as stipulated under Section 15 of the Samoa Institute of Accountants Act 2006.

To comply with IFAC SMO 1: Quality Assurance and international good practice, auditors of public interest entities should be visited at least every three years, and all other auditors at least every six years. Based on these assumptions and the number of auditors of each type in Samoa, it is estimated that 5 audit firms need to be visited each year with coverage each year of:

- one larger audit firm with public interest entity audits (5 days)
- one smaller audit firm with public interest entity audits (3 days) and
- three smaller audit firm without public interest entity audits (3 days per review)

The QA visit procedures, which are in alignment with international good practice, will have been established in advance of the work commencing. Training in their application will be provided to the successful candidate as part of the first visit during which the QA for audit service will be launched. The dates of the training and launch of the service for 2017 are **29 November to 8 December inclusive** which is when the initial contractor visit will take place.

It is envisaged that the inspections would involve two separate visits. The first visit will include a mentored training visit to one smaller audit firm with public interest entity audits and an unaccompanied visit to one larger audit firm with public interest entity audits. The second visit, in 2018 (dates to be agreed) will cover three smaller audit firm without public interest entity audits.

Administration support required would be provided by SIA.

SIA is now seeking to outsource the QA for audit monitoring review work.

SELECTION PROCESS

To assist in the process of deciding the successful candidate you must provide the information which is requested in this document. Any attachments must have the question they refer to clearly marked.

This document and any supporting information must be returned to the person named below no later than **20 October 2017**. Documents received after this date will not be considered. Please send electronic copies of all documentation as this will assist the Selection Panel.

Any queries in relation to this Tender process should be submitted in writing and directed to Susana Laulu at susanal@dbsamoa.ws

SCOPE OF SERVICES

The consultant is required for initial training and mentoring and carrying out the first unaccompanied QA for audit monitoring visit between 29 November and 8 December 2017. A subsequent 9 days to complete the first year cycle of QA for audit monitoring visits at dates to be agreed in the first half of 2018.

The consultant will be responsible for:

- Planning of QA for audit review visits scheduled by SIA.
- Carrying out QA for audit review visits to audit firms of all sizes in accordance with SIA QA visit procedures.
- Preparing reports on the visit findings and agreeing a plan of action with the audit firms.
- Submitting reports to the SIA for review and approval.

The successful bidder is likely to have the contract renewed for 2018/19 for a further 17 working days.

CRITERIA FOR ASSESSING TENDERS

In the proposal submitted, SIA is particularly keen to receive details which demonstrate the applicant's experience to carry out the work.

Selection Criteria

The following criteria will be used for selection.

The candidate should:

- be a member of a recognised professional accountancy body with at least an equivalent professional qualification to that required for membership of SIA.
- have recent experience at audit manager level or above, ideally in an international audit network firm or equivalent.
- have both the technical knowledge and the authority to successfully challenge senior staff at audit firms.
- have good interviewing techniques and a proven ability to manage and resolve conflict.
- have the ability to write clear and well-organised reports which set out the findings from the QA for audit visits and justify the conclusions.

SIA will not necessarily accept the lowest tender but will make the most economically advantageous selection based on all criteria.

Submissions will be considered and, if appropriate, candidates will be invited to provide further information to the Practice Review Committee in the week of 23 October 2017 with a proposed appointment date of **8 November 2017**. The contract would commence on **27 November 2017**.

FEES

SIA is unable to enter into any discussions over the Budget available for this appointment.

Applicants are asked to submit detailed fee proposals for the first year of the appointment on the attached schedule. The successful bidder is likely to have the contract renewed for 2018/19 for a further 17 working days.

The Fees table at Schedule 2 should be completed to show the daily rate and the number of days together with details of any other costs to be incurred.

Please note that SIA will not be liable for any costs incurred by bidders in preparing their submissions.

DETAILS REQUIRED IN TENDER DOCUMENT

Tender Information – Schedule 1

Details of the candidate

- i. Name
- ii. Business address
- iii. If employed by an organization, details of its structure as relevant to this engagement
- iv. Details of the candidate's relevant industry experience
- v. If relevant, highlight any potential conflicts, such as existing relationships or engagements, and indicate how you would propose to address those concerns
- vi. Are you the subject of proceedings for a declaration of bankruptcy, for an order of compulsory winding-up or administration by the court or for an arrangement with creditors or of any other similar proceedings (if the answer is yes to any of these, please provide full details)
- vii. Have you been convicted of an offence concerning professional conduct or been guilty of grave professional misconduct (if the answer to either question is yes, please provide full details)
- viii. Insurance and Liabilities – please give details of cover
- ix. Outline the potential benefits to SIA of selecting you
- x. Percentage of proposed SIA fees to total fee income per annum
- xi. Contact details of 2 clients able to provide references. References will only be contacted after completion of the selection process.

Approach

- i. How you will ensure an understanding of SIA and its requirements
- ii. Explain the processes in place for delivering the services which are customised, responsive and aligned with SIA specific needs
- iii. How you will use technology to deliver your service

Fees – Schedule 2

Please complete below and provide a further breakdown where appropriate. Regional flight costs will be covered.

Category	Daily Rate US\$	Days	Cost US\$
2017/18 QA for audit review fees			
Other costs, please specify			

	US\$
Total fee	

Enclosures

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