



TERMS OF REFERENCE

Title of Assignment:	Provision of External Audit Services
Duration:	Estimated 6 weeks
Location:	Remote or Onsite PPIU Office
Start Date (Est)	May 2025
Reporting to:	Head of PACER Plus Implementation Unit

BACKGROUND

The Pacific Agreement on Closer Economic Relations (PACER) Plus (the **Agreement**) is a trade and development Agreement that was signed in 2017, entered into force on 13 December 2020 and ratified by Ten (10) Parties: Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

At the same time as the Agreement was signed, the signatories also signed the Implementing Arrangement for Development and Economic Cooperation under the Pacific Agreement on Closer Economic Relations Plus (the Arrangement). The Arrangement provides, among other things, for: the establishment of the PACER Plus Implementation Unit (PPIU); the PPIU to implement the Agreement and to manage and deliver the five-year Development and Economic Cooperation (DEC) Work Programme described in the Arrangement; and for the PPIU to be co-funded by Australia (A\$19million) and New Zealand (NZ\$7million) for a period of five years.

The Implementing Arrangement for Development and Economic Cooperation and the Memorandum of Arrangement relating to the establishment of the PACER Plus Implementation Unit (PPIU), and its Constitution outlines the mandate and role of the PPIU to support Parties. The PPIU was established in Samoa and have the legal capacity of an international organisation under the law of Samoa. The PPIU is governed by the 'Memorandum of Arrangement relating to the establishment of the PACER Plus Implementation Unit, and its Constitution' (the 'Constitution').

The PPIU is responsible for managing and delivering the PACER Plus Development and Economic Cooperation Work Programme. PPIU executes its mission through the following: technical assistance and capacity building for public and public sector, facilitate the exchange of information and knowledge on PACER Plus and provide advisory and secretariat support to the PACER Plus Joint Committee and Subsidiary Committee

In order to ensure that the funds are used properly for the purpose for which they are intended and accounted for in accordance with PPIU Constitution and under Joint Funding Arrangement it is mandatory for the accounts to be audited by an independent Auditing Firm. PPIU now intends to engage the services of an Auditing Firm to conduct the annual audit of PPIU's financial accounts for the financial year ending 30 June 2025.



OBJECTIVE

The objective of the audit of PPIU's financial statements is to enable the auditors to express an independent professional opinion on the financial performance and financial position of PPIU and to ensure that the funds utilized to PPIU's activities have been used for their intended purposes for the financial year ending 30 June 2025.

SCOPE OF THE AUDIT

The audit will be carried out in accordance with the International Auditing Standards and will include tests and verification procedures as the auditors deem necessary. In conducting the audit, special attention should be paid to the following:

1. Funds have been used in accordance with the established rules and regulations of PPIU and only for the purposes for which the funds were provided.
2. Ensure transactions are properly classified account to Chart of Accounts in accordance with Acquittal Reports provided to Parties.
3. Goods and services financed have been procured in accordance with the PPIU Operations Manual.
4. Appropriate supporting documents, records and books of accounts relating to all activities have been kept.
5. The financial statements have been prepared by PPIU management in accordance with applicable accounting standards and give a true and fair view of the financial position of PPIU and of its receipts and expenditures for the period ended on that date.
6. Assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
7. Express an opinion as to reasonableness of the financial statements in all material respects.
8. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.

Financial Statements

The Financial Statements should include:

- i. A statement of financial position (Balance Sheet)
- ii. A statement of financial performance
- iii. A statement of in net assets/equity
- iv. A cashflow statement
- v. Notes to the financial statements



REPORTING

The auditors will issue an audit opinion on the PPIU Financial Statements (refer to the “Financial Statements” paragraph above for a definition of the statements included therein) to the PACER Plus Budget Committee.

In addition to the audit opinion, the auditor will prepare a "management letter," in which the auditor will:

- give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit.
- identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement.
- examine improvements made to address issue from previous audits
- assess expenditures in terms of value for money and efficiency
- address issues and communicate matters that have come to their attention during the audit which might have a significant impact on the operation of the PPIU.
- Include management's comments in the final management letter.

TIMING AND REPORTING REQUIREMENTS

The audit work is anticipated to be for 6-8 weeks commencement of the audit and completed by September 2025

Activity	Indicative Timeline
Planning Development of a detailed audit plan (including a detailed audit work program)	1 week — Mid May
Fieldwork Information gathering, systems documentation, verification, testing and assessment	3-4 weeks
Exit Meeting Formal debrief to PPIU in Samoa on issues and status at completion of field work including issues and key findings	End of August
Draft Audit Report Adequate time to must be allowed to seek and understand PPIU management comment to the issue	September



QUALIFICATION OF THE AUDIT FIRM

Firms/Auditors seeking to apply should be registered and must have been in operation at least for the last 10 years employ adequate staff with appropriate professional qualification and suitable experience with International Federation of Accountants (IFAC) standards and with experience in auditing the accounts of international or regional organisations with similar registration to PPIU.

METHODOLOGY

The firm should state the methodology/approach of conducting the audits. Upon selection, the firm will be expected to provide a letter of engagement which will also highlight the basis of the auditor's work.

AUDIT FEES

The audit fees will be fixed through a competitive bidding process no more than AUD 20,000.

Application Procedures and Deadline

An Expression of Interest (EOI) based on the Terms of Reference outlined above must be submitted. The EOI must outline the firm's qualifications, references related to the execution of similar contracts, experience in similar areas, or evidence of knowledge and a proposed timeline. The EOI must also include the CVs of the proposed team.

The EOI should be submitted electronically to procurement@pacerplus.org no later than 30 April, 2025, at 12:00PM (Samoa Time)
