



## **REQUEST FOR PROPOSAL**

### **Internal Audit Services Design and Implementation of Internal Audit Function**

Issue Date: 10 May 2022

Deadline for Clarification Questions: 24 May 2022

**Deadline for Submission of Proposals: 14 June 2022**

**Note:** Check for changes to this request - Before submitting your proposal, visit the Securities Commission of The Bahamas' website <https://www.scb.gov.bs/the-commission/opportunities/> to see if any Addenda detailing changes have been issued on this RFP. Changes may be posted up until the RFP closing time. It is the Proposer's responsibility to acknowledge and take into account all Addenda.

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## **1. Purpose**

The Securities Commission of The Bahamas (“the Commission”) currently outsources an independent firm to carry out internal audit services and is now seeking to appoint an independent service provider (“the service provider”) to design and implement an internal audit function within the organisation. The service provider will create a plan for and design an integrated internal audit programme to be followed by the Commission’s staff. The service provider will also develop a quality assurance framework for the programme, including review of the adequacy of the governance, risk management, and internal control framework.

## **2. Background**

The Securities Commission of The Bahamas is a statutory body established in 1995 pursuant to the Securities Board Act, 1995. That Act has since been repealed and replaced by new legislation. The Commission’s mandate is now defined in the Securities Industry Act, 2011.

The Commission is responsible for the administration of the Securities Industry Act, 2011 and the Investment Funds Act, 2019, which provide for the supervision and regulation of the activities of the investment funds, securities and the capital markets. The Commission is also responsible for the administration of the Financial and Corporate Service Providers Act, 2020 and the Digital Assets and Registered Exchanges Act, 2020 which provide oversight and regulation of financial and corporate services and digital asset business activities in The Bahamas.

The functions of the Commission are: to advise the Minister on all matters relating to the capital markets and its participants; to maintain surveillance over the capital markets and ensure orderly, fair and equitable dealings in securities; to foster timely, accurate, fair and efficient disclosure of information to the investing public and the capital markets; to protect the integrity of the capital markets against any abuses arising from financial crime, market misconduct and other unfair and improper practices; to promote an understanding by the public of the capital markets and its participants and the benefits, risks, and liabilities associated with investing; to create and promote conditions that facilitate the orderly development of the capital markets; and to perform any other function conferred or imposed on it by securities laws or Parliament (Securities Industry Act, 2011, Section 12).

The Commission has a staff complement of 92 who operate within nine (9) departments, including Administration, Enforcement, Human Resources, Information Technology, Office of the Executive Director, Office of the Financial Controller, Office of Legal Counsel, Risk Analytics and Examinations, and Supervision.

## **3. Terms and Conditions**

Where a firm or company intends to submit a proposal, the requirements and terms, including all instructions, requirements, and specifications, provided in this RFP should be reviewed in their entirety. The Commission shall incur no liability in the case of failure of a proposing firm or company to understand the contents of the RFP.

It is the proposing firm or company's duty to properly understand and examine the RFP and request any clarification or make any reasonable inquiry and satisfy itself as to the completeness and sufficiency of its response.

All reports, communications, materials, information made or developed in connection with the performance of this assignment shall be promptly disclosed to and shall be the sole property of the Commission.

The Commission, in its sole discretion, may modify the requirements, terms and conditions for this RFP.

### **3.1 Rights Reserved**

The Commission issues this Request for Proposal ("RFP") for the design and implementation of an internal audit function within the organisation. Upon reviewing this RFP and standards of eligibility, interested persons are invited to submit Proposals by **14 June 2022**. The Commission reserves the right to extend the dates for submission of any and all responses to this document.

The contents of this RFP are not to be construed as legal, financial, tax or any other advice. No representation or warranty, express or implied, is given by the Commission or any of its officials, officers, employees or advisors as to the accuracy, fairness, sufficiency or completeness of the information, opinions or beliefs contained in this RFP. Each firm, company, or individual that submits a proposal in response to this RFP should conduct their own respective investigations and analysis in relation to the information provided in this RFP, and should obtain independent advice prior to using or relying on any information provided in this RFP and any decision to participate in this opportunity.

The Commission and its officials, officers, employees and advisors are not liable or responsible in any way for any costs, expenses, losses, damages or liabilities incurred in the preparation of a proposal in response to this RFP, including but not limited to costs associated with preparing the submission of its proposals, costs associated with the undertaking of any due diligence, and any other costs associated with this RFP process. Responding firms, companies, or individuals (together "the Proposer") are responsible for all of its own costs incurred during the investigation, submission and evaluation of its proposal, including fees and disbursements of its own counsel, advisors and financing sources.

Responses to this RFP and any acknowledgement of receipt of proposal shall not constitute an obligation on the part of the Commission to award a contract for any services or combination of services. Failure of the Commission to select a contractor by way of this RFP shall not result in any claim whatsoever against the Commission.

The Commission reserves the right, in its sole and absolute discretion, to reject any or all proposals in part or in full, without assigning any reason. The Commission may, at any time, vary the RFP process or abandon the RFP process without assigning any reason thereof and without notice.

This RFP shall be governed by the laws of The Bahamas. Any legal action or proceedings arising out of or in connection with such terms and procedures shall be subject to the exclusive jurisdiction of the courts of The Commonwealth of The Bahamas.

### **3.2 Updates and Addenda**

The Commission may revise, update, amend or supplement this RFP by issuing an addendum. Addenda may be issued prior to the deadline for submission of proposals, for any reason, on the Commission's

own initiative or in response to a request for clarification by a prospective proposer. Addenda will be posted on the Commission's website <https://www.scb.gov.bs/the-commission/opportunities/> and will be clearly marked as such. Proposals that are submitted without consideration for addenda issued may be rejected.

### **3.3 Confidentiality**

The information provided by the Commission in connection with this RFP is for the sole purpose of this solicitation and is to be considered confidential. Any information learned by a Proposer in connection with this solicitation will not be revealed by such Proposer or used for any purpose other than the preparation of their proposal.

### **3.4 Contract Term**

The initial contract period will be for one (1) year. The Commission reserves the right to extend the contract for quality management, including updates, enhancements, and maintenance services.

The resulting contract, should a contract be awarded, will be of no force or effect until signed by both parties. Performance shall not commence until a valid contract has been executed between the successful service provider and the Securities Commission of The Bahamas.

## **4. Schedule of Events and Delivery Instructions**

### **4.1 Schedule of Events**

<b>Event</b>	<b>Due Date</b>
RFP Issue Date	<b>10 May 2022</b>
Deadline for Clarification Questions from Proposers	<b>24 May 2022</b>
Response to Clarification Questions	<b>31 May 2022</b>
Last Day for Submission of Proposals	<b>14 June 2022</b>
Interviews for Shortlisted Proposals	<b>July 2022</b>
Successful Proposer Announced	<b>26 July 2022</b>

Proposals are due and must be received by the Commission on **14 June 2022**. Proposals received after the specified due date will be disqualified from consideration. It is the Proposer's responsibility to ensure delivery to the Commission by the designated time.

The Commission is not responsible for any delivery delays which may cause any proposal to arrive beyond the stated due date and time. To be considered, proposals must be received by the date and time specified.

### **4.2 Submission Instructions**

#### **BY HAND**

All content should be submitted in a sealed package with a clear mark or reference **"Internal Audit RFP 2022: Proposal Enclosed"** to:

Ms. Christina R. Rolle  
Executive Director  
Securities Commission of The Bahamas  
Poinciana House  
North Building, 2<sup>nd</sup> Floor  
31A East Bay Street

There should be no indication of the name of the Proposer on the envelope or within the subject of the email.

#### **BY EMAIL**

The RFP documents may also be submitted in electronic format via email to the following email address: [info@scb.gov.bs](mailto:info@scb.gov.bs) with the subject marked "Internal Audit RFP 2022 – Proposal Enclosed".

### **4.3 RFP Questions and Clarifications**

Proposers with questions or requiring clarification or interpretation of any section within this RFP must address these questions in writing via e-mail. Each question must provide clear reference to the section, page, and item in question.

**Questions should be submitted by end of day 24 May 2022 in writing to:**

Sherinn Munnings at: [smunnings@scb.gov.bs](mailto:smunnings@scb.gov.bs)

Proprietary information of the Commission will not be disclosed until a Proposer is selected. All questions submitted that require the Commission to disclose information related to specifics of in-house information will not be addressed.

The Commission will provide an official written answer to all questions received within the specified period noted in the previous section. The Commission's response may be by formal written addendum. Several questions may be answered in a single addendum. Any formal written addendum will be posted on the Commission's website alongside the original RFP posting.

## **5. Proposal Requirements**

These instructions are provided for general information for the preparation of the proposal and are not part of the documents comprising the proposal or the contract, and are not to be interpreted so as to change any contract provision, condition or specification.

Proposals should be concise and contain the sections described below. Proposals that fail to adhere to or comply with the prescribed format may be excluded from the evaluation process.

The proposal should be submitted in English and must include the following:

- **Proposal Letter**

All proposals must be submitted with a duly signed proposal letter, which should include the signatures of the individual or individuals authorised to legally bind the firm or company ("the authorised person").

#### ▪ **Business Profile and Executive Summary**

The proposal must include an overview of the firm/company i.e. Business profile. The profile must include:

- Type of Business (i.e. Company, Partnership, etc.)
- Date of incorporation/formation;
- Address of registered office;
- Name of key contact person and address for communication (i.e. phone contact and email);
- Business Status; and
- The name and position of key personnel (Partners/Directors/CEO) and team members along with an attachment of their qualifications, including professional licenses or certifications (i.e. Curriculum Vitae).

An Executive Summary of the proposal should also be provided for ease of reference.

#### ▪ **Scope of Work**

The proposing firm or company should respond to all requirements outlined in the requested scope of work in a comprehensive and clear manner. This should include any information or supplemental material that may clearly outline how the scope of work will be approached and how the team will address all requirements specified.

#### ▪ **Proposed Schedule of Work**

The proposal should include a schedule of work with proposed timelines for the specified work period of one year. The schedule should include work to be done by key personnel i.e. Partners, Directors, etc., and other team members, the proposed schedule for submission of progress reports, and follow-up timelines.

#### ▪ **References of Comparable Engagements**

A list of references of similar or comparable engagements should be provided with the proposal. At least three (3) references should be provided and each reference must be clients retained for a minimum of twelve (12) months. A summary of the project and client names and contacts should be provided to enable the Commission to contact references if required.

## **6. Scope of Work**

### **6.1 General Responsibilities**

The independent service provider will assist the Commission to design and implement an internal audit function within the Commission. The service provider will create a plan for and design an integrated internal audit programme to be followed by internal personnel. The service provider will meet with the Audit Committee and Executive Management to discuss the structure and intended design of the internal audit framework. The service provider will be responsible for designing the new framework and developing an Internal Audit Policy and/or Manual to support it. The service provider will also be responsible for development of an integrated annual audit programme and for oversight of the quality assurance programme for the function.

The scope of work does not include conducting an internal audit of the Commission.

## **6.2 Services to be Provided**

The service provider will provide a proposed plan of action to achieve the objectives of the internal audit function.

### Internal Audit Function Design and Implementation

Services and deliverables expected include:

1. Meet with Audit Committee and Executive Management to determine suitable internal audit unit function structure for the Commission.
2. Assist in the development of the Internal Audit Charter.
3. Set objectives and performance measurements for the internal audit function.
4. Review and advise on the quality of the existing internal control framework, including best practice reporting relationships.
5. Conduct an Enterprise Risk Assessment for the Commission
6. Assist management with the development of risk assessment and audit methodology for the organisation, including identification of audit universe.
7. Assist with the evaluation and recruitment of an internal audit team (maximum 3 persons).
8. Develop an internal audit work programme (to be carried out by SCB internal team) to cover all departments within the Commission.
9. Assist SCB internal audit team with the evaluation, acquisition and maintenance of audit tools and technology.
10. Advise on budget needs and resource requirements for development of internal audit function.
11. Advise on competency and/or training requirements for the internal audit function.

### Internal Audit Quality Assurance Services

The service provider will also establish the quality assurance and improvement framework for the internal audit programme. The service provider will enter into an initial one-year contract to provide independent oversight of the quality assurance programme. It is expected that the service provider will:

1. Oversee the development and implementation of Internal Audit policies.
2. Monitor the internal audit activity to ensure effectiveness of the internal audit programme.
3. Provide assurance on compliance with international standards for internal auditing.
4. Oversee the training/development of staff, including selection and administration of training courses.
5. Report to the Audit Committee on quality of the internal audit function and provide recommendations for improvement.
6. Assist internal audit staff in keeping abreast of changes and emerging best practices of the internal auditing profession.

## **6.3 Subcontractors**

If a proposer intends to subcontract some of the work to another company or individual for any reason, the Proposer must identify the work items that they intend on subcontracting, to whom, and



the experience and qualifications of the organisation or individual. The Commission reserves the right to approve all subcontractors.

#### **6.4 Schedule of Work and Expected Deliverables**

The Proposer should present a preliminary work plan outlining key tasks, schedules and anticipated start and completion dates for each deliverable within the scope of work requested.

If selected, the Proposer must develop a final work plan with scheduling of tasks and deliverables in consultation with the Commission and immediately following contract award.

#### **6.5 Reporting and Communication**

The Proposer will report directly to the Audit Committee, functionally, and to the Executive Director, for administrative purposes. It is expected that the selected team will submit periodic progress reports with recommendations on mutually agreed upon dates throughout the engagement period. The Commission may request additional reports over the course of the contract period.

### **7. Pricing Structure and Fees**

Proposers should provide a separate financial proposal outlining all proposed fees and the proposed pricing structure to complete the work effort. The financial proposal should be itemised by expected engagement deliverables and should be inclusive of any ongoing costs.

The Proposer is expected to quote an all- inclusive hourly rate (inclusive of travel and all other overhead expenses), but excluding taxes, which should be included separately. The quoted fees will remain at the time of awarding the contract. The hourly rate and any necessary scope changes will be reviewed by the Commission annually.

The annual contracted fee will be paid on a quarterly basis.

### **8. Evaluation of Proposals**

#### **8.1 Evaluation Process**

The Commission will consider the following factors in the evaluation and selection of proposals.

- Completeness of Proposal;
- Appropriateness of Approach to Engagement and/or Methodology;
- Quality and Depth of Response;
- Qualifications and Experience of Key Personnel;
- Quality of References and Demonstrated Relevant Experience in the Provision of Internal Audit Services;
- Reputation of the Firm or Company;
- Quality of Preliminary Work Plan and Schedule; and
- Pricing and Fee structure.

The Commission reserves the right to evaluate the proposals either by itself and/or in coordination with and/or by engaging any external consultants.

## **8.2 Interviews**

During the evaluation process, the Commission may require a Proposer to make a formal presentation and/or attend a meeting to discuss the proposal with the RFP Evaluation Committee.

## **9. Contract Award**

### **9.1 Basis for Contract Award**

The Commission reserves the right to make no award, make a partial award, make multiple awards, or to award in aggregate or by line item in scope of services as determined by the Commission to be in its best interest, subject to determination that the price proposal is fair, reasonable, and provides the best value to the Commission given the requirements of the project.

The Commission reserves the right to decline, without further comment, any proposal that does not accept the Commission's terms and conditions.

Appointment as a successful contractor shall be subject to the parties agreeing to mutually acceptable contractual terms and conditions. In the event of the parties failing to reach such agreement, the Commission reserves the right to appoint an alternative service provider.

### **9.2 Contract Completion Criteria**

Where a contract results from this RFP, such contract will be considered complete when the Commission has approved and accepted all assigned contract deliverables.

### **9.3 Insurance Coverage**

The selected contractor is to provide professional liability insurance covering the services described in the contract.