



## **REQUEST FOR PROPOSAL**

### **Provision of Internal Audit Services**

#### **Purpose**

The Securities Commission of The Bahamas (“the Commission”) is seeking to appoint an independent service provider as an outsourced Internal Audit function, reporting directly to the Commission’s Audit Committee. The internal auditor will assist the Commission with achieving its objectives by bringing a systematic review and evaluation of the Commission’s operations, the level of compliance with internal policies as well as the efficiency and effectiveness of policies, procedures, practices and overall internal controls within the Commission.

#### **Background**

The Securities Commission of The Bahamas (“the Commission”) 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 That Act has since been repealed and replaced by new legislation.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 (SIA, 2011).

The Commission is responsible for the administration of the SIA, 2011 and the Investment Funds Act, 2003 (the IFA), which provides for the supervision and regulation of the activities of the investment funds, securities and capital markets. The Commission, having been appointed Inspector of Financial and Corporate Services effective 1 January 2008, is also responsible for administering the Financial and Corporate Service Providers Act, 2000.

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

## **Scope of Work**

Internal audits of selected departments within the Commission are to be conducted on a quarterly basis or as directed, in accordance with the standards promulgated by the Institute of Internal Auditors and the International Federation of Accountants. The internal auditor's responsibilities shall include but are not limited to the following:

### **Internal Controls**

- Performing walkthroughs of various operational and control processes. Such processes include the surveillance of market participants, authorization of applications, accounting and financial reporting.
- Evaluating risk exposures, adequacy and effectiveness of controls related to the company's policies, operations, financial reporting and information systems.
- Reviewing the means of safeguarding assets and the existence thereof.
- Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- Assisting management to develop systems for the identification and analysis of major risks on an annual basis.

### **Internal Audits**

- Compiling a three-year risk based rolling internal audit plan for the approval of the Audit Committee.
- Developing a detailed annual plan, to be approved by the Commission every year indicating scope of each internal audit.
- Preparing customized audit programs and executing audit procedures to test the various types of transactions contained within the operational and financial reporting processes.
- Preparing written reports to the Executive Director and to the Audit Committee which accurately summarize audit results and include concisely worded findings, risk assessments and management action plans.
- Discussing audit coverage with management and the Audit Committee.
- Attending Audit Committee meetings when requested and providing feedback on internal audits completed, the management of risks including a regular overview of the control environment.
- Assisting management in developing action plans to improve internal controls and operational efficiency.
- Monitoring management's implementation of action plans developed.

### **External Audits**

- Coordinating areas of coverage with the external auditors and ensuring that each party is not only aware of the other's work but also well briefed on areas of concern.
- Providing assistance to external auditors as requested.

## **Reporting Requirements**

The internal auditor will report directly to the Audit Committee, functionally, and to the Executive Director, for administrative purposes.

## **Information Required of Respondents**

The content of the request for proposal should include:

- Complete contact information for the submitting firm;
- An overview of the firm and a summary of the corporate structure;
- The submitting firm's professional qualifications, role and past experience with comparable projects;
- Proposed fee structure which should clearly set out the cost of providing the required services, together with any other charges;
- A proposed plan of action to achieve the objectives of the internal audit function;
- In so far as possible, an overview of the methodology to be applied to the execution of the internal audit function;
- Any additional information deemed relevant and supportive to the proposal; and any deliverables from the Commission to facilitate your processes.

## **Selection Process**

The Commission will review all proposals. In evaluating proposals, the Commission may consider any factor it deems necessary and proper including but not limited to costs, proposal comprehensiveness, experience, audit methodology, resources and general reputation.

The issuance of this Request for a Proposal does not commit the Commission to award a contract to or pay any costs incurred in the preparation of a proposal, in response to this request. The Commission reserves the right to accept or reject any or all proposals received.

## **Appointment**

The Audit Committee, which operates as a sub-committee of the Board, will make recommendations for the appointment of an internal auditor or independent accounting firm to perform the internal audit services. The contract resulting from this request for proposal will be valid for 3 years subject to renewal by the Audit Committee based on an evaluation of the effectiveness as well as independence and objectivity of the internal auditor. Any contract for internal audit services may be terminated by the internal auditor or by the Board of the Commission, at any time.

## **Confidentiality**

Any information acquired by an internal auditor or other professional advisor to the Commission, the Board and the Audit Committee in the performance of his functions shall be privileged and confidential pursuant to section 28 of the SIA 2011 and section 59 of the IFA 2003 and shall apply to the internal auditor or any such professional advisor.

## **PROPOSAL SUBMISSIONS**

Expressions of interest must be received by Monday 27<sup>th</sup> November 2017. Interest should be communicated to:

Ms. Christina R. Rolle  
Executive Director  
Securities Commission of The Bahamas  
3<sup>rd</sup> Floor Charlotte House  
Shirley & Charlotte Streets  
Tel: (242) 397-4100 / E-mail: info@scb.gov.bs