

Terms of Reference

Financial Audit for the 11th EDF Regional Private Sector Development Programme (RPSDP) implemented by Caribbean Export Development Agency

1. Relevant background

Caribbean Export Development Agency (Caribbean Export/the Agency) is the only regional Trade and Investment Promotion Agency in the African, Caribbean and Pacific (ACP) group. The Agency was established in 1996 by an Inter-Governmental Agreement as the Export Development Agency of the fifteen (15) States of CARIFORUM, having its Headquarters in Barbados and a Sub-Regional Office (SRO) in the Dominican Republic. In later years, the mandate of investment promotion was added whereby the Agency acts as the Secretariat for the Caribbean Association of Investment Promotion Agencies (CAIPA).

The Agency's mission is to enhance the competitiveness and value of Caribbean brands through the delivery of transformative and targeted interventions in export development and investment promotion.

The operations of the Agency are financed primarily from the following sources:

- Counterpart funding from CARIFORUM States;
- International cooperation funds, mainly from the European Development Fund (EDF), that become available based on agreements.

A third source of funding is generated through activities undertaken by the Agency (e.g Design Caribbean Trade Show, workshops etc.).

The 11th EDF is a programme that has a total estimated cost of EUR27.2 million of which EUR24 million is the maximum allocation of the European Union.

The Programme is financed under the Delegation Agreement 2016/383-163 whereby the European Union is represented by the European Commission as the Contracting Authority and Caribbean Export as the organization representing CARIFORUM.

Please see the attached Description of the Action.

The overall objective of the 11th EDF RPSDP is to increase employment creation, inclusiveness, particularly for youth, women and indigenous groups, and overall poverty reduction in CARIFORUM countries through targeted interventions that provide new and innovative frameworks for growth and development. Activities under the programme will be structured to

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achieve results at the macro (regulatory framework) meso (BSOs/TPOs) and micro levels (MSMEs), with three (3) specific objectives and results as follows:

- 1) Build private sector capacity at the firm level in order to increase export competitiveness;
- 2) Strengthen BSOs capacity to provide greater support to the private sector;
- 3) Strengthen regional mechanisms aimed at promoting effective public-private and private-private dialogue in order to develop a more effective business enabling environment.

Caribbean Export seeks to engage an independent external audit firm to perform an audit of the Financial Statements relating to the Agency, inclusive of the Programme. The audit shall be carried out in accordance with international audit standards issued by the International Federation of Accountants (IFAC).

2. Objectives

2.1

The audits will be conducted as follows:

- (a) issuance of 11th EDF Financial Statements;
- (b) issuance of a separate Consolidated Statement consisting of the core Agency's activities which are primarily Counterpart (CARIFORUM Governments), Revenue funds and Design Caribbean Trade Show when hosted.

2.2 11th EDF

The 11th EDF Financial Statements will be presented in accordance with the basis of accounting, and in keeping with the Financial Rules and Regulations of the Agency, which have been approved by the European Union Delegation, in accordance with the recommendation of the MOORE STEPHENS L.L.P. report which was issued in September 2014 by the European Union appointed evaluator. The presentation differs from the International Financial Reporting Standard for Small and Medium-sized Entities as it relates to the accounting treatment for capital items which are

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expensed and not capitalized as well as accounting for realized and unrealized losses as it relates to foreign exchange transactions.

The audit will be conducted on the basis noted above and an opinion expressed accordingly.

2.3 Consolidated Report

The objectives of this audit are to enable the Auditor to express an opinion on whether:

- The Financial Statement presents fairly in all material respects, the financial position, results of operations and cash flows of the actions relating to the Programme, for the year ended January 31, 2018, in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (“IFRS for SMEs”).

Note the first financial year is January 1, 2017 – January 31, 2018, the second financial year covers the period of February 1, – December 31, 2018 and the third financial year January 1, - December 31, 2019. It is intended that the final two (2) years would also have a January – December financial period. The financial year is governed by the regulations of the European Union.

3. Standards and Guidance

The Auditor who performs this financial audit is governed by:

- The IFAC International Framework for Assurance Engagements and International Standards on Auditing ('ISAs') for Audits of Historical Financial Information insofar as these can be applied in the specific context of a contractual compliance audit;
- The IFAC Code of Ethics for Professional Accountants (issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behavior and technical standards;
- The IFAC International Standards on Quality Control (ISQCs), which establish standards and provide guidance on an Auditor's system of quality control.

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4. Scope of Work

4.1 The audit will be carried out in accordance with the Standards specified in Item No.3 above and will include such tests and verification procedures as the auditors consider necessary under the circumstances.

4.2 The audit shall be in accordance with International Standards on Auditing.

4.3 The auditors will be given access to all financial records, legal documents, correspondence and any other pertinent information associated with the activities undertaken by the Agency within the scope of the audit and deemed necessary by them.

5. Contracting Authority

Caribbean Export Development Agency (Caribbean Export/the Agency)

6. Location

The audit will take place at the Head office of Caribbean Export in Barbados and the Sub-Regional Office in The Dominican Republic. The auditors will engage with the Sub-Regional Office (SRO) as required and travel may be necessary to the SRO to undertake audit activities.

7. Duration

The contractual period will be no more than ninety (90) calendar days from the signing of the contract.

8. Deliverables and Reporting Requirements

The Audit firm shall report to the Chief Operating Officer of Caribbean Export and such other personnel that may be assigned. The Audit firm shall be required to provide the following in English :

- a) A draft audit report and financial statements ;
- b) An audit report and audited financial statements for the audited year.

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9. Qualifications Skills and Experience

9.1 The Auditor shall employ adequate staff with appropriate professional qualifications and suitable experience with IFAC standards, in particular international standards on auditing and with experience in auditing the accounts of entities comparable in size and complexity to the Agency.

In addition the audit team as a whole should have:

- appropriate experience with audits of external aid operations financed by the donors. At least one senior member of the fieldwork team either a manager/supervisor should have such experience;
- sufficient knowledge of relevant laws, regulations and rules in the country concerned.
- fluency in English, working knowledge of Spanish is desirable.

10. Submission of Offer

Audit firms that meet the requirements of the TORs and have received an invitation, should submit a full proposal (Technical and Financial).

The financial proposal should be in Euros comprising a total amount for the service fees and all the costs related to the performance to be undertaken.

11. Clarification

All matters requiring clarification should be submitted in writing. Queries raised and responses given will be shared with all pertinent firms expected to make a submission.

12. Deadline for submission of tenders

All proposals must be sent to abradshaw@carib-export.com copied to vhenry@carib-export.com no later than 4:30pm AST on April 5, 2019.