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Pension Office

## TERMS OF REFERENCE

### INTERNAL AUDIT SERVICE

#### 1. Background

Maldives Pension Administration Office (Pension Office) is an Independent legal entity established with the key mandate of managing the pension schemes introduced under the Act Number 8/2009 (Maldives Pension Act). Currently managing two major pension schemes, Pension Office is serving a clientele covering the country's workforce, employers, self-employed and senior citizens.

In pursuit of advancing commitment to excellence, the Pension Office is seeking an independent Internal Auditor to systematically and critically assess the various functions and business processes of the Pension Office with the aim of proposing improvements and reinforcing the overall governance mechanisms of the organisation. This encompasses a comprehensive evaluation of risk management strategies and the effectiveness of internal control systems. The Internal Auditor will play a pivotal role in contributing to the ongoing improvement and robustness of the Pension Office's operational framework.

#### 2. Key Objectives

The key objectives to be achieved from this assignment include the following:-

- Evaluate and establish robust controls, risk management, and governance processes within the Pension Office.
- Develop and implement a risk-based audit plan inline with the approval from the Audit Risk and Management Committee (ARMC) of the Pension Office.
- Conduct periodic internal audits of the Pension Office, providing comprehensive findings and recommendations for corrective actions to ensure the continual enhancement and adherence to best practices.
- Enhance the capabilities of the existing Internal Audit function by providing training and coaching to Internal Audit staff.



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### 3. Scope of Work

- The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management processes, system of internal control structure, financial management system and the implementation of the Maldives Pension Act .
- The selected Firm shall perform internal audit in accordance with International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) and include tests and controls, as necessary under the circumstances to ensure transparency and accountability. The Internal Auditor is expected to:
  - Develop Internal Audit Strategy and Internal Audit Charter.
  - Review the existing Internal Audit function and align the function with international standards such as the International Standards for the Professional Practice Framework (IPPF).
  - Present a risk-based internal audit work plan for approval by the ARMC. The plan should encompass a set of predetermined activities while allowing flexibility for ad hoc investigations that may arise throughout the year.
  - Implement the approved risk-based audit work plan, ensuring adherence to the fixed activities and timeline.
  - Review the adequacy of internal compliance with the applicable laws, regulations, policies and procedures, and report to ARMC and Management.
  - Identify and assess the effectiveness of the internal controls implemented in business processes and in the information systems, and provide recommendations for improvement.
  - Conduct special audits required by ARMC and Management.
  - Issue periodic audit reports to ARMC and Management to communicate the results of audits that includes findings and recommendations for corrective action.
  - Assess fraud detection and prevention controls, and provide recommendations for improvement.



- Coordinate with the Management to ensure internal audit recommendations are implemented within an appropriate and agreed timeline.
- Monitor and report to the ARMC on the Management's responsiveness to the findings and recommendations of the audit reports.
- Conduct in-depth analysis of the existing skills and gaps of Internal Audit staff and present a Gap Analysis Report which details required skills and resources.
- Conduct mentorships and coaching programs to enhance the skills and competencies of Internal Audit staff.

#### 4. Deliverables

Based on the scope of work, the selected Firm is required to deliver the following outputs:

- **Inception report** detailing the observations after the initial assessment and propose changes (if any) to the approach and workplan. The report shall present the audit plan for the upcoming 12 months and should be submitted within one month of assuming its duties.
- **Recommendation Report** on the recommendations to align the Internal Audit function with international standards.
- **Monthly Progress Report** detailing progress update in accordance with the approved work plan.
- **Internal Audit Strategy and Internal Audit Charter.**
- **Internal Control Assessment Report.**
- **Audit Reports** as per the agreed timeline set by ARMC.
- **Gap Analysis Report** for enhancing capacity of Internal Audit staff.
- **End-term Review Report** highlighting project success, failures, lessons learnt, and recommendations for continuous development of the Internal Audit function.



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## 5. Duration of Service

The Internal Auditor will be appointed for a period of one (1) year with the possibility of extension.

## 6. Qualifications, Skills and Experience

The qualification and experience requirements are as follows:

- Must be a firm licensed by CA Maldives and 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 Pension Office Board or its staff or have any conflict of interest with the Pension Office.
- Engagement partner practising internal audit must be a certified audit professional, e.g., CIA/Chartered Internal Auditor.
- The firm must have at least three (03) years of experience in conducting internal audits, with a track record of successfully completing internal audit projects for government agencies, public companies, and international organisations.

Additional considerations:

- Substantial experience in performance and compliance auditing with a preference for experience in provision of a similar scope of services.
- The proposed internal audit team should include a Maldivian.

## 7. Proposal

The Technical Proposal shall include the following documents and information:

- Registration Certificate of the firm.
- Profile of the firm.
- Copies of National Identification Card or Passport of team members.
- Professional and academic certificates copies of team members.
- Detailed resume of all team members which demonstrate their expertise and experience in their relevant fields.
- Clearance of criminal records of team members issued by Maldives Police Service.
- Details of similar assignments undertaken previously.



- Reference letters for all relevant projects of similar nature (completed projects only)
- Clearances such as tax clearance

The Financial proposal shall include the following:

- The total fee in Maldivian Rufiyaa (MVR) proposed (including a monthly breakdown) for providing the services specified under this Terms of Reference.

## 8. Evaluation Criteria

### Technical Proposal (60%)

- Technical competency of the team members involved in the consultancy – 30%
  - Team should consist of at least key 3 members and points will be given to 3 key team members and an average will be considered

Membership of an IFAC body	15 points
Fellow membership	20 points
Post Fellowship experience	10 points (years of post fellowship experience/ highest number of years of post fellowship experience)*10

- Experience of the firm in conducting Internal Audit – 30% (experience will be determined based on reference letters)

### Financial Proposal (40%)

Technical Proposals which receive less than 45% will be disqualified, and the accompanying Financial Proposals will be returned unopened to the proposers.

## 9. Pension Compliance

- Interested firms are required to be in compliance with the Maldives Pension Act. The Pension Office reserves the right not to evaluate proposals submitted by service providers who are not in compliance with the Maldives Pension Act.



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- Interested firms shall submit the “Service Provider Information” as per the attached template. The Pension Office reserves the right not to evaluate proposals submitted without this sheet.

## 10. Disqualification

The proposals will be disqualified or excluded from evaluation under the following circumstances.

- Submission of the proposal after the deadline.
- Incomplete or ineligible proposals.
- Submission of incorrect or fraudulent information.

## 11. Submission of Proposals

Technical and Financial Proposals must be submitted separately in sealed envelopes latest by 2:00 p.m. on Thursday, 14th March 2024 and addressed to:

**Maldives Pension Administration Office**  
**8<sup>th</sup> Floor, Allied Building,**  
**Chaandhanee Magu,**  
**Male', Maldives.**

## 12. Queries

If there are any queries regarding this consultancy, please email to:  
**info@pension.gov.mv**

