



Capital Market Development Authority

Capital Market Development Authority
Republic of Maldives

Terms of Reference

Internal Audit

A. Background

The Capital Market Development Authority ('CMDA' or 'the Authority') is mandated by law (Maldives Securities Act 2/2006) with regulating the capital market of the Maldives, whereby it regulates issuers of securities, the stock exchange, the central depository, dealing companies and various other entities providing securities market services. In addition, it also has the complementary mandate of developing the capital market. The CMDA also carries out supervisory activities with respect to the Maldives Retirement Pension Scheme under the Maldives Pension Act (8/2009).

CMDA is seeking an independent Internal Auditor for continuous and critical appraisal of the functions of the Authority with a view to suggest improvements and to strengthen the overall governance mechanisms of the Authority including risk management and internal control systems.

B. Objective

The primary objective of this assignment is to

1. Develop a work plan for the function of Annual Internal Audit in accordance with CMDA Audit charter and manual.
2. Conduct Annual Internal Audit of Capital Market Development Authority

Scope of work

The selected party shall perform internal audit in accordance with International Standards for the Professional Practice of Internal Auditing issued by IIA and include tests and controls, as the auditor considers necessary under the circumstances to ensure the transparency accountability of the financial management system. In conducting the audit, the party shall perform the audit as per CMDA's Audit Charter and manual. The firm is expected:

1. Propose work plan and Implement annual work plan approved by CMDA Audit and Risk Committee for internal audit with a fixed plan of activities but also allowing for appropriate investigation time for matters that emerge over the year;



2. Review adequacy of internal controls;
3. Review implementation of internal controls and SOPs;
4. Annually audit all department operations;
5. Responds to matters that emerge from appropriate referring bodies (the Board of Directors, CEO and other senior management);
6. Annually review and recommend updates to corporate accounting policies and procedures framework;
7. Coordinates with the management – ensure internal audit recommendations are implemented within appropriate and agreed timetable

C. Reporting

- The selected party will report to the Audit and Risk Committee of the Board of Directors of CMDA.
- A written report of the findings shall be submitted to the Audit and Risk Committee by the selected party quarterly.

D. Coverage and Timings of the review

The review will be carried out as per the audit manual. The auditor in consultation with the management will prepare an audit plan. The auditor will also make compliance review at the Authority.

Facilities to be provided by Authority

The Auditor will be given access to all audit related documents.

No services other than those specifically mentioned in this TOR shall be extended to the auditor. The auditors shall make their own conveyance arrangements.

E. Engagement of the Internal Auditor

The internal Auditor will be appointed on an engagement basis to carry out the internal audit of the Authority for the period of 3 years.

F. Eligibility Criteria

The qualification and experience requirements are as follows:

- Parties shall be a firm licensed by the Auditor General’s Office and its licensed partner(s) must be a full member of an IFAC member body;
- Must not be a firm that is owned/managed by a member of the CMDA board or its staff;
- Be competent in the professional practice of internal auditing;
- Its partner practicing internal audit must be a certified audit professional, e.g., CIA/Chartered Internal Auditor;
- Be well versed in the best practices of the profession; and
- Firm must have at least Three (03) years of experience in internal auditing



- Has completed at least 3 internal audit assignments¹

Additional considerations:

- Substantial experience in performance and compliance auditing with a preference for experience in provision of a similar scope of services;
- Knowledge about the capital market related laws, regulations and best practices;
- Ability to communicate audit findings and consultancy advice effectively, both orally and in written reports;
- At least one member of the team should be a Maldivian

Selection and Evaluation Criteria

Technical proposals (60%)

<p>Technical competency of the team members involved in the Internal Audit</p> <ul style="list-style-type: none"> - team should consist of at least 3 members and points will be given to all team members and an average will be considered - Membership of an IFAC body = 15points - Fellow membership =20 point - Post Fellowship experience =20+(years of post fellowship experience /highest no of years of post fellowship experience)*10 	30%																		
<p>Firm's experience in conducting Internal Audit.</p> <table border="1" data-bbox="288 1193 616 1570"> <thead> <tr> <th>Audit Assignments</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>1</td> </tr> <tr> <td>4</td> <td>5</td> </tr> <tr> <td>5</td> <td>9</td> </tr> <tr> <td>6</td> <td>13</td> </tr> <tr> <td>7</td> <td>17</td> </tr> <tr> <td>8</td> <td>21</td> </tr> <tr> <td>9</td> <td>25</td> </tr> <tr> <td>10</td> <td>30</td> </tr> </tbody> </table> <p>(Experience will be counted based on reference letters)</p>	Audit Assignments	Score	3	1	4	5	5	9	6	13	7	17	8	21	9	25	10	30	30%
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CMDA will use a combined scoring method, in which the technical proposal will be weighted at 60% and financial proposal at 40%.

¹ Only Internal Audit assignments of government agencies, public companies and international organisations will be considered for evaluation purpose.



To qualify for financial evaluation, technical proposals should obtain a minimum of 65 % of the allocated marks for the technical evaluation.

Technical and Financial proposal should be submitted in sealed and separate envelopes and should be clearly labelled

Following documents should be sent along with the Technical proposal.

The Technical proposal shall provide the following documents and information

1. Copy of Company/Partnership Registration Certificate.
2. Company profile / work profile
3. Copies of ID card or Passport of Team members
4. Certificate copies of team members (Academic and Professional)
5. CVs of all team members submitted in the format as proposed in Annex 1 which demonstrates their expertise and experience in relevant fields
6. Clearance of criminal records (Police Certificate) of team members
7. Details of similar assignments undertaken previously (in the format given in Annex 2)
8. Add: clearances such as tax clearance.

Financial Proposal Evaluations

Total price in MVR (including GST) and payment schedule.

$$\frac{\text{Proposed lowest price}}{\text{Proposed price}} \times \text{total marks}$$

G. Non-Disclosure Agreement

Selected party must sign a non-disclosure agreement before commencing the work.

01st March 2021



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