

REQUEST FOR PROPOSALS (RFP) FOR EXTERNAL AUDIT SERVICES

1) INTRODUCTION

WorldFish, an international non-profit research organisation, is seeking qualified independent auditors, referred to as "Auditors," with sufficient experience in nonprofit and auditing practices to submit a proposal for conducting an external audit of its financial statements per the specifications outlined in this Request for Proposal (RFP).

2) WHO WE ARE

WorldFish, originally established in 1976 by the Rockefeller Foundation and formally incorporated under the laws of the Republic of the Philippines on January 20, 1977, operates as a non-stock, philanthropic, and non-profit corporation. In 1992, WorldFish joined the Consultative Group on International Agricultural Research (CGIAR), becoming one of fifteen agricultural research centres supported by CGIAR. Recognised internationally since April 22, 1993, through an international agreement, WorldFish focuses on promoting sustainable development and the responsible use of aquatic resources through environmentally sound management practices.

The Centre expanded its reach by establishing a regional centre in the Arab Republic of Egypt, as formalised in an agreement with the Egyptian government on March 31, 1997, and ratified on December 8, 1997. This agreement granted WorldFish access to facilities and equipment at the Central Laboratory for Aquaculture Research in Abbassa, Abou Hammad-Sharkia Governorate.

Further solidifying its global presence, WorldFish signed a Headquarters Agreement with the Malaysian Government on January 17, 2000, establishing its headquarters in Batu Maung, Penang, Malaysia. This agreement conferred upon WorldFish immunities and privileges akin to those granted to diplomatic and international organisations, facilitating its worldwide operations. Commencing operations at a temporary site in Penang, Malaysia, on February 15, 2000, WorldFish relocated to its permanent headquarters in June 2001, officially inaugurated on August 13, 2001.

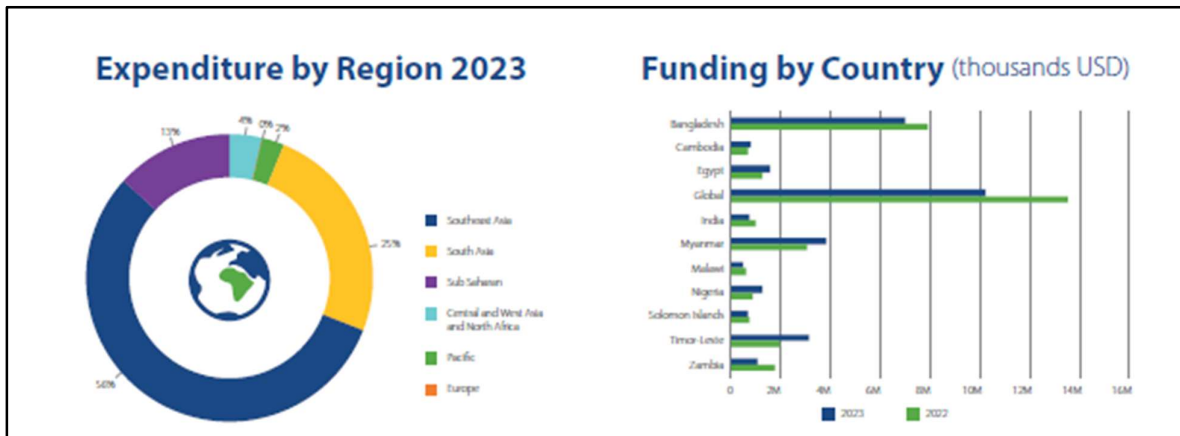
Presently, WorldFish operates nine country offices, including its headquarters in Malaysia, with additional offices in Bangladesh, Cambodia, Myanmar, Egypt, Solomon Islands, Timor-Leste, Malawi, and Zambia. Globally, WorldFish employs 403 staff members, 240 of whom were engaged in research as of December 31, 2023, and oversees more than 60 research projects worldwide.

Aligned with CGIAR's mission to transform food, land, and water systems, WorldFish leads INIT15 on "Resilient Aquatic Food Systems for Healthy People and Planet," a three-year initiative launched in April 2022 with a budget of US\$35 million. Additionally, WorldFish collaborates across multiple CGIAR Initiatives and Platforms,

contributing to transformative agendas such as protecting human health, enhancing resilience in fragile regions, securing food systems in mega-deltas, and promoting gender and social equality in agrifood systems.

WorldFish – Financial Status

<h1>Finances</h1>		
Statement of Financial Position (USD '000)		
	As of December 31, 2023	As of December 31, 2022
Assets		
Cash and cash equivalents	11,008	12,254
Accounts receivable	4352	5726
Other current assets	266	251
Non-current assets	675	739
Total assets	16,301	18,970
Liabilities		
Accounts payable	6,308	8965
Accruals and provisions	1,695	1821
Other current liabilities	297	196
Non-current liabilities	672	794
Total liabilities	11,776	11,776
Net assets	7329	7194
Total liabilities and net assets	16,301	18,970
Statement of Operating Activities (USD '000)		
	For the years ended December 31	
	2023	2022
Revenue		
Grants	30,586	33,137
Other Income	1181	1016
Total revenue	31,767	34,153
Expenses		
Research	26,556	28,375
Administration, support and other	5081	5734
Total expenses	31,637	34,109
Net surplus	130	44



You can access the Financial Statements and Report of Independent Auditors for the Year Ended 31 December 2023 through this [link](#).

3) SCOPE OF WORK

- a) The primary objective of the external audit is to express an independent opinion on whether the financial statements of WorldFish present a true and fair view of the financial position as of 31 December as well as the outcomes of its operations and cash flows for the year that ended at that time. This assessment is based on the International Financial Reporting Standards (IFRS) and applicable national laws and regulations.
- b) The audit will include, but is not limited to, the following:
 - Conduct a thorough examination of the statement of financial position, statement of activities and other comprehensive income, statement of changes in net assets, statement of cash flow and accompanying notes.
 - Evaluate the effectiveness of internal control systems to ensure financial records' accuracy, completeness, and reliability.
 - Assess compliance with relevant laws, regulations, donor requirements, and organisational policies and procedures.
- c) During the engagement, the auditor(s) should report:
 - Any significant or unusual transactions that WorldFish has entered that management, and the Board of Trustees should be informed of.
 - Any internal control deficiencies that are of sufficient significance to warrant the attention of the management and Board of Trustees.
 - Any disagreement with management regarding matters that are material to the organisation's financial statements.
 - Any lack of compliance with WorldFish's financial management and controls policy.

- Any lack of compliance with financial or other relevant legislation; and
 - Any lack of accountability in using and managing WorldFish's assets.
 - Provide recommendations for improving internal controls and financial practices.
- d) Any such instances should be reported in an audit management letter.

4) TERM OF ENGAGEMENT

The successful firm will be appointed as WorldFish's auditor for an initial term of one year, commencing from the audit of the 2024 financial statements. Renewal for subsequent years, up to a maximum of seven years, is contingent upon approval by the Audit, Finance, and Risk Committee (AFRC). Renewal decisions will be based on the firm's demonstrated satisfactory performance, compliance with audit standards, and alignment with WorldFish's audit objectives and requirements.

WorldFish reserves the right to request proposals at any time after the first year of this contract if the appointed auditor does not meet the terms of the contract.

Shortlisted respondents are first notified and then scheduled to present their proposals orally. These presentations take place at the WorldFish HQ, where the Audit Selection Committee invites the Audit Committee Chair to attend and observe the process. Following the presentations, the final selection of an external auditor is made. This selection is then presented to the Audit Committee and the WorldFish Board of Trustees for their recommendation and approval. The chosen audit firm is subsequently informed of their selection.

5) EXPECTED DELIVERABLES

The selected auditing firm will be required to deliver the following:

a) Detailed Audit Plan

- Provide a comprehensive audit plan outlining the methodology, timelines, and key audit procedures.
- Detail the scope of testing for financial statements, compliance, and internal controls.

b) Draft Audit Report

- Submit a draft audit report for review, including preliminary findings and recommendations.
- Engage in discussions with management to address any issues identified.

c) Final Audit Report

- Deliver a final audit report incorporating management responses and adjustments in a format consistent with generally accepted auditing standards
- Include an unqualified or qualified opinion with a clear rationale, if necessary.
- Provide a management letter that identifies areas of concern or weaknesses, recommendations for improvement, and management's response to any identified concerns.

d) Management Letter

- Submit a management letter highlighting any internal control weaknesses and providing recommendations for improvement.

e) Presentation to WorldFish Management and Audit and Finance Review Committee (AFRC)

- The auditor will formally present the final audit report and management letter to WorldFish management and the Audit, Finance and Risk Committee (AFRC), ensuring that the stakeholders fully understand the audit outcomes, significant issues, and proposed actions for addressing identified risks or weaknesses. This presentation should include an opportunity for discussion and questions.

6) MINIMUM QUALIFICATIONS FOR AUDITORS

To be eligible for consideration, auditing firms must meet the following minimum qualifications:

- a) Have at least five (5) years of experience as a firm in conducting audits, particularly for non-profit organisations or entities of similar complexity.
- b) Demonstrate experience with at least five (5) other clients of comparable size and complexity to the WorldFish.
- c) The local audit firm must be authorised to work in the local jurisdiction.

7) PREPARATION OF PROPOSAL

- a) The format outlined in Annex A must be followed. Each section (I-X) must be labelled in conformity with the titles used in Annex A.
- b) The firm's proposal should be written in English.
- c) Please provide a concise technical proposal, limiting the proposal, including exhibits, to no more than 25 pages in length using Microsoft Word or a similar format, font size 11pt., and margins no smaller than one inch.
- d) The financial proposal will be presented using Microsoft Excel or a similar format. The financial proposal should include the following line items: consultant time, resources, and travel, if applicable; the audit fee payment terms; the conditions under which you may request variations in the fixed fee; and the basis on which fees will be determined in future years.
- e) The financial proposal will be presented in US dollars.

8) EVALUATION CRITERIA

- a) The evaluation process to determine the successful firm will incorporate qualitative and quantitative elements. As a general framework, all proposals put forth by the firms will be assessed based on the overall value they contribute to the initiative. Although cost is an important factor in the evaluation criteria, it will not be the only deciding factor.
- b) Each criterion outlined below should be considered for each requirement specified in Annex A. Firms must thoroughly evaluate the criteria when developing each aspect of their proposal.

ANNEX A

I. Executive Summary

This section will provide a concise overview of the proposal's main points. The summary should encompass the proposed timeline for implementation and cost estimates, along with a concise overview of your firm's unique attributes compared to other firms under consideration. It should also explain why selecting your firm would be optimal for WorldFish.

II. Firm Profile

Introduce the audit firm and the audit team, emphasising the capability and expertise of the firm and its team members. Highlight the firm's reputation, core values, and commitment to high-quality audit services. Please provide an overview of the team's structure, including the roles and responsibilities of each member, and emphasise their collective experience and skills.

III. Related Client Experience

Provide a detailed description of the audit firm's history and experience, particularly in auditing non-profit organisations. This section should outline the firm's background, years of operation and significant milestones. Emphasise the firm's experience with recent, relevant audits similar to the one being proposed.

Include at least five client references, complete with contact names, addresses, and telephone numbers. These references should reflect the firm's track record in delivering high-quality audit services to non-profit organisations.

IV. Demonstration of Understanding of the Scope and Complexity of the Work Required

The proposal must demonstrate a comprehensive understanding of the scope and complexity of auditing WorldFish's financial statements. This includes addressing the following aspects:

1) Handling Geographically Dispersed Offices:

The audit plan should outline how the firm manages WorldFish's geographically dispersed offices. This includes strategies for conducting site visits (if required), ensuring consistency in audit procedures across locations, and leveraging technology for remote audits where applicable.

2) Interaction with Stakeholders:

- a) **Management:** Describe the proposed frequency and types of communication with WorldFish management throughout the audit process. This should include regular updates, meetings to discuss audit findings and recommendations, and timely responses to management queries.
- b) **Audit Committee of the Board of Trustees:** Outline the approach for engagement with the Audit Committee. Specify the frequency of planned interactions, such as pre-audit meetings, presentations of audit findings, and discussions of significant audit matters. Include value-added advisory services, such as insights on emerging risks or governance best practices, in the audit proposal.
- c) **Chair of the Audit Committee:** Recommend the involvement of the Chair of the Audit Committee in the annual audit. This may include participation in planning meetings, receiving direct communications on audit progress and findings, and facilitating discussions on audit outcomes with the Board.

This proposal section should demonstrate the firm's expertise in navigating regulatory environments, adherence to accounting standards, and understanding the nuances of auditing within the non-profit sector.

V. Audit Plan

Provide a detailed explanation of the proposed audit plan. Include the following five sections:

- Scope
- Steps to be performed
- Expected involvement of WorldFish's staff (financial and information services including estimated hours and tasks to be performed)
- Automated tools to be used
- Reporting and format

Discuss the definition of materiality as it applies to generally accepted accounting principles. How do you intend to measure materiality in the context of WorldFish's current financial statement format?

VI. Proposed Audit Schedule

Provide a timeline that explains the steps from engagement to reporting, including proposed completion dates and estimated hours.

VII. Proposed Audit Team and Credentials

Provide detailed information about the staff who will be assigned to the WorldFish’s audit engagement, including names, related client experience, education, skills, licensing and credentials. For reference purposes, please provide the names and contact information of other clients of the partner and manager of similar size who will be assigned to our organisation.

Clearly outline any services that will be outsourced, specifying the reasons for outsourcing and the qualifications of the outsourced service providers. This section should highlight the team’s collective expertise and readiness to undertake the audit.

VIII. Audit Fee

The proposal must include a binding fee estimate for the audit engagement structured as follows, along with the approach to determine fees for subsequent years:

a) Initial Fee Estimate:

Provide a detailed breakdown of the fee estimate for the audit engagement, considering a materiality level of USD 305,000-00 for comparability purposes. This should include a clear outline of the fee structure covering all phases of the audit process, including planning, fieldwork, reporting, and any additional advisory services proposed.

b) Approach for Subsequent Years:

Outline the approach to determining fees for each subsequent year of the audit engagement. This should include factors such as anticipated changes in scope, regulatory requirements, and any adjustments based on prior year audit outcomes or organisational developments.

For each engagement segment noted above, please provide a breakdown of the fees quoted by staff level, number of days and daily rate as follows:

Staff Level	Number of Days	Daily Rate	Total
Senior Associate			
Manager			
Partner			
Other			
Senior Associate			

c) Methodology for Establishing Materiality:

Describe the methodology your firm typically employs to establish materiality. Considering the provided information, recommend an appropriate materiality level and justify this recommendation based on the audit scope, risk factors, and financial thresholds relevant to WorldFish. This explanation should demonstrate your firm's understanding of materiality in audit contexts and its alignment with auditing standards and best practices.

IX. Transition

Comment on the impact to WorldFish of the transition to a new firm, indicating the approach to be taken, time involved, handling of start-up costs, unanticipated events, and other extra costs. Indicate your requirements for access to working papers and cooperation with predecessor auditors.

I. Other Issues & Independence

The proposal should confirm that no known issues would compromise the firm's ability to maintain professional independence throughout the audit engagements with WorldFish.

Additionally, the firm should identify any other potential issues that could prevent it from accepting WorldFish as a client, assuming it is selected as a result of this evaluation process. This includes factors such as conflicts of interest, regulatory restrictions, or other circumstances that may impact the firm's ability to perform the audit objectively and per auditing standards.