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## TERMS OF REFERENCE FOR AUDIT FIRM(S)

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*(Related to Attorney General's Office Announcement Number: (IUL)32-A2-PR/1/2019/76)*

### **Introduction and Rationale**

1. There is a need for the Government of Maldives (the "**Government**") to assess and identify disputes where an out of court settlement would result in the most fair and reasonable outcome for all parties involved. Such a mechanism is necessary to avoid excessive costs of litigation, and to ensure better protection of public interest.
2. The President has established a Settlement Committee (the "**Committee**") for the purpose of amicably resolving contractual disputes in matters where the Government is a party. The Committee is expected to advise the President on all aspects of such disputes, including payment of compensation fees when required.
3. The Government, represented by the Attorney General's Office is seeking to engage the services of an independent audit firm(s) (the "**Audit Firm(s)**") with respect to advising the Government on submissions for damages and compensation made to the Committee (the "**Committee**").
4. The Audit Firm(s) will be expected to review submissions for loss or compensation made to the Committee, advise the Committee on the merits of such submissions, and propose a fair and reasonable compensation for such matters.
5. Due to the nature of this undertaking and the workload, the Government reserves the right to select up to 3 (three) Audit Firms for this engagement.

### **Objectives**

6. The purpose of these Terms of Reference ("**TOR**") is to set out the scope and the fee arrangement for the Audit Firm(s) to be hired.

### **Scope and Method of Work**

7. The selected Audit Firm(s) will work with the relevant Government agencies to review financial statements, loss statements and other submissions for compensation submitted to the Committee by contracting parties, and propose appropriate and reasonable sums to be paid as fair and just compensation for damages incurred by said parties with regards to their engagement with the Government. The responsibilities of the Audit Firm(s) will include, but will not be limited to:
  - 7.1. Meeting with all relevant stakeholders to identify and understand the matter related to the submission for damages and compensation, where required.

- 7.2. Undertake a detailed assessment of the dispute and form valuations of the contract or engagement relevant to the dispute at hand, based on the obligations, benefits and costs arising from the engagement.
- 7.3. Propose a value for fair and just compensation for disputes submitted to the Committee.
- 7.4. Develop and submit a payment structure to the Government, taking into account the value of the contract or relevant engagement, and the expected financial impact on the Government.
- 7.5. Advise the Government on any other matters related to valuation of submissions for damages and compensation.

### **Duration of Contract**

8. The engagement with the selected Audit Firm(s) will be for a duration of One (1) year.

### **Fees and Terms of Payment**

9. In consideration for the services provided as per this ToR, the Government agrees to pay the Audit Firm(s) at an hourly rate.
10. The fee is payable upon the fulfilment of each undertaking within an agreed time period. Each dispute is considered as a separate undertaking for the purpose of this ToR.
11. In the event of any delay in submitting the work, the Government reserves the right to levy late fines in accordance with Article 10.71 of the Public Finance Regulation of the Maldives.

### **Eligibility and Evaluation Criteria**

12. The Audit Firm shall be registered at the Auditor General's Office as a certified auditor to provide statutory audit, and other assurance services in the Maldives.
13. The Audit Firm shall be registered with Maldives Inland Revenue Authority (MIRA) as a category A firm.
14. The Audit Firm should be able to make valuations and calculations on contractual matters and projects of varying scales.
15. Audit Firms that meet the above eligibility criteria will be considered for this engagement, and the Government reserves the right to select up to 3 (three) firms for this engagement, based on the proposed hourly rates. The firm with the lowest hourly rate shall be selected as the first firm. Where 2 or more firms submit the lowest fee proposal, the Government reserves the right to award the contract to the firm that they

deem as the most competent, taking into consideration the experience of the firm in similar works.

16. In order to select the second and third firm for this engagement, the Government may approach the other bidders in order of lowest fee proposal. However, additional firms may only be engaged on the condition that they agree to the hourly rate proposed by the first selected firm.

### **Submission Requirements**

17. All proposals must include:
  - 17.1. A cover letter indicating the name, company address, and contact number of the Audit Firm. The Audit Firm must have the authority to sign the necessary legal documentation with the Government and must be able to make decisions on contractual matters.
  - 17.2. Profile of the Audit Firm, demonstrating their knowledge and experience in similar matters.
  - 17.3. Audit Firm's approach and terms of engagement.
  - 17.4. A financial proposal detailing the fees for the services as per the fee framework in this ToR.

### **Standard of Care**

18. The Audit Firm(s) warrants that the service will be performed with professional competence. The Audit Firm(s) further agrees to perform the services to the best of their abilities and to exhibit due diligence in the conduct of said services.

### **Confidentiality and Conflict of Interest**

19. The Audit Firm(s) will keep all discussions and information confidential and shall not disclose or discuss any matters with any other parties, other than the Settlement Committee, pursuant to this engagement without prior written approval of the Attorney General's Office, unless compelled to do so by law, in which case the Audit Firm(s) shall inform of such disclosure in a timely manner.
20. The Audit Firm(s) will not directly or indirectly use, or permit others to use, the confidential information, records or documents other than for the purpose of performing the obligations under this TOR.
21. The selected Audit Firm(s) shall carry out a conflict check prior to accepting an undertaking under this engagement, and avoid any and all matters that could raise a potential conflict of interest. Any actual or apparent conflict of interest shall be disclosed to the Government in a timely manner.

### **Miscellaneous**

22. The Attorney General's Office reserves the right to reject any or all proposals, or to accept any proposal that it may consider to be in the best interest of the Government.
23. The Attorney General's Office shall not be held liable for any errors or omissions in any part of this ToR. The information contained in this ToR is supplied solely as a guideline. The information is not guaranteed or warranted to be accurate, nor is it necessarily comprehensive or exhaustive.
24. The Attorney General's Office assumes no responsibility or liability for the adequacy, accuracy, or completeness of any information provided in this ToR.

### **Submission Address**

25. Interested parties should submit their bid proposal to the address below on 10<sup>th</sup> November 2019 at 13:00 hours. All bid proposals should be in sealed envelopes. Late submissions will be rejected. The bid proposal opening will be held at the Attorney General's Office, on 10<sup>th</sup> November 2019, at 13:00 hours in the presence of all who wish to participate in the bid opening meeting.

Address:  
Attorney General's Office  
H.Velanage, 6<sup>th</sup> Floor  
Ameer Ahmed Magu  
Male', Maldives.

For further inquiries, please contact: phone: 3010100 Email: [info@agoffice.gov.mv](mailto:info@agoffice.gov.mv)