

Maldives Pension Administration Office
INVITATION FOR SUBMISSION OF PROPOSALS TO CONDUCT EXTERNAL AUDIT OF
MALDIVES RETIREMENT PENSION SCHEME AND MALDIVES PENSION ADMINISTRATION OFFICE

The Maldives Pension Administration Office (Pension Office) invites audit firms registered with the Institute of Chartered Accountants of the Maldives to submit proposals for external audits of the Maldives Retirement Pension Scheme (MRPS) and Pension Office's financial statements for a 3-year period from 2021 to 2023.

1. Background

- 1.1 The Section 4 (a) (1) of the Maldives Pension Act (Act No. 8/2009) requires the Pension Office to submit to the Capital Market Development Authority (CMDA), an annual audit conducted by an independent accounting firm registered in the Maldives. Further, the Section 6 (b) of the Act empowers the Board of the Pension Office to contract with Auditors.
- 1.2 Under the Act, Pension Office is mandated to administer two pension schemes; MRPS and Old-age Basic Pension Scheme (BP).
- 1.3 The MRPS is a Defined Contribution (DC) scheme that covers both public and private sector. Under this scheme employers and employees together make monthly contributions to the scheme. The rate of contribution is 14% (7% each) of the basic salary. The contributions collected are invested and on retirement distributed to the members as pension benefits.
- 1.4 BP is funded through the State budget. The present amount of BP is MVR 5,000 paid monthly for life, beginning from the age of 65.
- 1.5 The Pension Office is funded through administration fee collected from the members of the MRPS. The current rate of fee is 0.60% charged on members' Retirement Savings Account (RSA) balances.

2. Accounting and Applicable Framework

- 2.1 The Pension Office and MRPS are two separate accounting entities and records are maintained in separate sets of books.
- 2.2 The accounting framework used in both entities is International Financial Reporting Framework (IFRS). The Accounting Year is 12 months ending on 31 December. In case where alternative directives are issued by the CMDA or if there is a change to the law such directives or changes will prevail over IFRS.
- 2.3 The MPRS consists of four portfolios; Investment Fund, Shariah Fund, Conservative Fund and Sharia Retirees Fund.



- 2.4 The MPRS is a unitized fund where members purchase at fund price when making contributions and sell units to the fund when pensions and other disbursements are made. Each of the funds are valued and unit price determined on a daily basis, which will be in turn used to value purchases, sales and members balances.
- 2.5 MPRS consist of Recognition Bonds (RB) for eligible MRPS members. RBs are bonds issued by the Government as compensation for accrued rights of eligible members.
- 2.6 The collateralization deposits are maintained by MRPS for those members who applied to utilize their RSA for home purchase financing.
- 2.7 Past Financial Statements and Audit Reports of MRPS and Pension Office are available on <https://www.pension.gov.mv/en/downloads>

3. Scope and Objective of the work

- 3.1 The Auditor is required to perform an audit of MRPS and Pension Office annual Financial Statements presented to them by the Management and express an independent, professional opinion as to whether the Financial Statements are presented fairly, in all material respects, the financial position, financial performance and cash flows in accordance with the IFRS.
- 3.2 The audit shall be carried out in accordance with the International Standards on Auditing (ISA) as issued by the International Federation of Accountants (IFAC).
- 3.3 The audit works need to be completed and the Auditor's Reports must be issued by 31 March of the succeeding year.
- 3.4 The Auditor is required to submit a Management Letter to the Pension Office by 31 March of the succeeding year, specifying important issues that in auditor's judgement need attention of the Board and Management.

4. Working Arrangements and Access to Records

- 4.1 All reasonable and customary assistance and accounting records will be provided by the Pension Office to conduct the audit.
- 4.2 Reasonable working space will be provided within the Pension Office premises, during normal working hours (8 am to 4 pm, Sunday to Thursday) excluding public holidays.
- 4.3 Access to computer networks or data and information will be made available under supervision of a Pension Office staff.



5. Eligibility

- 5.1 The Auditor must be a licensed audit firm registered with the Institute of Chartered Accountants of the Maldives (CA Maldives) and should not be under any enforcement action.
- 5.2 The Auditor currently engaged with the MRPS and Pension Office external audits is not eligible for this invitation.

6. Bid Proposals

The Bid Proposals must consist of the following.

6.1 Technical Bid

The following minimum information should be furnished in the Technical Bid:

- 6.1.1 Valid audit license issued by CA Maldives.
- 6.1.2 Audit methodology and work plan to complete the audits within the set deadline.
- 6.1.3 Profile of the audit team, team leader, engagement partner and engagement quality review partner with qualification and relevant audit experience.
- 6.1.4 Description of external audits of pension schemes or other financial institutions (including total fee per year) conducted during the past 6 years.

6.2 Financial Bid

- 6.2.1 The Financial bid must indicate the proposed total fixed fee and out-of-pocket expenses for each year. A breakdown of these anticipated disbursements must be provided.
- 6.2.2 Pricing must be inclusive of all costs, including taxes, fees and any other costs necessary to perform the audit service.
- 6.2.3 The bidders are required to quote price in Maldivian Rufiyaa (MVR).

7. Disqualification

Proposals will be disqualified or excluded under the following conditions.

- 7.1 Submission of the bids after the deadline.
- 7.2 Incomplete or ineligible proposals.
- 7.3 Submission of incorrect or fraudulent information.



8. Bid Evaluation

- 8.1 The proposals will be reviewed and evaluated by the Procurement Committee of the Pension Office.
- 8.2 The Technical Bid will be opened before the Financial Bid. The Financial Bid shall not be considered in case the Technical Bid does not receive the minimum qualifying marks of 50% assigned for this category (i.e. 50% from 60%).
- 8.3 Pension Office will consider factors to evaluate the capacity and capability of the external audit firm including but not limited to audit fees, duration, industry knowledge and expertise, reputation, proposed methodology, etc.

9. Evaluation Criteria

9.1 Technical Bid (Weight: 60%)

- Adequacy of Audit Methodology and Work Plan.
- External Audit Experience of the firm.
- Diversity and Experience of audit team, team leader, engagement partner and engagement quality review partner.
- Evidence of experience in auditing pension schemes or other financial institutions.

9.2 Financial Bid (Weight: 40%)

10. Important Information

- 10.1 Each audit firm shall submit only one proposal.
- 10.2 It is the responsibility of prospective bidders to ensure that their bid documents are completed and submitted before the closing date and time of the bid.
- 10.3 Only eligible bidders shall be informed, notified or contacted.

11. Award of the Contract

The contract will be awarded for the successful bidder only after all bid evaluations are completed and the selection of the Auditor is approved by the Board of Pension Office.



12 . Deadline and Proposal Submission

- 12.1 Deadline for submission of the Proposal is 05 December 2021 (12pm).
- 12.2 All Proposals must include hard copies of separate sets of documents in a sealed envelope for Technical Bid and Financial Bid.
- 12.3 Proposals must be addressed and submitted to:

*Maldives Pension Administration Office
Allied Building
Chaandhanee Magu
Male', Maldives*

13. Inquiries

Inquiries regarding this RFP can be sent to:

info@pension.gov.mv

