

Request For Proposals For Auditing Services

Office of the High Representative is requesting proposals from qualified independent auditing firms to perform a professional audit of the Office of the High Representative's financial statements for the year ended 31 December 2004 in accordance with International Standards of Auditing and render an opinion as to whether the financial statements are prepared in accordance with International Accounting Standards.

The tender information is given in the following order:

I) Background

II) Proposal Submission Conditions

III) Selection and Award

IV) Proposal Submission and Deadline

V) Statement of Work

I - Background:

The Office of the High Representative (OHR) is the chief civilian peace implementation agency in Bosnia and Herzegovina. The 1995 Dayton Peace Agreement designated the High Representative to oversee the implementation of the civilian aspects of the Peace Agreement on behalf of the international community. He is also tasked with co-ordinating the activities of the civilian organisations and agencies operating in the Bosnia and Herzegovina. More information about the OHR is available at www.ohr.int.

The OHR fiscal year begins on January 01 and ends on December 31. The budget for the year 2004 amounted to EUR 21 million.

II - Proposal Submission Conditions

The proposal must be in English, and include one original and one copy.

Proposals shall contain the following:

1. **Name and address of company**, contact phone number, e-mail and name of the contact person.
2. **Work scheduling proposal**. Work is planned to commence in March 2005 and to be completed within 6 weeks of the start date.
3. **Description and methodology for the performance of the audit, control reviews, preparation of the management letter, and follow-up and final report formulation**. Prior to submission of the final report, the auditor shall submit of a detailed letter to management describing any internal control weaknesses that were found and suggestions for remedial action. The OHR shall be granted an opportunity to respond formally to any points brought up in the management letter. This formal response shall be taken into consideration before the compilation of the final report.
4. **Detailed CVs of team members to conduct the audit**.
5. **Client list of other audits similar in scope, with contact details for at least 3 named individuals to whom the OHR can refer for personal references**.
6. **Detailed break down of costs and terms of payment in EURO**. The price shall include all costs related to

the work such as audit fees and out-of-pocket expenses (travel, accommodation, subsistence and other costs). OHR standard payment terms are by bank transfer 30 days after delivery/final report and upon receipt of an invoice.

7. The proposal must be valid for acceptance for 90 days, and the price fixed for the duration of the contract.
8. OHR is a diplomatic organisation within Bosnia and Herzegovina and is exempt from payment of all taxes and duties associated with purchases. Your price should therefore be free of all such taxes and duties.

III - Selection and Award

The bids will be considered by the OHR against the stated scope of work, the individuals and methodology proposed, price, timeframe, and any other relevant elements. The OHR team may wish to interview bidders

OHR reserves the right to enter into negotiations with any bidder or to end the Tender without awarding the contract. OHR will not bear any costs of bidders related the preparation of proposal.

IV - Proposal Submission and Deadline:

The proposal should be in sealed envelope, clearly marked "REQUEST FOR PROPOSALS FOR AUDITING SERVICES" and delivered **NO LATER than 15 December 2004 to the following address:**

*OHR
Head of Logistics
Emerika Bluma 1
71000 Sarajevo ,
Bosnia and Herzegovina*

Questions:

We believe you have all the information necessary to prepare your proposal, but any questions or requirements for clarification, should be in writing only to the Head of Logistics on e-mail: tender@ohr.int, and not to other officers of OHR. It is in all bidders interest to register their intention to bid so that everyone may receive answers to any questions put by other bidders. Please address this registration to e-mail: tender@ohr.int by 22 November 2004.

V Statement of Work

Objective:

To perform an audit of the OHR's financial statements for the year ended December 31, 2004, in accordance with International Standards of Auditing and render an opinion as to whether the financial statements are prepared in accordance with International Accounting Standards.

The External Auditor should make observations with respect to the regularity and efficiency of the OHR's financial procedures, the accounting system, the internal financial controls and, in general, the financial condition of the OHR.

Coverage:

1. The External Auditor should examine and check the OHR's books of accounts and records, including the books and records of all special funds, as he/she considers necessary to enable him to report whether:
 - a. the OHR's financial statements are in accord with its books and records;

- b. the financial transactions reflected in the OHR's financial statements complied with OHR Rules and Procedures, as well as with budgetary provisions and other applicable directives;
- c. the securities and monies on deposit and on hand have been verified by certificates received directly from the OHR's depositories or by actual count;
- d. the OHR's internal controls are adequate in the light of the reliance placed thereon; and
- e. the procedures satisfactory to the External Auditor have been applied to the recording of all assets, liabilities, surpluses and deficits.

2. The External Auditor should be the sole judge of whether to accept, in whole or in part, the OHR's certifications and representations and may make such detailed examination and verification as he/she chooses of all financial records, including those relating to supplies and equipment.

3. During the conduct of the financial audit, the External Auditor and his staff will be provided unrestricted access to all books, records and other documentation that are necessary for the performance of an audit. The External Auditor and his/her staff shall respect the confidential nature of any classified information provided and shall not make use of it except in direct connection with the performance of audits.

4. The External Auditor may draw the attention of the Peace Implementation Council Steering Board (PIC-SB) to any denial of information that was required for their audit. Without prejudice to his/her duty to report to the PIC SB, the External Auditor and his staff shall comply with the OHR Policy on Confidentiality.

5. The External Auditor will not have the authority to disallow items in the OHR's accounts. However, he/she should bring to the Director of the Resources Department and the High Representative's attention, for appropriate action, any transaction whose legality or propriety the External Auditor doubts or questions. Audit objections to transactions shall be immediately communicated to the Director of the Resources Department.

6. The External Auditor should express an opinion on the audited financial statements, which must be signed and dated.

7. The External Auditor should report in writing on the financial operations of the period. The External Auditor's report should include:

- a. a description of the nature and scope of their examination and any restrictions on it;
- b. any matters affecting the completeness or accuracy of the accounts, including, where appropriate:
 - *information necessary for the correct interpretation of the accounts*
 - *any amounts which ought to have been received but which have not been included in the accounts*
 - *any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements*
 - *expenditures not properly substantiated and*
 - *the extent to which the presentation of statements deviates materially from internationally accepted accounting principles applied on a consistent basis.*
- c. other matters that should be brought to the notice of the Steering Board and the High Representative including:
 - *cases of fraud or suspected fraud;*
 - *wasteful or improper expenditure of the OHR's money or other assets (notwithstanding that the accounting for the transaction may be correct);*
 - *expenditure likely to commit the OHR to further outlay on a large scale;*
 - *any defect in the general system or detailed regulations and/or rules governing the*

control of receipts and disbursements or of supplies and equipment;

- expenditure not in accordance with the intention of the OHR after making allowance for duly authorized transfers within the budget;*
- expenditure in excess of appropriations as amended by duly authorized transfers within the budget; and,*
- expenditure not in conformity with the authority governing it;*

d. the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records; and

e. transactions accounted for in a previous financial period concerning which further information has been obtained or transactions in a later financial period with respect to which the External Auditor believes the OHR should be informed.

8. The External Auditor may make such observations on the findings resulting from his audit and such comments on the High Representative's financial report, as he/she deems appropriate to the Steering Board, its subsidiary organizations or the High Representative.

9. If the scope of the External Auditor's audit is restricted or he/she is unable to obtain sufficient evidence, he/she should note the matter in his opinion and report, making clear in the report the reasons for his comments, and the effect of any restrictions or lack of evidence on the financial position and the financial transactions recorded.

10. The External Auditor should not include any criticism in his opinion and report unless he/she has first afforded the High Representative adequate opportunity to explain the matter in question.

11. The External Auditor is not required to mention any matter which, in his opinion, is neither material to the financial position presented by the annual financial statements nor significant to the financial affairs of the OHR.

12. The External Auditor should also review and certify as to the correctness of the Budget Reconciliation prepared by OHR following the closure of each year's budget activities.