



TOR No: MITDC-TOR/2022/0001

Ref No: (IUL)MITDC/1/2022/4

**Terms of Reference**  
**Provision of External Audit Service**

## 1. BACKGROUND

Maldives Integrated Tourism Development Corporation (MITDC) is a 100% Maldivian Government State Owned Enterprise and has been mandated with the development of integrated tourism in local inhabited islands of the Maldives.

The financial statement audit shall be carried out in accordance with International Standards on Auditing (ISAs). The audit shall be carried out to address the scope of service discussed below. Additionally, other pronouncements of International Auditing and Assurance Standards Board (IAASB) of IFAC may be used by the audit firm as appropriate to deliver various parts of the scope of service.

## 2. OBJECTIVE AND SCOPE OF SERVICE

2.1 The objectives of the external auditor are.

- a) To express an opinion on the financial statements of Maldives Integrated Tourism Development Corporation (MITDC).
- b) Carry out and report on that scope of work assigned to the external auditor under **Regulation on the Audit and Accountability of State-owned Enterprises 2021/R-152**.

### 2.2 SCOPE OF THE SERVICE

The scope of the audit service shall include the following.

- a) Carry out audit of financial statements of of Maldives Integrated Tourism Development Corporation (MITDC) for the years ended 31st December 2021, 2022, and 2023.
- b) Carry within the scope of the external audit, appropriate work.
  - (i) To produce a report to the Auditor General on internal control over financial reporting and on Compliance and Other Matters Based on an Audit of Financial Statements that shall include the following sections:

- Key internal control weaknesses.
- Fraud risk.
- Compliance with Procurement Guidelines and practices.
- Compliance with Corporate Governance Code of Privatisation and Corporatisation Board (PCB); and
- Compliance with other directives issued by the PCB.

(Please refer to **Regulation on the Audit and Accountability of State-owned Enterprises 2021/R-152** and other guidance provided on the website of the Auditor General's Office for addressing these areas in the audit).

(ii) To prepare a management letter to the Company that identifies significant deficiencies in internal controls and provides an analysis of the financial statements, including key financial ratios.

**(Note:** An agreed-upon procedures engagement in accordance with International Standard on Related Services (ISRS) 4400 in respect to assessing compliance with Corporate Governance Code stated in 1(d) above could be carried out by the external auditor.

### **3. ELIGIBILITY CRITERIA**

The bidder (audit firm) for this audit service shall be registered with the Institute of Chartered Accountants of the Maldives as a Public Interest Entity Auditor. The audit team of the bidder deployed to conduct the audit shall fulfil the following requirements.

1. Engagement partners shall have a minimum of five years of experience in auditing companies. In addition, he/she shall be a member of a professional accountancy organisation, such as CA Maldives, ACCA, CIMA, CPA, etc.

2. The engagement manager shall have a minimum of five years of experience in auditing companies, and shall be a member of a professional accountancy organisation, such as CA Maldives, ACCA, CIMA, CPA, etc.

3. Other team members shall possess educational qualification and experience appropriate to the work assigned to them on the audit.

4. The audit team:

a) Shall be completely impartial and independent from all aspects of management or financial interests of the Maldives Integrated Tourism Development Corporation (MITDC); and

b) Shall not, during the period covered by the audit nor during the audit, be employed by, serve as advisors or mentors for, or have any financial or business relationships with Maldives Integrated Tourism Development Corporation (MITDC).

### **4. DELIVERABLES**

The external auditor shall present the following.

1. Audited financial statements to the Board and management of Maldives Integrated Tourism Development Corporation (MITDC) on or before 15th May of the succeeding year.

2. Management letter to the company by 31st May of the succeeding year.

3. Report to the Auditor General on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements by 15th June of the succeeding year.

## **5. TECHNICAL QUERIES**

For any technical queries related to bidding for provision of external audit service, please send your requests to the following email: [procurement@mitdc.com.mv](mailto:procurement@mitdc.com.mv). The deadline for submission of queries is 29<sup>th</sup> March 2022.

## **6. BID SUBMISSION**

The deadline for responses to this tender is 14:00 Maldives time on 29th March 2022 to the following address:

Maldives Integrated Tourism Development Corporation  
7<sup>th</sup> Floor, M. Iris, Fareedhee Goalhi  
Male', 20213  
Republic of Maldives

### **Envelope 1**

- Business Registration Certificate
- GST Registration Copy
- MIRA Tax Clearance (date not more than 30 days)
- Business Profile Sheet issued by Ministry of economic Development (Dated not more than 30 days)
- Board Resolution on participating in the bid.
- Profile of the firm showcasing previous works.
- Methodology for performing the assignment.
- Proof of ability to undertake this assignment, in the form of reference letters (of relevant work)
- Team composition and task assignment.

### **Envelope 2**

- Quotation

## **7. EVALUATION AND COMPARISON OF PROPOSALS**

To assist in the examination, evaluation, and comparison of bids, Maldives Integrated Tourism Development Corporation (MITDC) may ask the bidder for clarification of its bid. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered, or permitted.

Maldives Integrated Tourism Development Corporation (MITDC) will examine the Proposals to determine whether they are complete, whether any computational errors have been

made, whether the documents have been properly signed, and whether the Proposals are generally in order.

Arithmetical errors will be rectified on the following basis:

If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected.

If the Bidder does not accept the correction of errors, its Proposal will be rejected.

If there is a discrepancy between words and figures, the amount in words will prevail.

The Tender Committee will determine the substantial responsiveness of each Proposal to the Invitation to Tender. For purposes of these Clauses, a substantially responsive Proposal is one, which conforms to all the terms and conditions of the ITT without material deviations.

Maldives Integrated Tourism Development Corporation (MITDC) determination of a proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence. A Proposal determined as not substantially responsive will be rejected by the Maldives Integrated Tourism Development Corporation (MITDC) and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

Maldives Integrated Tourism Development Corporation (MITDC) does not bind itself to accept any bid or the lowest bid.

## **8. BASIS OF AWARD**

A formal contract (Letter of Engagement), specifying the scope of the audit shall be prepared and signed between Maldives Integrated Tourism Development Corporation (MITDC) and the audit firm prior to commencement of the engagement. The contract shall also clearly spell out the responsibilities of the two parties. Maldives Integrated Tourism Development Corporation (MITDC) will award a contract to the most economically advantageous tender based on the following criteria.

Experience of the firm	25%
Qualifications of the audit team	15%
Duration	10%
Price	50%

## **9. PAYMENT METHOD**

The payment of fees will be made based on progress of deliverables discussed in section 4. Deliverables of this Invitation to Tender and in line with the terms that shall be agreed between Maldives Integrated Tourism Development Corporation (MITDC) and the audit firm in the Contract for the Service (Engagement letter).

All payments will be made in Maldivian Rufiyaa.

#### **8. PRICES**

1. All prices must be quoted in MVR (Maldivian Rufiyaa).
2. There will be no price variation after signing of the contract.
3. Prices must be quoted inclusive of all applicable taxes

#### **9. VALIDITY OF THE BID**

The Bid shall be valid for a minimum period of 30 days from the date of closing this tender.

#### **10. COMPLETION PERIOD**

The completion of external audit and related services shall meet the deliverable deadlines stated in section 4.