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**Agenda item 2 (b) (ii): External Audit Tender and New Contract Update**

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**Proposed Recommendations:**

The Board is invited to:

- a) **review** the three bids received from the Samoa Public Accounting firms that submitted bids for the provision of services as External Auditor for the PIDC Secretariat; and
- b) **select** a suitable accounting firm to be the External Auditor for PIDC for the next financial year effective 01 July 2021.

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**Purpose**

The purpose of this paper is to update the Board regarding the External Audit tender.

**Background**

2. Members will recall that in the last Board Meeting the Secretariat was tasked to tender out the PIDC External Audit since the current contract for BDO ends on 30<sup>th</sup> June 2021.
3. PIDC Financial Regulation 12.1 clearly outlines that the external audit is an important aspect of PIDC's financial management. It provides a level of assurance to the Board, Secretariat, Principal Donors and the Stakeholders that PIDC's financial affairs are in order.
4. An external auditor should be from a reputable Accounting Firm and be appointed by the Board through the recommendation of the Board's Audit and Risk Committee, and the Head of the Secretariat for a minimum of one year.
5. The Invitation to tender and the Terms of Reference (TOR) were prepared and sent to the six major Public Accounting firms in Samoa (ANNEX ONE). All were given three weeks to respond to the tender request. The tender was closed on 30<sup>th</sup> April 2021 and the Secretariat received three bids from:
  - a) BDO;
  - b) Lesā ma Penn Company; and
  - c) Sua Pauga and Associates.
6. A summary of the three bids received is attached as ANNEX TWO for Members to note and the bid documents are available for viewing from the Secretariat.
7. In an initial review of the bids received, the Secretariat is of the view that BDO is the most reputable firm with the most regional and international experience. BDO currently acts as the external auditor for other regional and international bodies in Samoa such as the Secretariat of the Pacific Regional Environmental Programme (SPREP), Pacific Water Association and UNDP Niue and Samoa.

## **Resource Implications**

8. The annual Audit costs around \$17,000ST-\$20,000ST per annum which has already been allocated in the current approved budget.